Bank of America Europe Designated Activity Company

Pillar 3 Disclosure

As at 31 December 2023

Contents

List of Figures and Tables

Glossary

ABS	Asset-Backed Securities
ABSF	Asset Backed Securitisation Finance
AIRB	Advanced IRB
AT1	Additional Tier 1
BAC	Bank of America Corporation
BANA	Bank of America, National Association
BofA Europe	Bank of America Europe Designated Activity Company
BofA Europe AC	BofA Europe Audit Committee
BofA Europe ALCO	BofA Europe Asset and Liability Committee
BofA Europe Board	BofA Europe Board of Directors
BofA Europe BRC	BofA Europe Board Risk Committee
BofA Europe CRC	BofA Europe Credit Risk Committee
BofA Europe MRC	BofA Europe Management Risk Committee
BofA Europe NPC	BofA Europe New Product Committee
BofA Europe ORC	BofA Europe Operational Risk Committee
BofASE	BofA Securities Europe SA
BRC	Board Risk Committee
Capital Resources	BofA Europe's Capital Resources
CBI	Central Bank of Ireland
CCF	Credit conversion factors
CCP	Central Counterparty Clearing Houses
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CDS	Credit Default Swap
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CMBS	Commercial mortgage-backed securitisations
CMR	Contingent Market Risk
COVID-19	2019 novel coronavirus
CQS	Credit Quality Step
CRD	Capital Requirements Directive
CRD IV	Capital Requirements Directive IV
CRD V	Capital Requirements Directive V
CRE	Commercial Real Estate
CRM	Comprehensive Risk Measure
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulations
CRR2	Capital Requirements Regulations 2
CSA	Credit Support Annexes
CVA	Credit Valuation Adjustment
DVA	Debit Valuation Adjustment
EAD	Exposures at default
EaR	Earnings at Risk
EBA	European Banking Authority

EBA Guidelines	"Final Report on the Guidelines on Disclosure Requirements under Part Eight of Regulation (EU) No 575/2013"
ECA	Export Credit Agency
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECL	Expected Credit Loss
ECR	Enterprise Credit Risk
EEA	European Economic Area
EEPE	Effective Expected Positive Exposure
EFR	Enterprise Financial Risk
EHQLA	Extremely High-Quality Liquid Assets
EMEA	Europe, Middle East, and Africa
ESG	Environmental, Social, and Governance
EU	European Union
EU-adopted IFRS	International Financial Reporting Standards that have been adopted in the EU
EVE	Economic Value of Equity
FIRB	Foundation IRB
Fitch	Fitch Ratings, Inc
FLU	Front line unit
FRS	Financial Reporting Standard
FRS 100	Financial Reporting Standard 100 Application of Financial Reporting Requirements
FRS 101	Financial Reporting Standard 101 Reduced Disclosure Framework
FVOCI	Fair Value through Other Comprehensive Income
FX	Foreign exchange
G-SII	Global Systemically Important Institution
GAAP	Generally Accepted Accounting Practices
GCOR	Global Compliance and Operational Risk
GDP	Gross Domestic Product
GMR	Global Markets Risk
GRM	Global Risk Management
HQLA	High-Quality Liquid Assets
HR	Human Resources
IAA	Internal Assessment Approach
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ILAC	Internal Loss Absorbing Capacity
ILST	Internal Liquidity Stress Test
IMA	Internal Models Approach
IMM	Internal Model Method
IMMC	Identify, Measure, Monitor, and Control
iMREL	Internal MREL Requirement
IRC	Incremental Risk Charge
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JST	Joint Supervisory Team
LAS	Liquidity Adequacy Statement
LCR	Liquidity Coverage Ratio

LGD	Loss Given Default
LOB	Line of Business
LRP	Liquidity Risk Policy
Minimum Capital Requirement	Pillar 1 Capital Requirement
Moody’s	Moody's Investors Service, Inc.
MRC	Management Risk Committee
MREL	Minimum Requirements for Own Funds and Eligible Liabilities
M&A	Mergers & Acquisitions
NII + MVC	Net Interest Income and Market Value changes
NMD	Non-maturity deposit
Nominations Committee	BofA Europe Nominations Committee
NPE	Non-Performing Exposure
NPL Ratio	Non-Performing Loans Ratio
NSFR	Net Stable Funding Ratio
OPEC	Organisation of Petroleum Exporting Countries
O-SII	Other Systemically Important Institution
OTC	Over-the-counter
P&L	Profit and Loss
PP&E	Property, plant, and equipment
PSE	Public Sector Entity
QCCP	Qualifying central counterparty
RAS	Risk Appetite Statement
Regulation (EU) 2017/2402	EU Securitisation Regulation
Reputational Risk Committee	EMEA Reputational Risk Committee
Retention Loans	Portfolio of senior mortgage loans
Risk Framework	BAC’s Risk Framework
RWAs	Risk-Weighted Assets
RWEA	Risk-Weighted Exposure Amount
S&P	S&P Global Ratings
SA	Standardised Approach
SA-CCR	Standardised Approach for Counterparty Credit Risk
SEC-ERBA	Securitisation External Ratings-Based Approach
SEC-IRBA	Securitisation IRB Approach
SEC-SA	Securitisation Standardised Approach
SFT	Securities Financing Transaction
SPE	Special Purpose Entity
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SRT	Significant Risk Transfer
SSM	Single Supervisory Mechanism
SSPE	Securitisation Special Purpose Entity
STS	Simple, Transparent and Standardised
TCFD	Bank of America’s Task Force for Climate-related Financial Disclosures
TLAC	Total Loss-Absorbing Capacity
Trading VaR	Value at Risk used for management reporting purposes
TREA	Total Risk Exposure Amount
TSCR	Total SREP Capital Requirement
UK	United Kingdom
UMR	Uncleared Margin Rules

VaR	Value at Risk

Bank of America Europe Designated Activity Company Pillar 3 Disclosure

1. Introduction

As at 31 December 2023

1.1. Overview and Purpose of Document

This document contains the Pillar 3 disclosures as at 31 December 2023 in respect of the capital and risk management of Bank of America Europe Designated Activity Company (“BofA Europe”), an Irish credit institution.

This document provides details on BofA Europe’s available Capital Resources (“Capital Resources”), regulatory defined Pillar 1 Capital Requirements (“Minimum Capital Requirements”) and Total Supervisory Review and Evaluation Process Capital Requirement (“TSCR”) . It demonstrates that BofA Europe has capital resources in excess of these requirements and maintains robust risk management and controls.

