

**BofA Securities Europe SA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**SOCIÉTÉ ANONYME WITH SHARE CAPITAL OF EUR 7,976,300,000**

**51 RUE LA BOÉTIE, 75008 PARIS FRANCE  
RCS 842 602 690**

## BofA Securities Europe SA

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**BofA Securities Europe SA**

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**STATEMENT OF ASSETS  
AS AT 31 DECEMBER 2022**

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|  |   | <b>31 December<br/>2022<br/>€M</b> | <b>31 December<br/>2021<br/>€M</b> |
|--|---|------------------------------------|------------------------------------|
| Cash and deposits with the central banks and central clearing houses | 1 | 4,752                              | 3,287                              |
| Government securities and sovereign debt                             | 2 | 7,133                              | 4,030                              |
| Debtors - Receivables from banks                                     | 3 | 7,156                              | 4,461                              |
| Debtors - Receivables from other customers                           | 4 | 18,085                             | 13,750                             |
| Bonds and fixed income securities                                    | 2 | 852                                | 719                                |
| Equity investments and other long-term securities                    | 2 | 4,881                              | 4,625                              |
| Investments in related companies                                     |   | -                                  | -                                  |
| Shares in related companies  |   | -                                  | -                                  |
| Leasing and rent with purchase option                                |   | -                                  | -                                  |
| Rentals  |   | -                                  | -                                  |
| Intangible assets  |   | -                                  | -                                  |
| Tangible assets  |   | -                                  | -                                  |
| Subscribed but unpaid share capital                                  |   | -                                  | -                                  |
| Other assets   | 5 | 23,098                             | 14,401                             |
| Regularisation accounts - receivables                                | 6 | 38,566                             | 24,345                             |
|  |   | <hr/> <b>104,523</b>               | <hr/> <b>69,618</b>                |

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**BofA Securities Europe SA**

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**STATEMENT OF LIABILITIES  
AS AT 31 DECEMBER 2022**

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|   |             | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-------------|-----------------------------|-----------------------------|
|   | <b>Note</b> | <b>€M</b>                   | <b>€M</b>                   |
| Cash on account and deposits from central banks and central clearing houses |             | -                           | -                           |
| Creditors - Payables to banks   | 7           | 1,892                       | 575                         |
| Creditors - Payables to other customers                                     | 8           | 16,173                      | 11,612                      |
| Debts represented by a security   |             | -                           | -                           |
| Other liabilities   | 9           | 34,449                      | 26,262                      |
| Regularisation accounts - payables  | 10          | 43,003                      | 24,002                      |
| Provisions  | 11          | 120                         | 136                         |
| Subordinated debts  | 12          | 924                         | 920                         |
| Fund for general banking risks (FRBG)                                       |             | -                           | -                           |
| <b>Equity excluding FRBG</b>  | 13          | <b>7,962</b>                | <b>6,111</b>                |
| <i>Capital</i>  | 13          | 7,976                       | 6,376                       |
| <i>Share premium</i>  |             | -                           | -                           |
| <i>Reserves</i>   |             | -                           | -                           |
| <i>Revaluation reserve</i>  |             | -                           | -                           |
| <i>Regulated provisions and investment subventions</i>                      |             | -                           | -                           |
| <i>Other reserves</i>   | 13          | (265)                       | (191)                       |
| <i>Profit/(Loss) for the financial period</i>                               | 13          | 251                         | (74)                        |
|   |             | <hr/> <b>104,523</b>        | <hr/> <b>69,618</b>         |

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**BofA Securities Europe SA**

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**STATEMENT OF OFF BALANCE SHEET EXPOSURES  
AS AT 31 DECEMBER 2022**

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|                                 | Note | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|---------------------------------|------|---------------------------|---------------------------|
| <b>Financing commitments</b>    |      | <b>1,688</b>              | <b>882</b>                |
| Received                        |      | 1,688                     | 882                       |
| Given                           |      | -                         | -                         |
| <b>Warranty commitments</b>     |      | -                         | -                         |
| Received                        |      | -                         | -                         |
| Given                           |      | -                         | -                         |
| <b>Underwriting commitments</b> |      | -                         | -                         |
| Received                        |      | -                         | -                         |
| Given                           |      | -                         | -                         |
| <b>Total</b>                    |      | <b>1,688</b>              | <b>882</b>                |

At 31 December 2022 four committed financing facilities have been granted to BofA Securities Europe SA (hereinafter 'the Company') by an affiliate (2021: two committed facilities). The committed facilities represent EUR 2,608 million of financing commitments received (2021: EUR 1,803 million) of which EUR 920 million is drawn (2021: EUR 920.9 million). Committed facilities include three subordinated debt facility (2021: one) with a credit limit of EUR 1,670 million (2021: EUR 920 million) of which EUR 920 million is drawn (2021: 920 million).

The Company has three non-binding loan agreements with affiliates; two as borrower and one as lender (2021: three facilities, two as borrower, one as lender). The total amounts that can be requested under these uncommitted facilities is: EUR 12,423 million in borrowing (2021: EUR 11,699 million) of which EUR 7,266 million is undrawn (2021: EUR 6,823 million). EUR 75 million in lending (2021: EUR 71 million) which is fully undrawn (2021: fully undrawn).

**BofA Securities Europe SA**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|   | Note | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|---|------|---------------------------|---------------------------|
| + Interest and similar income   | 17   | 384                       | 224                       |
| - Interest and similar expenses   | 18   | 458                       | 343                       |
| + Revenues from leasing and related trades                                |      | -                         | -                         |
| - Expenses from leasing and related trades                                |      | -                         | -                         |
| + Revenues from rentals   |      | -                         | -                         |
| - Expenses from rentals   |      | -                         | -                         |
| + Commissions - income  | 19   | 310                       | 418                       |
| - Commissions - expenses  | 19   | 190                       | 176                       |
| +/- Trading gains / (losses)  | 20   | 788                       | 376                       |
| +/- Investment gains / (losses)   | 21   | -                         | -                         |
| + Other banking income  | 22   | 365                       | 269                       |
| - Other banking expenses  | 22   | 325                       | 335                       |
| <b>Net banking income</b>   |      | <b>874</b>                | <b>433</b>                |
| - General operating expenses  | 23   | 580                       | 483                       |
| - Allowances for depreciation and amortisation                            |      | -                         | -                         |
| <b>Net operating result</b>   |      | <b>294</b>                | <b>(50)</b>               |
| +/- Cost of risk  |      | -                         | -                         |
| <b>Total operating result</b>   |      | <b>294</b>                | <b>(50)</b>               |
| +/- Gains / (losses) on fixed assets                                      |      | -                         | -                         |
| <b>Result before tax</b>  |      | <b>294</b>                | <b>(50)</b>               |
| +/- Exceptional gain / (loss)   | 24   | -                         | (16)                      |
| - Corporate Income Tax  | 25   | 43                        | 8                         |
| +/- contributions to / receipts from the General Banking Risk Fund (FRBG) |      | -                         | -                         |
| <b>Net result</b>   | 13   | <b>251</b>                | <b>(74)</b>               |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The following notes form part of these financial statements.

**Duration of the accounting year**

The financial statements have been prepared for the year ended 31 December 2022. Comparative information has been presented for the year ended 31 December 2021.

**Significant changes during the period**

EU Investment Firm Regulation (IFR) and Investment Firm Directive (IFD) require investment firms exceeding a threshold of 30 billion EUR consolidated assets to be re-authorized as credit institutions. On 9th Nov 2022, the Company received notification that the European Central Bank (ECB) approved on 8th Nov 2022 the re-authorization of the Company as a significant credit and investment institution. The starting date for the ECB supervision will be 8th December 2022. This change is for regulatory purposes only and does not entail any modification of the Company contractual obligations vis-à-vis its clients, nor does it change in any way the broker-dealer business activity of the Company.

