

# AwardChoice Financial Reporting™

## RETIREMENT & BENEFIT PLAN SERVICES



A comprehensive, on-demand valuation and reporting application to assist corporations in their efforts to comply with fair value accounting standards established by the Financial Accounting Standards Board (FASB).

Bank of America Merrill Lynch's AwardChoice Financial Reporting™ service is available to assist AwardChoice® full-service recordkeeping clients with the challenges they face in maintaining compliance with ASC 718 (formerly known as SFAS 123(r)), including valuations, expensing and reporting the financial effects of equity-based compensation arrangements. AwardChoice Financial Reporting focuses on compliance, accuracy and flexibility while keeping pace with equity clients' evolving needs.

### Conquering Complexity

AwardChoice Financial Reporting interacts with our AwardChoice platform to provide a suite of clear, concise and auditable reports necessary for basic compliance with ASC 718 — valuations, expense reporting, diluted earnings per share, deferred tax asset and footnote disclosure information. Key features and services include:

### Valuation and Assumption Derivation Assistance

AwardChoice Financial Reporting supports multiple valuation techniques, including the Black-Scholes-Merton valuation model as well as a Hull-White I simple, barrier lattice model<sup>1</sup>. Assumptions needed for calculations within these models can be derived using the available reports or can be inserted in the valuation model directly by the end user.

### Comprehensive Reporting Suite

AwardChoice Financial Reporting provides reports for equity compensation disclosures under Generally Accepted Accounting Principles (US GAAP), including:

- Expense Reporting, including effects of retirement eligibility, modifications under ASC 718, or complex market and/or performance awards
- Deferred Tax Asset Reporting, including adjustments to the APIC credit pool
- Dilutive effects of equity compensation on earnings per share
- Required footnote disclosures of ASC 718
- Compensation Table Reports for executive compensation disclosures

### Integrated Forecasting Module

AwardChoice Financial Reporting users can elect to use our fully integrated forecasting module to produce forward-looking expense and earnings per share reports, using the same algorithms and calculations used in the actual model. In addition, clients can model hypothetical grants (including awards that may not be outstanding under their existing plans) to see what their financial impact will be in future periods.



## Convenient Interface, Available “On-Demand”

AwardChoice Financial Reporting is a web-based application that allows users to run their reports, how they want, when they want. By interfacing directly with the AwardChoice database, transactional data used in your financial calculations is provided directly to AwardChoice Financial Reporting to ensure accurate and timely reporting.

Reporting parameters needed to run financial reports, including forfeiture rates, tax rates and sorting requirements can be input directly within the application user interface. The interface also allows for users to manage expected performance award outcomes without impacting the participant experience through Benefits OnLine® — allowing the client to get what they need while limiting the impact on the award holder.

## Training and Support

AwardChoice Financial Reporting users also have access to a variety of resources and documentation, including user guides, web-based training and webinars on emerging issues in equity compensation. These resources help educate clients and their auditors to understand the methodologies used in the financial reporting application. By providing online access to these resources, users can quickly learn the application and understand how calculations are impacting their results. AwardChoice Financial Reporting is supported by a team of knowledgeable professionals with experience in equity compensation accounting, design and related disciplines. We combine these different perspectives to produce applications that are sophisticated, yet easy to use.

To view the AwardChoice Financial Reporting website, go to <http://www.benefitplans.baml.com/acfr>

To find out more about AwardChoice Financial Reporting services and our full suite of integrated benefits solutions, call Bank of America Merrill Lynch at 1.877.654.3789 or visit our Retirement & Benefit Plan Services website at [www.baml.com/integratedbenefits](http://www.baml.com/integratedbenefits).

<sup>1</sup> Barrier lattice model is available to clients using Valuations Services through the Equity Methods Professional Services Team.

### For Plan Sponsor Use Only.

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Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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AwardChoice Financial Reporting is powered by Equity Analytics, LLC (also known as Equity Methods), an indirect, wholly owned subsidiary of Bank of America Corporation.