To further increase transparency, this document also includes information on BofA Europe’s liquidity position, information on the capital requirements in respect of the Countercyclical Capital Buffer (“CCyB”), and both the minimum requirement for own funds and eligible liabilities (“MREL”) and minimum Internal Total Loss Absorbing Capital (“TLAC”) requirements. BofA Europe has not omitted any information on the basis that is proprietary or confidential, and where information is omitted on the basis that it is not regarded as material, this is noted within this document.

1.1.1. BofA Europe

BofA Europe is a registered credit institution in the Republic of Ireland which is authorised and regulated by the Central Bank of Ireland (“CBI”) and supervised under the Single Supervisory Mechanism (“SSM”) by the European Central Bank (“ECB”). BofA Europe is classified as an Other Systemically Important Institution (“O-SII”). BofA Europe’s Legal Entity Identifier is EQYXK86SF381Q21S3020.

BofA Europe is a wholly owned subsidiary of Bank of America, National Association (“BANA”) and the ultimate parent continues to be Bank of America Corporation (“BAC” and, together with its subsidiaries, "Bank of America" or the“Company”).

BofA Europe is incorporated and domiciled in the Republic of Ireland with branches in United Kingdom, Belgium, France, Germany, Greece, Italy, the Netherlands, Spain, Sweden, and Switzerland, and a Luxembourg branch that is operating since May 2023. These branches operate in addition to its Irish Head Office.

BofA Europe provides a range of financial services and forms part of BAC’s Global Banking and Global Markets operations in the Europe, Middle East, and Africa (“EMEA”) region. Clients principally include large multinational groups, financial institutions, governments, and government entities.

As at 31 December 2023, BofA Europe was rated by Fitch Ratings, Inc (“Fitch”) (AA / F1+) and S&P Global Ratings (“S&P”) (A+ / A-1).

1.1.2. BofA Europe's Capital Position at 31 December 2023

BofA Europe’s Capital Resources consist predominantly of Common Equity Tier 1 (“CET1”) capital. As at 31 December 2023, BofA Europe’s CET1 ratio was 23.84%, which significantly exceeds the regulatory Pillar 1 minimum CET1 requirement of 4.50%, and the reported Leverage Ratio of 13.68% is significantly in excess of the 3.00% regulatory requirement.

Figure 1.1.2.F1. – Summary of BofA Europe's Key Metrics as at 31 December 2023

Total Capital Resources	Total Minimum Capital Required	Excess Capital Resources	CET 1 Capital	Risk Weighted Assets	CET 1 Capital Ratio	Leverage Ratio
€14.8bn	€4.4bn	€10.4bn	€13.0bn	€54.5bn	23.84%	13.68%

Note: All of BofA Europe's Tier 1 capital is CET1, therefore the CET1 Capital Ratio and Tier 1 Capital ratio are the same. Capital resources and ratios reflect the inclusion of 2023 audited retained earnings.

1.2. Basis of Preparation

The Basel Capital Accords provides a series of international standards for bank regulation commonly known, most recently, as Basel III. Basel III was implemented in the European Union through the Capital Requirements Directive and the Capital Requirements Regulation (amended by the Capital Requirements Regulation 2 ("CRR")).

This legislation consists of three pillars. Pillar 1 is defined as "Minimum Capital Requirement," Pillar 2 "Supervisory Review Process," and Pillar 3 "Market Discipline". Pillar 3 aims to promote market discipline through regulatory disclosure requirements. These requirements enable market participants to access key information relating to a bank's regulatory capital and risk exposures in order to increase transparency and confidence about a bank's exposure to risk and overall adequacy of its regulatory capital.

The information contained in these disclosures are in line with the disclosure requirements as laid down in Part Eight of the CRR, including recent amendments, for the purpose of explaining the basis on which BofA Europe has prepared and disclosed certain information about the application of regulatory capital adequacy rules and concepts. It therefore does not constitute any form of financial statement on BofA Europe, or of the wider Enterprise, and as such, is not prepared in accordance with International Financial Reporting Standards ("IFRS") or International Accounting Standards ("IAS"). Therefore the information contained in these Pillar 3 disclosures may not be directly comparable with the Annual Report and Financial Statements, and the disclosure is not required to be audited by external auditors.

In addition, the report does not constitute any form of forward looking record or opinion on BofA Europe. Certain forward looking assumptions, which can represent beliefs and expectations regarding future events and are not guarantees of future results, and involve certain known and unknown risks and uncertainties that are difficult to predict and are often not controllable, may be included within the Disclosures. Actual outcomes and results may differ materially from those expressed in, or implied by, any forward looking assumptions. Undue reliance should not be placed on any forward looking assumptions and should consider the uncertainties and risks discussed in other publicly available disclosures of BofA Europe. Although the Pillar 3 disclosure is intended to provide transparent information on a common basis, the information contained in this document may not be directly comparable with the information provided by other banks.

BofA Europe's financial statements are prepared in accordance with the Companies Act 2014, Financial Reporting Standard ("FRS") 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In accordance with these, it applies the recognition, measurement, and disclosure requirements of IFRS that have been adopted in the EU ("EU-adopted IFRS").

BofA Europe adopted IFRS 9 for the accounting of financial instruments on 1 January 2018. The introduction of the Expected Credit Loss ("ECL") model did not result in a material adjustment to equity as at the date of adoption of IFRS 9. For this reason, BofA Europe is not applying the transitional arrangements for IFRS 9 as specified in Article 473a of the CRR. BofA Europe's own funds, capital and leverage ratios already reflect the full impact of IFRS 9.

Environmental, Social and Governance

BofA Europe is not required to make disclosure of Environmental, Social and Governance ("ESG") risks as laid down in CRR Article 449a as it does not meet the criteria of "large institutions which have issued securities that are admitted to trading on a regulated market of any Member State".

This Pillar 3 disclosure is published on BAC's Investor Relations website: http://investor.bankofamerica.com.

1.2.1. Mapping of Financial Statement Categories with Regulatory Risk Categories

Table 1.2.1.T1. discloses the differences between the scope of accounting consolidation and the scope of prudential consolidation that applies for the purpose of providing the information required in Part Eight of the CRR. It also provides a breakdown of how the carrying values under scope of regulatory consolidation amounts are allocated to the different risk frameworks laid out in Part Three of the CRR. This is split out into the parts subject to credit risk, counterparty credit risk ("CCR"), securitisation risk, market risk, and those parts not subject to capital requirements or deduction from capital. The row headings are consistent with the financial statements. The sum of amounts disclosed in columns (c) to (g) may not equal the amounts disclosed in column (b), as some items may be subject to capital requirements for more than one risk framework.