Changes arising on the financial statements because of its Credit Institution status. The Company is now requested to produce Financial Statements in accordance with Title 1 of the ANC n° 2014-07 guidelines, which include amendments to the ANC n° 2020-10 guidelines. This year financial statements are reflecting the requested changes on the comparative balances (i.e. as of December 2021)

Below is listing all the changes performed on the Financial Statements including notes.

Statement of assets:

Two new items to be added

- "Leasing and rent with purchase option"
- "Rentals"

One presentational change

- The "Settlement accounts – Receivables" are to be reclassified as a sub-section of the "Regularisation accounts – Receivables".

Statement of liabilities:

One item renamed

- The "Provisions for liabilities and charges" item is now requested to be labelled as "Provisions"

One presentational change

- The "Settlement accounts – Payables" are to be reclassified as a sub-section of the "Regularisation accounts – Payable".

Income statement:

Four new items to be added

- "+ Revenues from leasing and related trades"
- "- Expenses from leasing and related trades"
- "+ Revenues from rentals"
- "+ Expenses from rentals"

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Regularisation account – Receivable

Former templates:

Two separate notes: one for “Regularisation account – Receivable” and another for “Settlement account – Receivable”

- Note on “Regularisation account – Receivable”

|                                     | Current Period | Prior Period |
|-------------------------------------|----------------|--------------|
| Linear derivatives                  | -              | -            |
| <i>Foreign exchange contracts</i>   | -              | -            |
| <i>Other underlying instruments</i> | -              | -            |
| Other regularisation accounts       | -              | -            |
| <b>Total</b>                        | -              | -            |

- Note on “Settlement account – Receivable”

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Settlement account - receivables - trades not yet settled | -              | -            |
| Fail to deliver trades                                    | -              | -            |
| <b>Total</b>  | -              | -            |

Current Credit Institution template for “Regularisation account – Receivable”

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Linear derivatives  | -              | -            |
| <i>Foreign exchange contracts</i>                         | -              | -            |
| <i>Other underlying instruments</i>                       | -              | -            |
| Other regularisation accounts                             | -              | -            |
| Settlement account - receivables - trades not yet settled | -              | -            |
| Fail to deliver trades                                    | -              | -            |
| <b>Total</b>  | -              | -            |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Regularisation account – Payable

Former templates:

Two separate notes: one for “Regularisation account – Payable” and another for “Settlement account – Payable”

- Note on “Regularisation account – Payable”

|                                     | Current Period | Prior Period |
|-------------------------------------|----------------|--------------|
| Linear derivatives                  | -              | -            |
| <i>Foreign exchange contracts</i>   | -              | -            |
| <i>Other underlying instruments</i> | -              | -            |
| Other regularisation accounts       | -              | -            |
| <b>Total</b>                        | -              | -            |

- Note on “Settlement account – Payable”

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Settlement account - payables - trades not yet settled | -              | -            |
| Fail to receive trades                                 | -              | -            |
| <b>Total</b>   | -              | -            |

Current Credit Institution template for “Regularisation account – Payable”

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Linear derivatives                                     | -              | -            |
| <i>Foreign exchange contracts</i>                      | -              | -            |
| <i>Other underlying instruments</i>                    | -              | -            |
| Other regularisation accounts                          | -              | -            |
| Settlement account - payables - trades not yet settled | -              | -            |
| Fail to receive trades                                 | -              | -            |
| <b>Total</b>   | -              | -            |

Additional information: As the entity will not be changing its business model, there will be no balances for the below items:

- Balance sheet:
  - “Leasing and rent with purchase option”
  - “Rentals”
- Income statement:
  - “+ Revenues from leasing and related trades”
  - “- Expenses from leasing and related trades”
  - “+ Revenues from rentals”
  - “+ Expenses from rentals”

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Accounting policies and principles**

The financial statements have been prepared in accordance with the ANC n° 2014-07 guidelines (26<sup>th</sup> November 2014) amended by the ANC n°2020-10 guidelines and French accounting principles that apply to Credit Institutions.

The principal accounting policies have been applied consistently throughout the current and prior years.

Trade date and settlement dated transactions:

Sales and purchases of inventory are accounted for following the article 2371-4 of the Regulation ANC 2014-07.

- Funding financial instruments (e.g. securities financing transactions) are recognised and derecognised on the statement of financial position on a settlement date basis.
- Trading Financial Instruments are recognised and derecognised on the statement of financial position on a trade date basis. The Company records securities sales by derecognising the corresponding security from inventory.

Bonds and fixed income securities & Equities other variable income securities

The inventory portfolio is made up of two different securities types:

- Transaction securities:

The securities are recognised / derecognised at their fair value including interest (if any). Acquisition costs are recorded in the Income Statement under “commissions”.

The fair values of long and short inventory positions are primarily determined based on actively traded markets where prices are based on either direct market quotes or observed transactions. The securities are valued daily and the changes in fair value are recorded in “trading gains / (losses)”.

- Placement securities:

The placement securities portfolio was comprised entirely of government securities and sovereign debt for the duration of the period.

The securities are recorded in the “placement” securities portfolio on the trade date at their acquisition price, which includes acquisition costs.

When the purchase price of fixed income securities exceeds the amount to be received at final repayment, the difference is amortised over the residual life of the securities. In the event that the acquisition price of fixed income security is less than the redemption amount, the difference will be crystallised through the income statement over the residual life of the security.

At each reporting date the Company reviews its placement securities portfolio; unrealised losses resulting from differences between the book value and the fair value of each security are taken to “Investment gains / (losses)” and the book value of the affected security is permanently written down. Unrealised gains on similar securities cannot be recognised or used to offset or defer losses from being taken to the income statement.

Repurchase and reverse repurchase transactions:

The Company enters into resale and repurchase agreements and securities borrow and loan transactions to accommodate customers and earn interest rate spreads (also referred to as “matched-book transactions”), to obtain securities for settlement and to finance inventory positions. Resale and repurchase agreements are accounted for at amortised cost as “reverse repurchase agreements with

**NOTES TO THE FINANCIAL STATEMENTS  
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banks" and "reverse repurchase agreements with other customers". All the repurchase transactions are accounted for in accordance with the Regulation ANC 2014-07.

Securities received under reverse repurchase agreements (and securities delivered under repurchase agreements respectively) are not recognised (and derecognised respectively) on the balance sheet because there is a commitment from the lender to repurchase the underlying securities at a fixed price.

The remuneration for these transactions is recorded as "Interest on transactions with credit institutions and customers".

Income on these transactions is accounted for as "interest receivable or payables on securities delivered or received under a reverse repurchase or repurchase agreement" and presented as separate section under note 3, note 4, note 7 & note 8.

#### Securities Lending and Borrowing

Securities lent are derecognised and replaced by a receivable which is initially recorded at (and subsequently revalued to) the same book value as the underlying security.

The securities borrowed are recognised in the securities portfolio only when the agreements provide the borrower the right of re-hypothecation over the securities (as per the French Code *monétaire et financier*, art. L 211-38.III). A payable is also recognised (recorded at the same book value as the securities and accounted for in "other liabilities"). The asset in the securities portfolio and payables in liability in other liabilities in respect of non-cash settled securities borrowed transactions are offset to the extent permitted in accordance with ANC n°2020-10 guidelines.

The income is recognised in Income Statement as an "interest income" on a *pro rata* basis.

The treatment described above applies equally to securities lent or borrowed as collateral and reused.

#### Derivatives:

During the period all derivatives traded by the Company were on the "Organised Market" or over-the-counter ("OTC" as defined by the article 2515-1&2 of the Regulation ANC-2014-07). The Company does not adopt hedge accounting for any derivatives transaction.