Assets and liabilities subject to capital requirements for more than one risk framework listed in Part Three of the CRR:

- Certain loans and advances to customers are subject to both credit risk and the securitisation framework
- Certain market and client receivables are subject to credit risk and the CCR framework
- Trading assets are subject to either credit risk (if non-trading book) or the market risk framework (if trading book)
- Certain derivative financial instruments are subject to the CCR, securitisation and market risk framework

There are no differences between the accounting balance sheet and the carrying values included under the scope of the regulatory consolidation of BofA Europe.

Table 1.2.1.T1. shows BofA Europe's accounting balance sheet and breaks down the carrying values of each line item between the relevant regulatory risk framework(s) to which they are allocated. BofA Europe is subject to the requirements of Part Eight of the CRR, on an individual basis, and given that the scope of accounting consolidation and the scope of prudential consolidation are exactly the same, columns (a) and (b) of this template have been merged.

Table 1.2.1.T1. – EU LI1 Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories (€ millions)

		Q4 2023					
		b	c	d	e	f	g
		Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset classes according to the balance sheet in the published financial statements						
1	Cash and balances at central banks	€ 15,513	€ 15,513	€ —	€ —	€ —	€ —
2	Loans and advances to banks	8,007	8,007	—	—	—	—
3	Loans and advances to customers	29,024	17,606	€—	11,417	—	—
4	Reverse repurchase agreements	8,670	—	8,670	—	—	—
5	Market and client receivables	1,291	16	1,270	—	—	5
6	Trading assets	1,224	420	—	—	804	—
7	Investment securities	2,057	2,057	—	—	—	—
8	Derivative financial instruments	2,334	—	2,285	49	2,332	—
9	Property, plant and equipment	37	37	—	—	—	—
10	Right of use asset	81	81	—	—	—	—
11	Other assets	467	467	—	—	—	—
12	**Total assets**	**€ 68,705**	**€ 44,204**	**€ 12,225**	**€ 11,466**	**€ 3,136**	**€ 5**
	Breakdown by liability classes according to the balance sheet in the published financial statements						
1	Deposits by banks	€ 13,957	€ —	€ —	€ —	€ —	€ 13,957
2	Deposits by customers	31,417	—	—	—	—	31,417
3	Debt securities	1,108	—	—	—	—	1,108
4	Market and client payables	767	—	750	—	—	18
5	Derivative financial instruments	3,368	—	3,368	—	3,219	—
6	Financial liabilities designated at fair value	15	—	—	—	—	15
7	Other liabilities	904	—	—	—	—	904
8	Accruals	124	—	—	—	—	124
9	Subordinated liabilities	3,620	—	—	—	—	3,620
10	Retirement benefit obligations	93	—	—	—	—	93
11	**Total liabilities**	**€ 55,374**	**€ —**	**€ 4,118**	**€ —**	**€ 3,219**	**€ 51,256**

Table 1.2.1.T2. – EU LI1 Prior Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories (€ millions)

		Q4 2022						
		a	b	c	d	e	f	g
				Carrying values of items				
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset classes according to the balance sheet in the published financial statements							
1	Cash and balances at central banks	€ 17,638	€ 17,638	€ 17,638	€ —	€ —	€ —	€ —
2	Loans and advances to banks	7,482	7,482	7,482	—	—	—	—
3	Loans and advances to customers	27,980	27,980	18,831	—	9,149	—	—
4	Reverse repurchase agreements	8,736	8,736	—	8,736	—	—	—
5	Market and client receivables	759	759	12	698	—	—	49
6	Trading assets	1,464	1,464	877	—	—	586	—
7	Investment securities	346	346	346	—	—	—	—
8	Derivative financial instruments	2,545	2,545	—	2,518	26	2,679	—
9	Property, plant and equipment	44	44	44	—	—	—	—
10	Right of use asset	97	97	97	—	—	—	—
11	Other assets	538	538	538	—	—	—	—
12	**Total assets**	**€ 67,628**	**€ 67,628**	**€ 45,864**	**€ 11,953**	**€ 9,175**	**€ 3,265**	**€ 49**
	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Deposits by banks	€ 25,343	€ 25,343	€ —	€ —	€ —	€ —	€ 25,343
2	Deposits by customers	19,698	19,698	—	—	—	—	19,698
3	Debt securities	1,000	1,000	—	—	—	—	1,000
4	Market and client payables	923	923	—	608	—		314
5	Derivative financial instruments	3,373	3,373	—	3,373	—	3,294	—
6	Financial liabilities designated at fair value	67	67	—	—	—	—	67
7	Other liabilities	846	846	—	—	—	—	846

		Q4 2022						
		a	b	c	d	e	f	g
				Carrying values of items				
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
8	Accruals	121	121	—	—	—	—	121
9	Subordinated liabilities	3,750	3,750	—	—	—	—	3,750
10	Retirement benefit obligations	95	95	—	—	—	—	95
11	**Total liabilities**	**€ 55,216**	**€ 55,216**	**€ —**	**€ 3,982**	**€ —**	**€ 3,294**	**€ 51,234**

1.2.2. Differences between the Financial Statements' Carrying Value Amounts and the Exposure Amounts used for Regulatory Purposes (EU LIA)

Table 1.2.2.T1. discloses the main sources of differences between the financial statements' carrying value amounts under the regulatory scope of consolidation and the exposure amounts used for regulatory purposes.