For listed derivatives (Organised Markets), valuations are primarily based on direct market quotes or observed transactions. The fair values of derivative assets and liabilities traded in the OTC market are determined using quantitative models that require the use of multiple market inputs, including interest rates, prices, and indices, to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third party pricing services. When third party pricing services are used, the methods and assumptions are reviewed by the Company. The fair value of derivative assets and liabilities include adjustments for market liquidity, counterparty credit quality and other deal specific factors, where appropriate.

In addition, the Company incorporates within its fair value measurements of OTC derivatives a valuation adjustment to the net position.

- For the purposes of assessing the credit risk valuation adjustment ("CVA"), positions are netted by counterparty, and the fair value for net long exposures is adjusted for counterparty credit risk whilst the fair value for net short exposures is adjusted for the Company's own credit risk.
- The Company also incorporates a Funding Valuation Adjustment ("FVA") within its fair value measurements to include funding costs on uncollateralised derivatives and derivatives where the Company is not permitted to use the collateral it receives. An estimate of severity of loss is also used in the determination of fair value, primarily based on market data.
- The Company also incorporates a valuation adjustment to provide for future management costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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At initial recognition, the notional amounts underlying a derivative are recorded “off-balance sheet”.

The Company enters into ISDA master agreements or their equivalent (“master netting agreements”) with its derivative counterparties. These agreements are commonly used to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations. In addition, to reduce the risk of loss, the Company usually requires collateral that is permitted by documentation such a Credit Support Annex to an ISDA.

The premiums paid or received when purchasing or selling options are accounted for on the face of the financial statements in “Other Assets / Other Liabilities”. Differences resulting from changes in the fair value of premiums for options contracts, determined by reference to market pricing, are reflected in income statement (“Trading gains / (losses)”). The corresponding revaluation of the premium is presented on the balance sheet by a reduction to or increase to the “Other Assets / Other Liabilities”.

Derivatives are recorded at fair value, with those that are receivable booked to regularisation receivables accounts and those that are payable booked in regularisation payable accounts. The fair value movements on derivatives (derivatives term instruments) contracts (mainly swaps and futures) are reflected in the income statement (“Trading gains / (losses)”). The corresponding adjustment to the balance sheet is recorded in the relevant Regularisation accounts (“Comptes de régularisation”).

Transactions in foreign currency:

The financial statements have been presented in EUR, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are subsequently re-translated into the functional currency using the exchange rates prevailing at the reporting date. Exchange gains and losses on monetary assets and liabilities are recognised in “Gains / (losses) from foreign exchange transactions”.

Awards of BAC shares to employees

The Company awards Bank of America Corporation (“BAC”) stock-based awards, including restricted stock and restricted stock units (“RSUs”) to its employees as part of the incentive compensation plans. A liability for the cost of compensating BAC for the share issuance and for the corresponding employer taxes is provided for on the balance sheet in “Provisions for Liabilities and Charges” and expensed through “General operating expenses”.

For most awards, the expense is generally recognised proportionately over the vesting period, net of estimated forfeitures. The expense for the share award is adjusted monthly during the vesting period by reference to the market value of the underlying shares and reflects the actual expense when the shares vest.

For awards to employees that meet retirement eligibility criteria, BAC accrues the expense in the period prior to grant. For employees that become retirement eligible during the vesting period, the Company recognises expense from the grant date to the date on which the employee becomes retirement eligible, net of estimated forfeitures.

Tangible and intangible assets

The Company does not have any tangible or intangible assets. The Company is charged rental and occupancy costs for the use of the building under a sub-lease agreement and charged for the use of

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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equipment and other services via service agreements with an affiliate. The resulting expenses are reflected in the line "General operating expenses" in the Income statement

Subordinated debt

Subordinated debt is shown on the face of the Statement of liabilities and comprises drawings on an unsecured subordinated loan note. Subordinated debt falls behind senior debt in priority but ahead of equity in the end of bankruptcy or default.

Accrued but unpaid interest on subordinated debts is recorded in an account of related debts within note 12 Subordinated Debt and subordinated debt expense within note 18 Interest and similar expenses.

Accounting for revenues and expenses

Interest and similar income and expense

Interest and similar income and interest expense comprises interest calculated using the effective interest rate method.

Trading gains / (losses)

Trading gains / (losses) comprises realised and unrealised gains and losses on trading, including dividend income on cash equities. Unrealised gains, which represents changes in fair value of inventories, are recognised within trading revenue as they arise.

Other banking income and Other banking expenses

Included within Other banking income and Other banking expenses are charges made to and from affiliates, to remunerate the Company for services provided or to reimburse the Company for expenditure incurred, are recognised on an accruals basis. This income is generated through the Company's services to the broader BAC group. Service fee income is computed under arm's length principles in accordance with BAC's Global Transfer Pricing Policy.

Commissions

*Investment and brokerage services*

Commissions earned on fulfilling customer orders is recognised on an accrual basis. Commission revenue earned from certain customer equity transactions is recorded gross of related brokerage, clearing and exchange fees.

*Investment banking income*

Investment banking income includes Equity & Debt Capital Market activities. The revenues from these services are recognised when the performance obligations related to the underlying transactions are completed.

General operating expense

*Social Commitments*

At year-end, the Company determines its social commitments. Social commitments include commitments in the event of retirement, sabbatical and long service award. Commitments are determined using the preferential method (projected unit credit methods) for the valuation of defined benefit plans.

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*Sabbatical & Long Service Awards*

These are assessed by an independent actuary, using different assumptions arises from the requirements of IAS 19 whereby the defined benefit obligation (DBO) cost is calculated based on assumptions at the start of the period, and the value of the DBO is calculated based on assumptions at the measurement date and the following major assumptions concerning future developments:

- Discount rate: 3.9%
- Salary increase (excluding inflation): 3.25%
- Inflation rate: 2.25%
- Mortality decrement: French INSEE 2016/2018 (Male / Female)
- Withdrawal decrement:
  - Before age 45: 15%
  - From age 45 to 49: 10%
  - From age 50 to 54: 5%
  - From age 55 to 59: 3%
  - From age 60: 0%

The current estimates of the commitment is provided for and disclosed in note 11 Provisions.

*Retirement Indemnities*

Contrary to above, the Company does not accrue for future retirement indemnity, instead expense for retirement indemnity is taken at the point that an eligible employee retires. No employees retired in the current period.

Retirement Indemnities have been assessed by an independent actuary, taking into account the rules defined by the applicable collective agreement (Financial Markets, IDCC 2931) and the following major assumptions concerning future developments:

- Discount rate: 3.7%
- Salary increase (excluding inflation): 3.25%
- Inflation rate: 2.25%
- Mortality decrement: French INSEE 2016/2018 (Male / Female)
- Withdrawal decrement:
  - Before age 45: 15%
  - From age 45 to 49: 10%
  - From age 50 to 54: 5%
  - From age 55 to 59: 3%
  - From age 60: 0%

The current estimate of the commitment is disclosed in note 11 Provisions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**1 Cash and deposits with the central banks and central clearing houses**

|                        | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|------------------------|---------------------------|---------------------------|
| Due from central banks | 4,752                     | 3,287                     |
| <b>Total</b>           | <b>4,752</b>              | <b>3,287</b>              |

Cash and deposits due from central banks represents the balance on account with the Banque de France EUR 4,752 million (2021: EUR 3,287 million).

**2 Bonds and fixed income securities & Equity investments and other long-term securities**

The securities included in this balance are wholly comprised of listed equity and debt that belong to the “Transaction Portfolio” (Portefeuille de transaction).