Table 1.2.2.T1. – EU LI2 Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements (€ millions)

		Q4 2023				
		a	b	c	d	e
			Items subject to			
		Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	€ 68,700	€ 44,204	€ 11,466	€ 12,225	€ 3,136
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	(4,118)	—	—	(4,118)	(3,219)
3	Total net amount under the scope of prudential consolidation	64,582	44,204	11,466	8,107	(83)
4	Off-balance-sheet amounts	45,505	43,564	1,942	—	
5	Differences in valuations	(350)	(350)	—	—	
6	Differences due to different netting rules, other than those already included in row 2	(9,524)	(3,825)	(13)	(5,686)	
7	Differences due to consideration of provisions	(224)	(224)	—	—	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	—	—	—	—	
9	Differences due to credit conversion factors	(23,372)	(23,372)	—	—	
10	Differences due to Securitisation with risk transfer	—	—	—	—	
11	Other differences	1,671	194	13	1,464	
12	**Exposure amounts considered for regulatory purposes**	**€ 78,289**	**€ 60,191**	**€ 13,408**	**€ 3,885**	**€ (83)**

Table 1.2.2.T2. – EU LI2 Prior Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements (€ millions)

		Q4 2022				
		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	€ 67,579	€ 45,864	€ 9,175	€ 11,953	€ 3,265
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	(3,982)	—	—	(3,982)	(3,294)
3	Total net amount under the scope of prudential consolidation	63,597	45,864	9,175	7,971	(29)
4	Off-balance-sheet amounts	42,926	41,713	1,213	—	
5	*Differences in valuations*	(248)	(248)	—	—	
6	*Differences due to different netting rules, other than those already included in row 2*	(9,494)	(3,155)	(3)	(6,336)	
7	*Differences due to consideration of provisions*	(190)	(190)	—	—	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	—	—	—	—	
9	*Differences due to credit conversion factors*	(22,437)	(22,437)	—	—	
10	*Differences due to Securitisation with risk transfer*	—	—	—	—	
11	*Other differences*	1,408	157	3	1,248	
12	**Exposure amounts considered for regulatory purposes**	**€ 75,562**	**€ 61,704**	**€ 10,388**	**€ 2,883**	**€ (29)**

Explanations of Differences between Accounting and Regulatory Exposure Amounts

The summary below highlights key types of differences between the accounting and regulatory exposure amounts as shown in the reconciliation above.

Difference Due to Netting Rules

In accordance with Irish Companies Law and the IFRS, financial assets and liabilities are offset and the net amount reported on the balance sheet where BofA Europe currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Under the regulatory framework, netting is applied for the calculation of exposures where it is legally effective and enforceable. This results in more netting being recognised under the regulatory framework than under the accounting framework.

Collateral received or provided in the form of securities (debt and equity instruments) related to securities financing transactions are not shown on the balance sheet, but are netted with the balance sheet carrying value for the calculation of regulatory exposure amounts.

Differences Due to Consideration of Provisions

Re-integration in the exposure value of credit risk adjustments (as defined in the Commission Delegated Regulation (EU) 183/2014) that have been deducted from the carrying amount of exposures on the balance sheet.

Differences Due to Credit Conversion Factors

Instruments not on the balance sheet, such as guarantees and commitments, are considered as exposures for the calculation of regulatory capital requirements.

In line item "Off-balance sheet amounts", the amounts shown relate to exposures pre-credit conversion factors ("CCF"). In line item "Differences due to CCF" states the impact on exposures of the application of CCF.

Other Differences

Differences Due to Potential Future Credit Exposure

In CCR, differences arise between accounting carrying values and regulatory exposure as a result of the addition of potential future credit exposure for derivative contracts under the Standardised Approach for Counterparty Credit Risk (“SA-CCR”).

Differences in Valuations

Where assets or liabilities are measured at fair value on the balance sheet, valuation adjustments are made in accordance with Irish Companies Law and IFRS in order to reasonably reflect the fair value.

These valuation adjustments are not considered as part of the regulatory exposure amounts, where the values of the contracts or securities under the SA-CCR are used as the basis for the calculation.

Further details on valuation methodologies, the process of independent price verification, and valuation adjustments are described below.

Valuation Methodologies and Independent Price Verification

BofA Europe has various processes and controls in place so that fair value is reasonably estimated. A model validation policy governs the use and control of valuation models used to estimate fair value. This policy requires review and approval of models by personnel who are independent of the front office and periodic reassessments of models so that the models are continuing to perform as designed. In addition, detailed reviews of trading gains and losses are conducted on a daily basis by personnel who are independent of the front office.

A price verification group, which is part of the CFO group, which is also independent of the front office, utilises available market information including executed trades, market prices, and market observable valuation model inputs so that fair values are reasonably estimated. BofA Europe performs due diligence procedures over third-party pricing service providers in order to support their use in the valuation process. Where market information is not available to support internal valuations, independent reviews of the valuations are performed and any material exposures are escalated through a management review process.

Credit valuation adjustment (“CVA”) is calculated on BofA Europe’s derivative assets in order to properly reflect the credit risk of the counterparty. CVA is based on a modelled expected exposure that incorporates current market risk factors including changes in market spreads and non-credit related market factors that affect the value of a derivative. The exposure also takes into consideration credit mitigants such as legally enforceable master netting agreements and collateral. BofA Europe also records a funding valuation adjustment to include funding costs on uncollateralised derivatives and derivatives where the BofA Europe is not permitted to reuse the collateral it receives. BofA Europe also calculates a debit valuation adjustment (“DVA”) to properly reflect its own credit risk exposure as part of the fair value of derivative liabilities. DVA is deducted from CET1 capital if there is a gain and added back if there is a loss.

The amounts of collateral used as Credit Risk Mitigation (“CRM”) under the regulatory framework reflect supervisory volatility adjustments.

1.2.2.1. Prudential Valuation Adjustment

Prudential valuation adjustment is deducted from BofA Europe’s Tier 1 Capital Resources. There is an established valuation control policy, valuation control guidance, and prudent valuation guidelines which set out the policies and procedures for the determination of price verification, and prudent valuation in accordance with the requirements of CRD IV, as amended by CRD V, and related interpretive guidance.

Table 1.2.2.1.T1. – EU PV1 Prudent Valuation Adjustments (€ millions)

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk Category					Category Level AVA - Valuation Uncertainty				
	Category Level AVA	Equity	Interest rates	Foreign Exchange	Credit	Commodities	Unearned Credit AVA	Investment and Funding Costs AVA	Total Category Level Post-Diversification	Of which: Total Core Approach in the Trading Book	Of which: Total Core Approach in the Banking Book
1	Market price uncertainty	€ —	€ 2	€ 0	€ 191	€ —	€ 1	€ 10	€ 103	€ 19	€ 84
2	*Not applicable*										
3	Close-out cost	—	1	0	1	—	0	1	1	1	1
4	Concentrated positions	—	0	—	3	—	—	—	3	—	3
5	Early termination	—	—	—	—	—	—	—	—	—	—
6	Model risk	—	—	—	—	—	2	—	1	—	1
7	Operational risk	—	1	0	10	—			10	2	8
8	*Not applicable*										
9	*Not applicable*										
10	Future administrative costs	—	—	—	—	—	—	—	—	—	—
11	*Not applicable*										
12	**Total Additional Valuation Adjustments (AVAs)**								**€ 118**	**€ 22**	**€ 97**

1.3. Disclosure Policy

In accordance with Article 431(3) of the CRR, as amended by CRR 2, the management body of BofA Europe has adopted a formal policy to comply with the disclosure requirements included in Part Eight of the CRR. The BofA Europe Pillar 3 Disclosure Policy sets out the internal processes, systems and controls used to verify that the disclosures are appropriate and in compliance with regulatory requirements, and that the disclosures convey BofA Europe’s risk profile comprehensively to market participants.

Article 431(3) also requires that at least one member of the management body or senior management shall attest in writing that the disclosures required under Part Eight have been made in accordance with the policy and associated internal processes, systems and controls. The written attestation is included below:

Senior Management Attestation

"I attest that the disclosures provided in the BofA Europe 2023 year-end Pillar 3 disclosure have been prepared in accordance with the internal processes, systems and controls detailed in the BofA Europe Pillar 3 Disclosure Policy, which has been approved by the BofA Europe Board."

The BofA Europe Pillar 3 Disclosures have been attested by:

BofA Europe Chief Financial Officer and Executive Director

Jonathan Lee

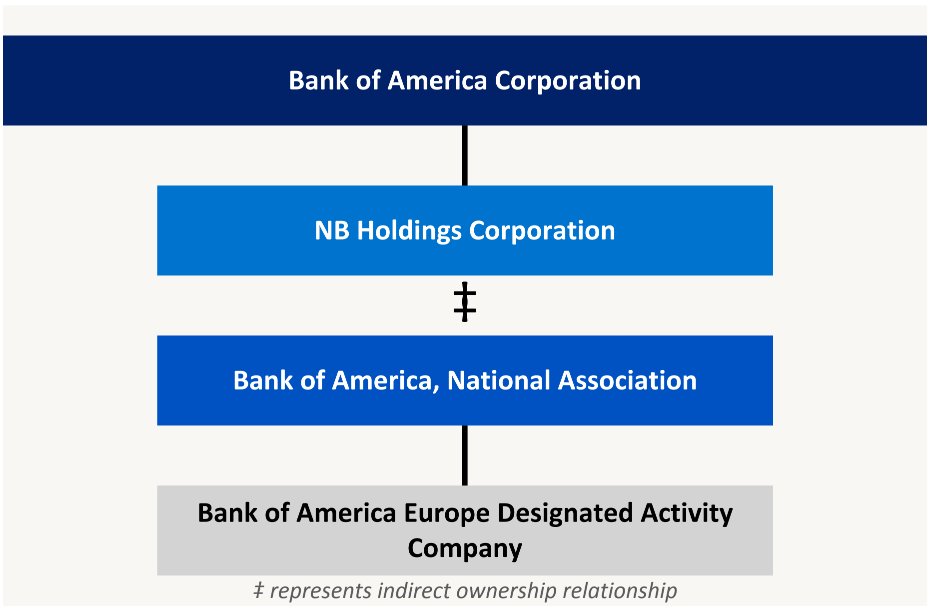
BofA Europe Chief Risk Officer

Jan Przewozniak

1.4. Operation, Structure, and Organisation

BofA Europe has the ability to conduct business with international clients and to trade throughout the European Economic Area ("EEA") and other key markets within the EMEA region. As well as providing financial services, during the year BofA Europe also provided support services to other companies within BAC in the EMEA region. Services provided included Information Technology ("IT") and operations support, administration and Human Resources ("HR") support, and real estate services.

Figure 1.4.F1. – High-Level Ownership Chart



Bank of America Europe
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2. Capital Resources and Minimum Capital Requirement
As at 31 December 2023

2.1. Capital Resources

2.1.1. Summary of 2023 Capital Resources

Capital Resources represent the amount of regulatory capital available to an entity in order to cover all risks. Defined under CRR, Capital Resources are designated into two tiers, Tier 1 and Tier 2. Tier 1 capital consists of CET 1 and Additional Tier 1 (“AT1”). CET1 is the highest quality of capital and typically represents equity and reserves; AT1 usually represents contingent convertibles, and Tier 2 capital typically consists of subordinated and hybrid debt capital instruments.

The capital resources of BofA Europe are set out in Table 2.1.2.T1.

BofA Europe's Capital Resources of €14.8 billion (2022: €13.8 billion) consist of Tier 1 and Tier 2 capital. All of BofA Europe’s Tier 1 capital is made up of CET1, and Tier 2 capital is comprised of subordinated debt.

2.1.2. Key Movements in 2023

Table 2.1.2.T1. – Capital Resources (€ millions)

	Q4 2023	Q4 2022
Ordinary Share Capital	€ 26	€ 26
Share Premium	7,383	7,383
Other Equity	1,133	1,550
Accumulated Other Comprehensive Income	(1)	6
Profit and Loss Account	4,790	3,446
CET1 Regulatory Adjustments	(349)	(437)
Tier 1 Capital	**€ 12,982**	**€ 11,974**
Additional Tier 1 Capital	**€ —**	**€ —**
Tier 2 Capital	**€ 1,810**	**€ 1,875**
Total Capital Resources	**€ 14,792**	**€ 13,849**

BofA Europe's Capital Resources increased by +€0.9 billion during 2023, primarily driven by an increase in Profit.

2.1.3. Transferability of Capital within the BAC Group (EU LIB)

Capital Resources are satisfied by sourcing capital either directly from BAC or from other affiliates. There are no material, current or foreseen, practical, or legal impediments to the prompt transfer of Capital Resources or repayment of liabilities, subject to applicable regulatory requirements.

BofA Europe does not have any subsidiaries. BofA Europe does not apply any derogations under Article 7 of the CRR “Derogation to the application of prudential requirements on an individual basis”, and Article 9 of the CRR “Individual consolidation method”.