The securities held in the “placement” portfolio is comprised of government bonds held for treasury management purposes.

Refer to the accounting policies and principles section “Bonds and fixed income securities & Equities other variable income securities” for accounting treatments for transaction and placement portfolios.

Securities portfolio by type of issuer

31 December 2022

|  | Issued by<br>public bodies<br>€M | Issued by<br>other issuers<br>€M | Total<br>€M   |
|--|----------------------------------|----------------------------------|---------------|
| Transaction Portfolio                                    | 6,874                            | 5,733                            | 12,607        |
| <i>Government securities and sovereign debt</i>          | 6,874                            | -                                | 6,874         |
| <i>Bonds and other fixed income securities</i>           | -                                | 852                              | 852           |
| <i>Equity investments and other long-term securities</i> | -                                | 4,881                            | 4,881         |
| Placement Portfolio                                      | 259                              | -                                | 259           |
| <i>Government securities and sovereign debt</i>          | 259                              | -                                | 259           |
| <b>Total</b>   | <b>7,133</b>                     | <b>5,733</b>                     | <b>12,866</b> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Bonds and fixed income securities & Equity investments and other long-term securities  
(continued)

31 December 2021

|  | Issued by<br>public bodies<br>€M | Issued by<br>other issuers<br>€M | Total<br>€M  |
|--|----------------------------------|----------------------------------|--------------|
| Transaction Portfolio                                    | 3,520                            | 5,344                            | 8,864        |
| <i>Government securities and sovereign debt</i>          | 3,520                            | -                                | 3,520        |
| <i>Bonds and other fixed income securities</i>           | -                                | 719                              | 719          |
| <i>Equity investments and other long-term securities</i> | -                                | 4,625                            | 4,625        |
| Placement Portfolio                                      | 510                              | -                                | 510          |
| <i>Government securities and sovereign debt</i>          | 510                              | -                                | 510          |
| <b>Total</b>   | <b>4,030</b>                     | <b>5,344</b>                     | <b>9,374</b> |

Included in the securities portfolio is EUR 2,767 million of loaned securities (2021: EUR 1,805 million).  
Comprised of:

- Government securities and sovereign debt of EUR 1,892 million (2021: EUR 605 million);
- Equity investments and other long-term securities of EUR 672 million (2021: EUR 1,090 million).
- Bonds and fixed income securities of EUR 203 million (2021: EUR 110 million).

The value of the securities portfolio is after the effect of offsetting EUR 12,209 million (2021: EUR 5,406 million) in non-cash-settled securities borrowed transactions to the extent permitted in accordance with ANC n°2020-10 guidelines.

Interest receivables on the securities portfolio is EUR 67 million (2021: EUR 25 million).

Bonds and other fixed income securities – maturity table

31 December 2022

|   | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more<br>than 5<br>years<br>€M | Total<br>€M |
|---|---------------------------------------|---|---|--|-------------|
| Bonds and other fixed income securities | 501                                   | 182   | 169   | -  | 852         |
| <b>Total</b>                            | <b>501</b>                            | <b>182</b>  | <b>169</b>                                    | <b>-</b>                                   | <b>852</b>  |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Bonds and fixed income securities & Equity investments and other long-term securities  
(continued)

31 December 2021

|   | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M |
|---|---------------------------------------|---|---|---|-------------|
| Bonds and other fixed income securities | 108                                   | 28  | 243   | 340                                     | 719         |
| <b>Total</b>                            | <b>108</b>                            | <b>28</b>   | <b>243</b>                                    | <b>340</b>                              | <b>719</b>  |

3 Debtors - Receivables from banks

|   | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|---|---------------------------|---------------------------|
| Ordinary accounts receivable                              | 1,552                     | 507                       |
| Reverse repurchase agreements with banks                  | 5,603                     | 3,954                     |
| Receivables from reverse repurchase agreements with banks | 1                         | -                         |
| <b>Total</b>  | <b>7,156</b>              | <b>4,461</b>              |

Receivables from banks is comprised of EUR 5,603 million of securities received in relation to reverse repurchase agreements (2021: EUR 3,954 million) and EUR 1,552 million of cash at bank (2021: EUR 507 million).

Reverse repurchase agreement receivables from banks - Maturity table

31 December 2022

|  | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M  |
|--|---------------------------------------|---|---|---|--------------|
| Reverse repurchase agreements with banks | 5,403                                 | 200   | -   | -                                       | 5,603        |
| <b>Total</b>                             | <b>5,403</b>                          | <b>200</b>  | <b>-</b>                                      | <b>-</b>                                | <b>5,603</b> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

3 Debtors - Receivables from banks (continued)

31 December 2021

|   | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more<br>than 5<br>years<br>€M | Total<br>€M  |
|---|---------------------------------------|---|---|--|--------------|
| Reverse repurchase<br>agreements with banks | 3,754                                 | -   | 200   | -  | 3,954        |
| <b>Total</b>                                | <b>3,754</b>                          | <b>-</b>  | <b>200</b>                                    | <b>-</b>                                   | <b>3,954</b> |

4 Debtors - Receivables from other customers

|  | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|--|---------------------------|---------------------------|
| Reverse repurchase agreements with other customers                     | 18,065                    | 13,748                    |
| Receivables from reverse repurchase agreements with<br>other customers | 18                        | 2                         |
| Ordinary accounts  | 2                         | -                         |
| <b>Total</b>   | <b>18,085</b>             | <b>13,750</b>             |

Receivables from other customers is comprised of EUR 18,065 million of securities received in relation to reverse purchase agreements with clients (2021: EUR 13,748 million) and EUR 18 million of interest receivable (2021: EUR 2 million).

Reverse repurchase agreement receivables from other customers - Maturity table

31 December 2022

|   | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M   |
|---|---------------------------------------|---|---|---|---------------|
| Reverse repurchase agreements<br>with other customers | 13,915                                | 893   | 180   | 3,077                                   | 18,065        |
| <b>Total</b>  | <b>13,915</b>                         | <b>893</b>  | <b>180</b>                                    | <b>3,077</b>                            | <b>18,065</b> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Debtors - Receivables from other customers (continued)

31 December 2021

|  | Due in less<br>than 3<br>months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M   |
|--|---------------------------------------|---|---|---|---------------|
| Reverse repurchase<br>agreements with other<br>customers | 12,814                                | 934   | -   | -                                       | 13,748        |
| <b>Total</b>   | <b>12,814</b>                         | <b>934</b>  | <b>-</b>                                      | <b>-</b>                                | <b>13,748</b> |

5 Other assets

|  | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|--|---------------------------|---------------------------|
| Non-linear / Conditional derivatives purchased | 4,879                     | 3,237                     |
| <i>Interest rate option contracts</i>          | 2,360                     | 1,578                     |
| <i>Foreign exchange option contracts</i>       | 878                       | 253                       |
| <i>Other contracts</i>                         | 1,641                     | 1,406                     |
| Margin call cash accounts                      | 15,913                    | 9,885                     |
| Other various debtors                          | 2,306                     | 1,279                     |
| <b>Total</b>                                   | <b>23,098</b>             | <b>14,401</b>             |

Other conditional contracts include equities options and index options totaling EUR 1,321 million (2021: EUR 1,115 million).

Margin call cash accounts includes cash collateral posted for trading purposes.

Other various debtors are largely comprised of balances receivable from affiliates for margin placed with affiliates or intercompany receivables in respect of recharges for intragroup services.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

6 Regularisation accounts - receivables

|   | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|---|---------------------------|---------------------------|
| Linear derivatives  | 35,888                    | 22,193                    |
| <i>Foreign exchange contracts</i>                         | 10,680                    | 5,862                     |
| <i>Other underlying instruments</i>                       | 25,208                    | 16,331                    |
| Other regularisation accounts                             | 71                        | 154                       |
| Settlement account - receivables - trades not yet settled | 1,929                     | 1,676                     |
| Fail to deliver trades                                    | 678                       | 322                       |
| <b>Total</b>  | <b>38,566</b>             | <b>24,345</b>             |

Linear derivatives includes swaps, forwards and futures held at fair value.