2.2. Capital Requirements and RWAs

2.2.1. Summary of 2023 Capital Requirement

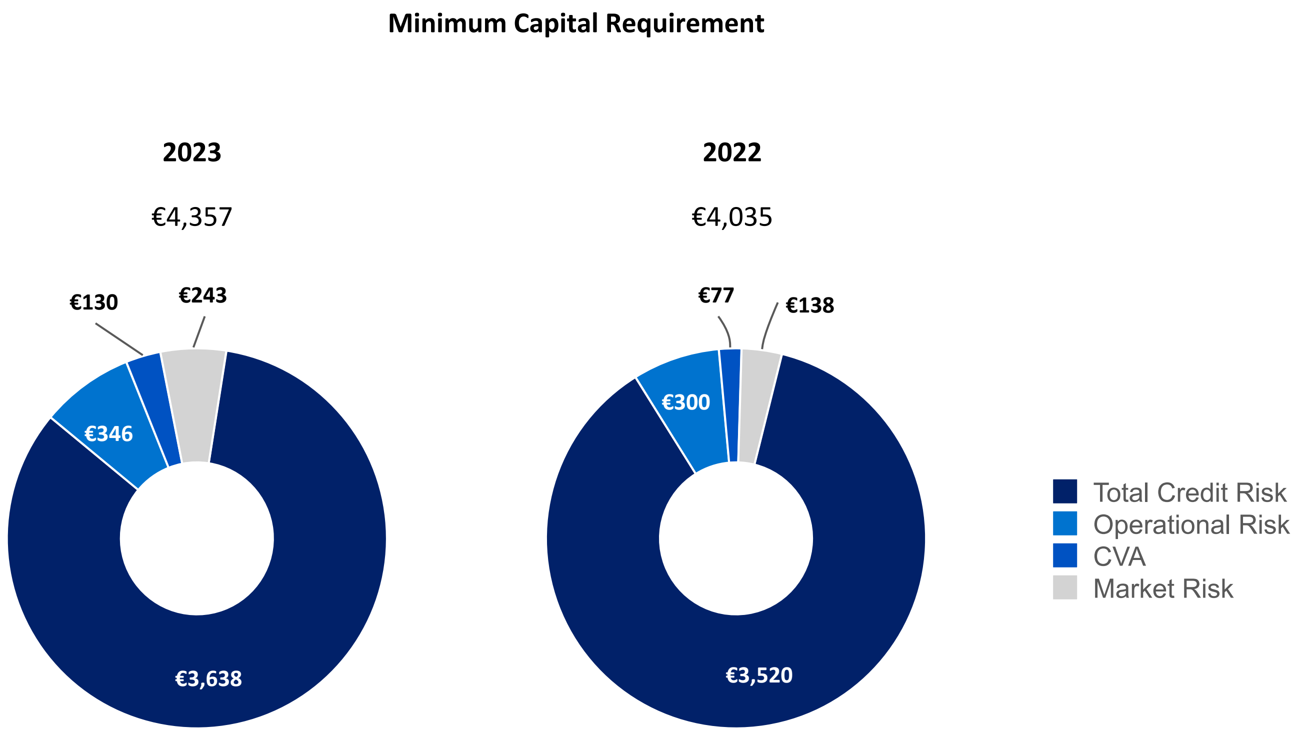
Risk-weighted assets (“RWAs”) reflect both on- and off-balance sheet risk, as well as capital charges attributable to the risk of loss arising from the following:

- CCR refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations. Credit and counterparty credit capital requirements are derived from RWAs, determined using the Standardised Approach for exposures

- CVA is a capital adjustment that covers the risk of mark-to-market losses on the counterparty risk of over-the-counter ("OTC") derivatives. It is calculated using standardised approach
- Settlement risk refers to the capital requirement that covers the risk due to the possibility that a counterparty will fail to deliver on the terms of a contract at the agreed-upon time
- Securitisations exposures are transactions or schemes, whereby the credit risk associated with an exposure or pool of exposures is tranched. Payments in the transactions or schemes are dependent upon the performance of the exposure or pool of exposures and the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme
- Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, implied volatilities (the price volatility of the underlying instrument imputed from option prices), correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio. The market risk capital requirements comprise of capital associated with the Standardised Approach
- Operational risk refers to the risk of loss, resulting from inadequate or failed internal processes or systems, people or external events. Capital requirements for operational risk are calculated under the standardised approach

The Minimum Capital Requirement as presented in Figure 2.2.1.F1 principally comprises of credit risk, CVA, market risk, and operational risk requirements. At 31 December 2023, BofA Europe had a Minimum Capital Requirement of €4.4 billion (2022: €4.0 billion) comprising of the risk requirements outlined in Figure 2.2.1.F1. BofA Europe is also required to hold capital in addition to the Minimum Capital Requirements to meet CBI and ECB obligations and capital buffers.

Figure 2.2.1.F1. – Summary of BofA Europe's Minimum Capital Requirement (€ millions)



2.2.1.1. Use of the Standardised Approach (EU CRD)

BofA Europe has adopted the standardised approach for calculating counterparty credit risk, credit risk, market risk, and operational risk capital requirements. In order to adhere to the standardised rules set out in the CRR, BofA Europe uses ratings from External Credit Assessment Institutions ("ECAIs") including Moody's Investors Service, Inc. ("Moody's"), S&P, and Fitch. ECAI ratings are used for all relevant exposure classes and BofA Europe complies with the standard association for mapping of external ratings of each nominated ECAI with the credit quality steps, which is published by the European Banking Authority ("EBA").

BofA Europe does not use Export Credit Agencies ("ECAs"). There have been no changes relating to the use of ECAIs or ECAs during the reporting period.

BofA Europe applies the following rules governing standardised credit risk calculations summarised in Table2.2.1.1.T1. and Table 2.2.1.1.T2. All trading and non-trading book exposures must be assigned to one of six quality steps if a rating is available. After assignment to a credit quality step, exposure class and maturity are then used to determine the risk weighted exposures. Exposures for which a credit assessment is not available should be assigned a 100 % risk weight or the risk weight of exposures to the central government of the jurisdiction in which the corporate is incorporated, whichever is the higher.

Table 2.2.1.1.T1. presents a simplified version of the mapping between external ratings and credit quality steps.

Table 2.2.1.1.T1. – Relationship of Long-Term External Ratings to Credit Quality Steps under the Standardised approach

Credit Quality Step	Fitch's Assessments	Moody's Assessments	S&P Assessments
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below

Table 2.2.1.1.T2. shows risk weights associated with credit quality steps.

Table 2.2.1.1.T2. – Credit Quality Steps and Risk Weights under the Standardised Approach

Credit Quality Step	Corporate	Institution (includes Banks)			Central Governments or Central Banks
		Sovereign Method	Credit Assessment Method		
			Maturity > 3 Months	Maturity 3 Months or Less	
1	20 %	20 %	20 %	20 %	0%
2	50 %	50 %	50 %	20 %	20 %
3	100 %	100 %	50 %	20 %	50 %
4	100 %	100 %	100 %	50 %	100 %
5	150 %	100 %	100 %	50 %	100 %
6	150 %	150 %	150 %	150 %	150 %

2.2.2. Key Movements in 2023

BofA Europe's Pillar 1 Minimum Capital Requirement increased to €4.4 billion in 2023 from €4.0 billion in 2022. This was primarily driven by Credit Risk which increased by €0.3 billion as a result of an increase in requirement across Corporate Counterparties.