Other underlying instruments is primarily comprised of interest rate swaps.

Settlement account – receivables – trades not yet settled represents unsettled amounts due from other brokers and dealers arising from regular-way security sale transactions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Creditors - Payables to banks

|  | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|--|---------------------------|---------------------------|
| Repurchase agreements with banks               | 1,887                     | 575                       |
| Payables from repurchase agreements with banks | 5                         | -                         |
| <b>Total</b>                                   | <b>1,892</b>              | <b>575</b>                |

Repurchase agreements with banks - Maturity table

31 December 2022

|                                  | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and<br>5 years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M  |
|----------------------------------|---------------------------------------|---|---|---|--------------|
| Repurchase agreements with banks | 1,687                                 | 200   | -   | -                                       | 1,887        |
| <b>Total</b>                     | <b>1,687</b>                          | <b>200</b>  | <b>-</b>                                      | <b>-</b>                                | <b>1,887</b> |

31 December 2021

|                                  | Due in<br>less than<br>3 months<br>€M | Due<br>between 3<br>months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M |
|----------------------------------|---------------------------------------|---|---|---|-------------|
| Repurchase agreements with banks | 375                                   | -   | 200   | -                                       | 575         |
| <b>Total</b>                     | <b>375</b>                            | <b>-</b>  | <b>200</b>                                    | <b>-</b>                                | <b>575</b>  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8 Creditors - Payables to other customers**

|  | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|--|---------------------------|---------------------------|
| Repurchase agreements with other customers               | 16,163                    | 11,611                    |
| Payables from repurchase agreements with other customers | 10                        | 1                         |
| <b>Total</b>   | <b>16,173</b>             | <b>11,612</b>             |

Repurchase agreements with other customers - Maturity table

31 December 2022

|   | Due in<br>less than<br>3 months<br>€M | Due between<br>3 months<br>and 12<br>months<br>€M | Due<br>between 1<br>year and<br>5 years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M   |
|---|---------------------------------------|---|---|---|---------------|
| Repurchase agreements with<br>other customers | 15,305                                | -   | 180   | 678                                     | 16,163        |
| <b>Total</b>                                  | <b>15,305</b>                         | <b>-</b>  | <b>180</b>                                    | <b>678</b>                              | <b>16,163</b> |

31 December 2021

|   | Due in<br>less than<br>3 months<br>€M | Due between<br>3 months and<br>12 months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M   |
|---|---------------------------------------|--|---|---|---------------|
| Repurchase agreements with<br>other customers | 10,425                                | 1,186  | -   | -                                       | 11,611        |
| <b>Total</b>                                  | <b>10,425</b>                         | <b>1,186</b>                                   | <b>-</b>                                      | <b>-</b>                                | <b>11,611</b> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

9 Other liabilities

|   | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|---|---------------------------|---------------------------|
| Non-linear / Conditional derivatives sold | 4,973                     | 3,257                     |
| <i>Interest rate option contracts</i>     | 2,396                     | 1,470                     |
| <i>Foreign exchange option contracts</i>  | 894                       | 246                       |
| <i>Other contracts</i>                    | 1,683                     | 1,541                     |
| Short Sales                               | 9,615                     | 9,055                     |
| Financing of securities borrowed          | 453                       | 471                       |
| Cash collateral received on deposit       | 14,060                    | 8,389                     |
| Other various creditors                   | 5,348                     | 5,089                     |
| Other liabilities                         | -                         | 1                         |
| <b>Total</b>                              | <b>34,449</b>             | <b>26,262</b>             |

Short Sales comprises short inventory, comprising:

- short government securities and sovereign debt EUR 7,584 million (2021: EUR 7,240 million),
- short bonds and fixed income securities EUR 685 million (2021: EUR 759 million),
- short equity investments and other long-term securities EUR 1,346 million (2021: EUR 1,056 million),

Other conditional contracts include derivatives on equities options and index options totaling EUR 1,368 million (2021: EUR 1,250 million).

Financing of securities borrowed EUR 453 million (2021: EUR 471 million) represents amounts due to lenders for securities borrowed, the 31 December 2022 balance is after offsetting EUR 13,151 million (2021: EUR 5,692 million) against the corresponding assets in the securities portfolio Note 2 Bonds and fixed income securities & Equity investments and other long-term securities in accordance with ANC n°2020-10.

Other various creditors include EUR 5,154 million drawn down on the uncommitted financing facility from affiliates wholly owned by BAC (2021: EUR 4,887 million). The remaining EUR 194 million represents other amounts payable to affiliates (2021: EUR 203 million).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Regularisation accounts - payables

|  | 31 December<br>2022<br>€M | 31 December<br>2021<br>€M |
|--|---------------------------|---------------------------|
| Linear derivatives                                     | 37,944                    | 22,324                    |
| <i>Foreign exchange contracts</i>                      | 11,569                    | 5,400                     |
| <i>Other underlying instruments</i>                    | 26,375                    | 16,924                    |
| Other regularisation accounts                          | 663                       | 136                       |
| Settlement account - payables - trades not yet settled | 3,805                     | 1,476                     |
| Fail to receive trades                                 | 591                       | 66                        |
| <b>Total</b>   | <b>43,003</b>             | <b>24,002</b>             |

Linear derivatives – other underlying instruments is primarily comprised of interest rate swaps.

Settlement account – payables – trades not yet settled represents unsettled amounts due to other brokers and dealers arising from regular-way security purchase transactions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11 Provisions**

|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-----------------------------|-----------------------------|
|   | €M                          | €M                          |
| Balance at the beginning of the period  | 136                         | 41                          |
| Provisioning in the year                | 56                          | 109                         |
| Reversals in the year                   | (36)                        | (17)                        |
| Exchange Differences                    | (36)                        | 3                           |
| <b>Balance at the end of the period</b> | <b>120</b>                  | <b>136</b>                  |

Provisions for liabilities and charges primarily comprise employee incentive share scheme liabilities and also includes a provision for time saving accounts, sabbatical & long service awards (Jubilee Plan) for:

- Time Saving Accounts Programme for EUR 3.4 million (2021: EUR 0 million),
- Sabbatical Programme for EUR 2.1 million (2021: EUR 0 million),
- Jubilee Plan for EUR 2.1 million (2021: EUR 2.0 million),

Provisions for liabilities and charges does not include a provision for retirement indemnities. The Company calculates its retirement indemnity liabilities as EUR 3.3 million (2021: EUR 4.5 million) on the basis of actuarial assumptions using the Projected Credit Units method. Each year, the Company computes its exposure to future retirement indemnity (based on future discounted salaries) corresponding to the rights acquired by its employees during the accounting period. The calculation is based on assumptions of discount rates, staff turnover rates, salary levels or changes in wages and payroll taxes.

**12 Subordinated debts**

|                   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|-------------------|-----------------------------|-----------------------------|
|                   | €M                          | €M                          |
| Subordinated debt | 920                         | 920                         |
| Accrued Interest  | 4                           | -                           |
| <b>Total</b>      | <b>924</b>                  | <b>920</b>                  |

At 31 December 2022 subordinated loans payable EUR 920 million (2021: 920 million) is comprised of borrowing from an affiliate on a long-term subordinated loan facility. The loan is unsecured, with a fixed term, has a credit limit of 920 million and carries interest at a fixed margin over the ECB's published Euro Short Term Rate ("ESTR").

The loan was drawn down in full on 15 October 2021 and falls for repayment on 31 March 2032. The loan may only be repaid before this date in the event of a winding up or at the Company's request and then, only after at least five years have passed from the date it was drawn down and with the consent of the regulator. This loan falls behind senior debt in priority but ahead of equity in the event of the winding up of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Equity excluding FRBG

Schedule of changes in equity

|                                       | Called up<br>Share<br>Capital | Share<br>Premium | Other<br>Reserves | Profit<br>and Loss<br>Account | Total        |
|---------------------------------------|-------------------------------|------------------|-------------------|-------------------------------|--------------|
|                                       | €M                            | €M               | €M                | €M                            | €M           |
| <b>At 31 December 2020</b>            | <b>5,276</b>                  | -                | <b>(127)</b>      | <b>(64)</b>                   | <b>5,085</b> |
| New shares issued                     | 1,100                         | -                | -                 | -                             | 1,100        |
| 2020 loss allocated to other reserves | -                             | -                | (64)              | 64                            | -            |
| Profit/(Loss) for the period          | -                             | -                | -                 | (74)                          | (74)         |
| <b>At 31 December 2021</b>            | <b>6,376</b>                  | -                | <b>(191)</b>      | <b>(74)</b>                   | <b>6,111</b> |
| New shares issued                     | 1,600                         | -                | -                 | -                             | 1,600        |
| 2021 loss allocated to other reserves | -                             | -                | (74)              | 74                            | -            |
| Profit/(Loss) for the period          | -                             | -                | -                 | 251                           | 251          |
| <b>At 31 December 2022</b>            | <b>7,976</b>                  | -                | <b>(265)</b>      | <b>251</b>                    | <b>7,962</b> |

At 31 December 2022, the Company's issued share capital in the amount of EUR 7,976,300,000 was comprised of 797,630,000 ordinary shares each with a par value of EUR 10 each.

During the period there were two issuances of new shares. All these new shares carry the same rights as the existing shares, were issued to existing shareholders in proportion to their existing holdings, and are fully paid up

- on 12 May 22 the Company issued 90,000,000 new ordinary shares
- on 22 Nov 22 the Company issued 70,000,000 new ordinary shares

Throughout the period and at 31 December 2022 99.90% of the share capital was held by NB Holdings Corporation and the remaining 0.10% of the share capital was held by Merrill Lynch Group Holdings I, L.L.C.

The prior year loss of EUR 74 million was fully allocated to other reserves by resolution of the shareholders following the approval of the 2021 financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14 Balance sheet by currency**

*31 December 2022*

|                            | <b>EUR</b>    | <b>Other<br/>currencies</b> | <b>Total</b>   |
|----------------------------|---------------|-----------------------------|----------------|
|                            | <i>€M</i>     | <i>€M</i>                   | <i>€M</i>      |
| <b>Total Balance Sheet</b> | <b>47,674</b> | <b>56,849</b>               | <b>104,523</b> |

*31 December 2021*

|                            | <b>EUR</b>    | <b>Other<br/>currencies</b> | <b>Total</b>  |
|----------------------------|---------------|-----------------------------|---------------|
|                            | <i>€M</i>     | <i>€M</i>                   | <i>€M</i>     |
| <b>Total Balance Sheet</b> | <b>31,590</b> | <b>38,028</b>               | <b>69,618</b> |

NOTES TO THE FINANCIAL STATEMENTS  
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15 Derivatives notionals by type of market and underlying instruments

Below is a summary of the derivative notionals by type of market, instrument and maturity at the balance sheet date.

31 December 2022

|                               | Due in<br>less than 3<br>months<br>€M | Due<br>between 3<br>months<br>and 12<br>months<br>€M | Due<br>between 1<br>year and 5<br>years<br>€M | Due after<br>more than<br>5 years<br>€M | Total<br>€M      |
|-------------------------------|---------------------------------------|--|---|---|------------------|
| <b>Linear derivatives</b>     | <b>845,354</b>                        | <b>617,092</b>                                       | <b>921,540</b>                                | <b>549,017</b>                          | <b>2,933,003</b> |
| <u>Organised market</u>       | -                                     | -  | -   | -                                       | -                |
| Interest rate contracts       | -                                     | -  | -   | -                                       | -                |
| <u>OTC market</u>             | <b>845,354</b>                        | <b>617,092</b>                                       | <b>921,540</b>                                | <b>549,017</b>                          | <b>2,933,003</b> |
| Interest rate contracts       | 385,707                               | 508,873  | 792,297                                       | 539,076                                 | 2,225,953        |
| Foreign exchange contracts    | 423,382                               | 59,986   | 21,872  | 156                                     | 505,396          |
| Other underlying instruments  | 36,265                                | 48,233   | 107,371                                       | 9,785                                   | 201,654          |
| <b>Non linear derivatives</b> | <b>98,219</b>                         | <b>123,585</b>                                       | <b>169,422</b>                                | <b>60,643</b>                           | <b>451,869</b>   |
| <u>Organised market</u>       | <b>25,264</b>                         | <b>38,374</b>  | <b>22,322</b>                                 | <b>315</b>                              | <b>86,275</b>    |
| Interest rate contracts       | -                                     | -  | -   | -                                       | -                |
| Foreign exchange contracts    | -                                     | -  | -   | -                                       | -                |
| Other underlying instruments  | 25,264                                | 38,374   | 22,322  | 315                                     | 86,275           |
| <u>OTC market</u>             | <b>72,955</b>                         | <b>85,211</b>  | <b>147,100</b>                                | <b>60,328</b>                           | <b>365,594</b>   |
| Interest rate contracts       | 20,337                                | 54,364   | 122,597                                       | 55,820                                  | 253,118          |
| Foreign exchange contracts    | 44,699                                | 16,000   | 6,265   | 949                                     | 67,913           |
| Other underlying instruments  | 7,919                                 | 14,847   | 18,238  | 3,559                                   | 44,563           |
| <b>Total</b>                  | <b>943,573</b>                        | <b>740,677</b>                                       | <b>1,090,962</b>                              | <b>609,660</b>                          | <b>3,384,872</b> |

Total derivatives exposure has increased from EUR 2,367 billion to EUR 3,385 billion in the year.

**NOTES TO THE FINANCIAL STATEMENTS  
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**15 Derivatives notionals by type of market and underlying instruments (continued)**

31 December 2021

|                               | Due in<br>less than<br>3 months<br>€M | Due<br>between<br>3 months<br>and 12<br>months<br>€M | Due<br>between<br>1 year<br>and 5<br>years<br>€M | Due after<br>more<br>than 5<br>years<br>€M | Total<br>€M      |
|-------------------------------|---------------------------------------|--|--|--|------------------|
| <b>Linear derivatives</b>     | <b>710,442</b>                        | <b>319,337</b>                                       | <b>551,498</b>                                   | <b>449,934</b>                             | <b>2,031,211</b> |
| <u>Organised market</u>       | <b>0</b>                              | -  | -  | -  | <b>0</b>         |
| Interest rate contracts       | -                                     | -  | -  | -  | 0                |
| <u>OTC market</u>             | <b>710,442</b>                        | <b>319,337</b>                                       | <b>551,498</b>                                   | <b>449,934</b>                             | <b>2,031,211</b> |
| Interest rate contracts       | 203,499                               | 196,725  | 455,857  | 443,139                                    | 1,299,220        |
| Foreign exchange contracts    | 482,399                               | 73,478   | 20,248   | 337  | 576,462          |
| Other underlying instruments  | 24,544                                | 49,134   | 75,393   | 6,458                                      | 155,529          |
| <b>Non linear derivatives</b> | <b>57,062</b>                         | <b>81,499</b>  | <b>137,205</b>                                   | <b>59,604</b>                              | <b>335,370</b>   |
| <u>Organised market</u>       | <b>19,068</b>                         | <b>32,428</b>  | <b>15,171</b>                                    | <b>0</b>                                   | <b>66,667</b>    |
| Interest rate contracts       | -                                     | -  | -  | -  | -                |
| Foreign exchange contracts    | -                                     | -  | -  | -  | -                |
| Other underlying instruments  | 19,068                                | 32,428   | 15,171   | -  | 66,667           |
| <u>OTC market</u>             | <b>37,994</b>                         | <b>49,071</b>  | <b>122,034</b>                                   | <b>59,604</b>                              | <b>268,703</b>   |
| Interest rate contracts       | 11,286                                | 22,918   | 103,686  | 57,846                                     | 195,736          |
| Foreign exchange contracts    | 22,740                                | 19,429   | 1,627  | 924  | 44,720           |
| Other underlying instruments  | 3,968                                 | 6,724  | 16,721   | 834  | 28,247           |
| <b>Total</b>                  | <b>767,504</b>                        | <b>400,836</b>                                       | <b>688,703</b>                                   | <b>509,538</b>                             | <b>2,366,581</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**16 Derivatives Trading**