Table 2.2.2.T1. discloses RWAs and regulatory capital requirements broken down by risk types and model approaches compared to the previous comparable quarter-end in the prior year.

Table 2.2.2.T1. – EU OV1 Overview of total risk exposure amounts (€ millions)

		Total risk exposure amounts ("TREA")		Total own funds requirements
		a	b	c
		Q4 2023	Q4 2022	Q4 2023
1	Credit risk (excluding CCR)	€ 36,626	€ 38,291	€ 2,930
2	Of which the standardised approach	36,626	38,291	2,930
3	Of which the Foundation IRB (F-IRB) approach	—	—	—
4	Of which: slotting approach	—	—	—
4a	Of which: equities under the simple risk-weighted approach	—	—	—
5	Of which the Advanced IRB (A-IRB) approach	—	—	—
6	Counterparty credit risk- CCR [1]	4,231	2,780	338
7	Of which the standardised approach	2,366	1,407	189
8	Of which internal model method ("IMM")	—	—	—
EU8a	Of which exposures to a CCP	18	15	1
EU 8b	Of which credit valuation adjustment - CVA	1,620	968	130
9	Of which other CCR	227	390	18
10	Not applicable	—	—	—
11	Not applicable	—	—	—
12	Not applicable	—	—	—
13	Not applicable	—	—	—
14	Not applicable	—	—	—
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	6,239	3,901	499
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	126	125	10
19	Of which SEC-SA approach	6,113	3,776	489
EU 19a	Of which 1250% deduction	—	—	—
20	Position, foreign exchange and commodities risks (Market risk)	3,041	1,719	243
21	Of which the standardised approach	3,041	1,719	243
22	Of which IMA	—	—	—
EU22a	Large exposures	—	—	—
23	Operational risk	4,325	3,756	346
23a	Of which basic indicator approach	—	—	—
23b	Of which standardised approach	4,325	3,756	346
23c	Of which advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	174	36	14
25	Not applicable	—	—	—
26	Not applicable	—	—	—
27	Not applicable	—	—	—
28	Not applicable	—	—	—
29	**Total**	**€ 54,462**	**€ 50,447**	**€ 4,357**

BofA Europe’s 4th Quarter 2023 Total Risk Exposure Amount (“TREA”) increased by €4.0 billion to €54.5 billion (4th Quarter 2022: €50.4 billion) primarily driven by an increase in corporate exposures.

2.3. Capital Summary

2.3.1. Capital Position and Capital Ratio

BofA Europe's Capital Resources are in excess of its Pillar 1 Minimum Capital Requirements by €10.4 billion (4th Quarter 2022: €9.8 billion). Table 2.3.1.T1. outlines Capital Surplus over Minimum Capital Requirement and Tier 1 Ratio.

BofA Europe’s capital position is monitored and analysed on a weekly basis. BofA Europe maintained a capital surplus over its Minimum Capital Requirement throughout the period.

An entity’s Tier 1 Capital Ratio is the ratio of the Tier 1 Capital to RWAs . The BofA Europe Tier 1 ratio increased from 23.74% to 23.84% over the year. This movement is driven by an increase in Tier 1 Capital Resources.

Table 2.3.1.T1. – Capital Surplus over Minimum Capital Requirement and Tier 1 Ratio (€ millions)

	Q4 2023	Q4 2022
Total Capital Resources	€ 14,792	€ 13,849
Pillar 1 Minimum Capital Requirement	4,357	4,036
Surplus over Requirement	**€ 10,435**	**€ 9,813**
Tier 1 Capital Resources	12,982	11,974
Risk Weighted Assets	54,462	50,447
Tier 1 Capital Ratio	**23.84 %**	**23.74 %**

Table2.3.1.T2. presents key prudential regulatory metrics such as Available own funds, Risk-weighted exposure amounts, Leverage ratio and Liquidity Coverage Ratio.

Table 2.3.1.T2. – EU KM1 Key Metrics Template (€ millions)

		a	c	e
		Q4 2023	Q2 2023	Q4 2022
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	€ 12,982	€ 11,852	€ 11,974
2	Tier 1 capital	12,982	11,852	11,974
3	Total capital	14,792	13,692	13,849
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	€ 54,462	€ 54,170	€ 50,447
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	23.84 %	21.88 %	23.74 %
6	Tier 1 ratio (%)	23.84 %	21.88 %	23.74 %
7	Total capital ratio (%)	27.16 %	25.28 %	27.45 %
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.20 %	2.20 %	2.20 %
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.24 %	1.24 %	1.24 %
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.65 %	1.65 %	1.65 %
EU 7d	Total SREP own funds requirements (%)	10.20 %	10.20 %	10.20 %
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	— %	— %	— %

		a	c	e
		Q4 2023	Q2 2023	Q4 2022
9	Institution specific countercyclical capital buffer (%)	0.88 %	0.64 %	0.34 %
EU 9a	Systemic risk buffer (%)	— %	— %	— %
10	Global Systemically Important Institution buffer (%)	— %	— %	— %
EU 10a	Other Systemically Important Institution buffer	0.75 %	0.75 %	0.75 %
11	Combined buffer requirement (%)	4.13 %	3.89 %	3.59 %
EU 11a	Overall capital requirements (%)	14.33 %	14.09 %	13.79 %
12	CET1 available after meeting the total SREP own funds requirements (%)	16.19 %	14.23 %	13.54 %
Leverage ratio				
13	Total exposure measure	€ 94,870	€ 95,329	€ 88,991
14	Leverage ratio (%)	13.68 %	12.43 %	13.45 %
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	— %	— %	— %
EU 14b	of which: to be made up of CET1 capital (percentage points)	— %	— %	— %
EU 14c	Total SREP leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	— %	— %	— %
EU 14e	Overall leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	€ 23,000	€ 22,540	€ 23,751
16	Total net cash outflows (adjusted value)	15,907	15,742	16,231
EU 16a	Cash outflows - Total weighted value	22,893	22,344	22,901
EU 16b	Cash inflows - Total weighted value	6,986	6,602	6,671
17	Liquidity coverage ratio (%)	144.61 %	143.44 %	146.81 %
Net Stable Funding Ratio				
18	Total available stable funding	€ 51,905	€ 50,731	€ 50,610
19	Total required stable funding	33,469	32,931	31,798
20	NSFR ratio (%)	155.08 %	154.05 %	159.16 %