The Company enters into International Swaps and Derivatives Association, Inc. ("ISDA") master agreements or their equivalent ("master netting agreements") with its derivative counterparties. Master netting agreements provide protection in bankruptcy in certain circumstances and, in some cases, enable receivables and payables with the same counterparty to be offset for risk management purposes. Agreements are negotiated bilaterally and can require complex terms. The enforceability of master netting agreements under bankruptcy laws in certain countries is not free from doubt, and receivables and payables with counterparties in these countries are accordingly recorded on a gross basis for risk assessment purposes. In addition, to reduce the risk of loss, the Company usually requires collateral that is permitted by documentation such as repurchase agreements or a Credit Support Annex to an ISDA. From an economic standpoint, the Company evaluates risk exposures net of related collateral that meets specified standards.

Breakdown of derivatives notionals and market value by instrument type and underlying:

31 December 2022

|                               | Notional<br>€M   | Derivatives<br>Assets<br>€M | Derivatives<br>Liabilities<br>€M |
|-------------------------------|------------------|-----------------------------|----------------------------------|
| <b>Linear derivatives</b>     | <b>2,933,003</b> | <b>35,888</b>               | <b>37,944</b>                    |
| Foreign exchange contracts    | 505,396          | 10,680                      | 11,569                           |
| Other underlying instruments  | 2,427,607        | 25,208                      | 26,375                           |
| <b>Non linear derivatives</b> | <b>451,869</b>   | <b>4,879</b>                | <b>4,973</b>                     |
| Interest rate contracts       | 253,118          | 2,360                       | 2,396                            |
| Foreign exchange contracts    | 67,913           | 878                         | 894                              |
| Other underlying instruments  | 130,838          | 1,641                       | 1,683                            |
| <b>Total</b>                  | <b>3,384,872</b> | <b>40,767</b>               | <b>42,917</b>                    |

31 December 2021

|                               | Notional<br>€M   | Derivatives<br>Assets<br>€M | Derivatives<br>Liabilities<br>€M |
|-------------------------------|------------------|-----------------------------|----------------------------------|
| <b>Linear derivatives</b>     | <b>2,031,211</b> | <b>22,211</b>               | <b>22,351</b>                    |
| Foreign exchange contracts    | 576,462          | 5,880                       | 5,427                            |
| Other underlying instruments  | 1,454,749        | 16,331                      | 16,924                           |
| <b>Non linear derivatives</b> | <b>335,370</b>   | <b>3,237</b>                | <b>3,257</b>                     |
| Interest rate contracts       | 195,736          | 1,578                       | 1,470                            |
| Foreign exchange contracts    | 44,720           | 253                         | 246                              |
| Other underlying instruments  | 94,914           | 1,406                       | 1,541                            |
| <b>Total</b>                  | <b>2,366,581</b> | <b>25,448</b>               | <b>25,608</b>                    |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**17 Interest and similar income**

|  | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|--|-----------------------------|-----------------------------|
|  | <i>€M</i>                   | <i>€M</i>                   |
| Interest income from customers               | 250                         | 174                         |
| Interest income from fixed income securities | 134                         | 50                          |
|  | <b>384</b>                  | <b>224</b>                  |

**18 Interest and similar expenses**

|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-----------------------------|-----------------------------|
|   | <i>€M</i>                   | <i>€M</i>                   |
| Interest expense from banks                   | 191                         | 180                         |
| Interest expense from customers               | 191                         | 145                         |
| Interest expense from fixed income securities | 69                          | 16                          |
| Other interest expenses                       | -                           | 1                           |
| Interest expense on subordinated debt         | 7                           | 1                           |
|   | <b>458</b>                  | <b>343</b>                  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19 Commissions income and expenses**

|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-----------------------------|-----------------------------|
|   | <i>€M</i>                   | <i>€M</i>                   |
| Income from securities financing transactions   | 50                          | 46                          |
| Underwriting fees                               | 63                          | 129                         |
| Income from the provision of financial services | 197                         | 243                         |
| <b>Commissions - income</b>                     | <b>310</b>                  | <b>418</b>                  |
| Operating expenses                              | 95                          | 97                          |
| Clearing and exchange expenses                  | 95                          | 79                          |
| <b>Commissions - expenses</b>                   | <b>190</b>                  | <b>176</b>                  |

Commissions income and expense primarily relates to brokerage fees arising from the Company's activities in fulfilling client orders for purchases and sales of global equities and traded bonds on global exchanges.

Income from the provision of financial services includes EUR 99 million (2021: EUR 178 million) in respect of debt underwriting and investment banking advisory fees.

Brokerage fees income totals EUR 77 million (2021: EUR 67 million).

Underwriting fees comprises banking fees of EUR 63 million (2021: EUR 129 million).

**20 Trading gains / (losses)**

|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|-----------------------------|-----------------------------|
|   | <i>€M</i>                   | <i>€M</i>                   |
| Gains / (losses) from securities transactions       | 701                         | 904                         |
| Gains / (losses) from derivatives transactions      | 87                          | (555)                       |
| Gains / (losses) from foreign exchange transactions | -                           | 27                          |
|   | <b>788</b>                  | <b>376</b>                  |

This income reflects the performance of the Company's trading businesses. These businesses largely operate through derivative contracts with corporate or institutional investors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21 Investment gains / (losses)**

There are no realised gains or losses on the placement portfolio or any other investments (2021: EUR 0 million).

The placement portfolio has been reviewed for impairment and unrealised losses of EUR 0.1 million (2021: EUR 0.1 million) has been taken to the income statement and the asset impaired.

**22 Other banking income & other banking expenses**

|                                  | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|----------------------------------|-----------------------------|-----------------------------|
|                                  | <i>€M</i>                   | <i>€M</i>                   |
| Other banking operating revenues | 365                         | 269                         |
| <b>Other banking income</b>      | <b>365</b>                  | <b>269</b>                  |
| Other banking operating expenses | 325                         | 335                         |
| <b>Other banking expenses</b>    | <b>325</b>                  | <b>335</b>                  |

Other banking income comprises banking fees of EUR 3 million (2021: EUR 0 million) and intercompany service fee income of EUR 362 million (2021: EUR 269 million)

Other expenses comprises intercompany service fee expenses of EUR 325 million (2021: EUR 335 million).

Intercompany service fee income and expenses include:

- Remote trading service fee income of EUR 187 million (2021: EUR 108 million) and expenses of EUR 179 million (2021: EUR 110 million),
- Sales service fee income of EUR 79 million (2021: EUR 74 million) and expenses of EUR 32 million (2021: EUR 23 million),
- Brokerage service fee income of EUR 92 million (2021: EUR 78 million) and expenses of EUR 30 million (2021: EUR 26 million),
- Banking service fee income of EUR 4 million (2021: EUR 8 million) and expenses of EUR 84 million (2021: EUR 176 million),

This intercompany service fee income / expense is generated through services that the Company provides to and receives from the broader BAC group. Service fee income / expense is computed under arm's length principles in accordance with BAC's Global Transfer Pricing Policy.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**23 General operating expenses**

**Staff Costs**

|                                       | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|---------------------------------------|-----------------------------|-----------------------------|
|                                       | <i>€M</i>                   | <i>€M</i>                   |
| Personnel costs                       | 135                         | 130                         |
| Defined contribution pension expenses | 16                          | 13                          |
| Other social charges                  | 44                          | 60                          |
| Taxes on remuneration                 | -                           | -                           |
| Rights to shares                      | 23                          | 54                          |
| <b>Staff costs</b>                    | <b>218</b>                  | <b>257</b>                  |

Average head count for the period was 392 employees (2021: 340) and there was a total of 415 employees at 31 December 2022 (2021: 355).

Other social charges mainly include social security contributions for employees (mainly URSSAF: Organisations for the Collection of Social Security and Family Benefit Contributions).

**Other administrative charges**

|                                     | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | <i>€M</i>                   | <i>€M</i>                   |
| Tax                                 | 18                          | 18                          |
| External services                   | 45                          | 36                          |
| Other operating expenses            | 299                         | 172                         |
| <b>Other administrative charges</b> | <b>362</b>                  | <b>226</b>                  |

Tax includes irrecoverable VAT, levies for CVAE and C3S and Financial Transactions Taxes.

Other operating expenses includes legal entity shared expenses of EUR 288 million (2021: EUR 161 million). Legal entity shared service expenses relate to the purchase of services from other affiliates in the BAC group. The charges are computed under arm's length principles reflecting the economic contribution of the affiliate in accordance with BAC's Global Transfer Pricing Policy.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**24 Exceptional gain / (loss)**

The Company has started to accrue for employer taxes on employee incentive share scheme liabilities in 2021. The exceptional loss for 2022 is nil (2021: EUR 16 million) represents provisioning related to awards granted in 2019 and 2020 and not vested as at 31 December 2021.

**25 Corporate Income Tax**

After adjustments comprising add backs for certain non-deductible expenses including timing adjustments in relation to employee remuneration and restrictions in relation to the deductibility of interest payments, the Company has tax profits for corporate income tax purposes. However the Company is able to offset brought forward losses against its taxable profits.

The resulting Corporate Income Tax expense for the year is EUR 43 million (2021: EUR 8 million).

**26 Auditor remuneration**

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

*31 December 2022*

|   | <b>BDO</b>  | <b>PwC</b>  | <b>Total</b> |
|---|-------------|-------------|--------------|
|   | <i>€000</i> | <i>€000</i> | <i>€000</i>  |
| Audit of the financial statements for the period ended 31 December 2022 | 340         | 663         | 1,003        |
| Audit of the financial statements for the period ended 31 December 2021 | 3           | 7           | 10           |
| Other services  | 15          | 62          | 77           |
| <b>Total</b>  | <b>358</b>  | <b>732</b>  | <b>1,090</b> |

Included within fees payable to the Company's auditors for other services was EUR 77 thousand in relation to services provided for Client Asset Assurance reporting to the ACPR and AMF (2021: EUR 16 thousand).

*31 December 2021*

|   | <b>BDO</b>  | <b>PwC</b>  | <b>Total</b> |
|---|-------------|-------------|--------------|
|   | <i>€000</i> | <i>€000</i> | <i>€000</i>  |
| Audit of the financial statements for the period ended 31 December 2021 | 304         | 591         | 895          |
| Audit of the financial statements for the period ended 31 December 2020 |             | 150         | 150          |
| Other services  | 15          | 43          | 58           |
| <b>Total</b>  | <b>319</b>  | <b>784</b>  | <b>1,103</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**27 Segmental breakdown**

The Company's results are wholly derived from the Global Banking and Markets business which represents a single class of business. Within Global Banking and Markets, three principal business divisions operate within the Company. The company's business lines include Equity Sales and Trading, Fixed Income, Currencies and Commodities ("FICC") Sales and Trading, and Global Banking.

The Company operates in three geographic regions, being Europe, Middle East and Africa ("EMEA"), the Americas and Asia Pacific ("APAC"). Due to the highly integrated nature of international financial markets, the Company identifies its geographic performance based on the business unit structure used to manage the capital or expense deployed in the region as applicable.

The table below presents the total revenues of the Company by geographic region:

*31 December 2022*

|                               | <b>EMEA</b><br>€M | <b>Americas</b><br>€M | <b>APAC</b><br>€M | <b>Total</b><br>€M |
|-------------------------------|-------------------|-----------------------|-------------------|--------------------|
| + Interest and similar income | 272               | 103                   | 9                 | 384                |
| + Commissions - income        | 276               | 20                    | 14                | 310                |
| +/- Trading gains / (losses)  | 634               | 40                    | 114               | 788                |
| + Other banking income        | 319               | 46                    | -                 | 365                |
| <b>Total</b>                  | <b>1,501</b>      | <b>209</b>            | <b>137</b>        | <b>1,847</b>       |

*31 December 2021*

|                               | <b>EMEA</b><br>€M | <b>Americas</b><br>€M | <b>APAC</b><br>€M | <b>Total</b><br>€M |
|-------------------------------|-------------------|-----------------------|-------------------|--------------------|
| + Interest and similar income | 207               | 16                    | 1                 | 224                |
| + Commissions - income        | 395               | 16                    | 7                 | 418                |
| +/- Trading gains / (losses)  | 303               | 22                    | 51                | 376                |
| + Other banking income        | 205               | 64                    | -                 | 269                |
| <b>Total</b>                  | <b>1,110</b>      | <b>118</b>            | <b>59</b>         | <b>1,287</b>       |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**28 Counterparty risk**

**Credit risk**

Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. Credit risk is created when the Company commits to or enters into, an agreement with a borrower or counterparty. The Company defines credit exposure to a borrower or counterparty as the loss potential arising from loans, leases, derivatives, and other extensions of credit

Credit risk management includes the following processes:

- Credit origination
- Portfolio management
- Loss mitigation activities

As one of Bank of America Corporation's ("BAC") investment firms in the European Union ("EU"), The Company offers a full suite of products across Equity Sales & Trading, Fixed Income Currencies and Commodities ("FICC") Sales & Trading, and Capital Markets, as well as investment research. Traded products account for the majority of the Company's credit risk exposure.

**29 Consolidating entity**

The Company is a wholly owned subsidiary of Bank of America Corporation (headquarters: Bank of America Corporate Center, 100 North Tryon Street, Charlotte, NC 28255), which prepares consolidated financial statements that include the Company. These financial statements present information about the Company as an individual undertaking.

**30 Directors' remuneration**

The executive directors are not specifically remunerated for their social corporate mandate. The allowance paid to non-executive directors amounts to EUR 693,933 (2021: EUR 466,085).

**31 Cash advance granted to directors**

In compliance with French trade code (article L.227-10), no cash advance or loan has been granted to any of the directors (2021: NIL).

**32 Non adjusting subsequent events**

There has been no significant events affecting the Company since the year end which would have impacted the financial position of the Company if retrospectively applied since the year end.

BofASE has no material exposure to Credit Suisse and no exposure to Silicon Valley Bank, two financial institutions which have been acquired during or have failed in March after the finalisation of the accounts..