2.4. Capital Management (EU OVC)

BofA Europe views capital as an important source of financial strength, and is committed to managing its capital in a manner consistent with applicable laws, rules, and regulations. It manages and monitors capital in line with established policies and procedures and in compliance with local regulatory requirements and considers the changing needs of its businesses. The appropriate level and quality of capital is set so that BofA Europe meets all regulatory capital requirements, and so that BofA Europe's ability to continue as a going concern is safeguarded. Key components of the capital management framework include:

- A strategic capital planning process aligned to risk appetite
- A robust capital stress testing framework
- Regular monitoring against capital and leverage risk appetite limits

- Regular leverage and capital reporting to management

BofA Europe also conducts an Internal Capital Adequacy Assessment Process (“ICAAP”) at least annually. The ICAAP is a key tool used to inform the BofA Europe Board of Directors (“BofA Europe Board”) and the executive management on BofA Europe risk profile and capital adequacy. The BofA Europe ICAAP:

- Is designed to ensure the risks to which BofA Europe is exposed are appropriately capitalised and risk managed
- Uses stress testing to ensure capital levels are adequate to withstand the impact of a suitably severe stress
- Assesses capital adequacy under normal and stressed operating environments over the capital planning horizon to ensure BofA Europe maintains a capital position in line with pre and post stress goals

The ICAAP is also aligned to the recovery plan that prepares BofA Europe to restore its financial strength and viability during an extreme stress situation, laying out a set of defined actions aimed at protecting the entity, its customers, and the market and prevent a potential resolution event. The recovery plan includes a wide range of counter measures designed to mitigate different types of stress scenarios that could threaten BofA Europe’s capital position. In addition, the recovery plan outlines clear predefined governance and processes set up to support timely, efficient, and effective monitoring, escalation, decision-making, and implementation of recovery options if a crisis event were to occur.

The BofA Europe ICAAP also assesses Pillar 2R at least annually. Pillar 2R is an additional amount of capital BofA Europe is required to hold in order to cover risks that are not covered, or not entirely covered, by the Minimum Capital Requirement. The Joint Supervisory Team (“JST”), which is comprised of the CBI and ECB, reviews the ICAAP as part of the Supervisory Review and Evaluation Process (“SREP”) and sets a TSCR. The TSCR is the sum of the Minimum Capital Requirement (8% of RWAs) and the Pillar 2R capital requirement (2.2% of RWAs). As of 1 January 2024, BofA Europe’s Pillar 2R capital requirement will decrease to 2.1%.

As at 31 December 2023, BofA Europe TSCR was set at 10.2% of RWAs.

2.5. Leverage Ratio

2.5.1. Summary

The Basel III framework introduced a simple, transparent, non-risk based leverage ratio to act as a supplementary measure to the risk-based capital requirements. The Basel Committee is of the view that a simple leverage ratio framework is critical and complementary to the risk-based capital framework and that a credible leverage ratio ensures broad and adequate capture of both the on and off-balance sheet sources of banks' leverage.

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under CRR rules. The requirement for the calculation and reporting of leverage ratio was introduced as part of Capital Requirements Directive IV (“CRD IV”) in 2014 and amended by the European Commission Delegated Act (EU) 2015/62 in 2015.

In June 2019, amendments to the CRR were published in the Official Journal of the EU as Regulation (EU) 2019/876. These amendments, which became effective from 28 June 2021, include a binding minimum leverage ratio requirement of 3%, as well as a number of changes to the calculation of the exposure measure.

BofA Europe manages its risk of excessive leverage through leverage ratio early warning trigger levels. Limits are calibrated in line with legal entity capacity and ensures that leverage exposure remains within BofA Europe’s risk appetite.

BofA Europe leverage ratio is calculated based on the current CRR exposure measure and during the period, were in excess of the minimum requirement. At 4th Quarter 2023, Fully Phased-In Leverage Ratio is at 13.68%, which is presented in Table 2.5.1.T1. – Fully Phased-In Leverage Ratio.

Table 2.5.1.T1. – Fully Phased-In Leverage Ratio

	Q4 2023	Q4 2022	Minimum Requirement
Fully Phased-In Leverage Ratio	13.68 %	13.45 %	3.00 %

2.5.2. Key Movements in 2023 (EU LRA)

BofA Europe's 4th Quarter 2023 2023 leverage ratio increased to 13.68% (4th Quarter 2022: 13.45%) and was primarily driven by an increase in leverage exposure and Tier 1 Capital. The leverage exposure increased by €5.9 billion to €94.9 billion (4th Quarter 2022: €89.0 billion) following an increase in the stock of high-quality liquid bonds.

Bank of America Europe
Designated Activity Company
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3. Encumbered and Unencumbered Assets
As at 31 December 2023

3.1. Encumbered and Unencumbered Assets (EU AE4)

Asset encumbrance occurs when an asset is pledged as collateral or used to secure a transaction from which it cannot be freely withdrawn.

BofA Europe’s on-balance sheet assets primarily consist of Loans and Advances while its liabilities are primarily in the form of deposits, meaning that asset encumbrance forms a relatively minor part of its funding profile and business model. The assets in the entity that are encumbered are primarily cash and debt securities which are used as collateral in over-the-counter derivative transactions. There is also a relatively small amount of reverse repo activity in BofA Europe, which is primarily driven by Treasury sourcing High-Quality Liquid Assets (“HQLA”) securities for liquidity management purposes. The collateral received within these transactions is held unencumbered to enable timely monetisation in a stress.

The values contained within this disclosure represent the median of BofA Europe’s quarterly regulatory Asset Encumbrance submissions over 2023. The disclosure is prepared in accordance with the requirements of Article 443 of CRR and is based on accounting information produced in line with international accounting standards.

Table 3.1.T1. outlines the carrying amount and fair value of certain assets of BofA Europe split between those encumbered and unencumbered.

Table 3.1.T1. – EU AE1 Encumbered and Unencumbered Assets (€ millions)

		2023							
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA [3]		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution [1]**	**€ 1,381**	**€ 373**			**€ 68,109**	**€ 15,853**		
030	Equity instruments	—	—	—	—	42	—	42	—
040	Debt securities	396	373	396	373	1,938	1,759	1,938	1,759
050	of which: covered bonds	—	—	—	—	—	—	—	—
060	of which: securitisations	—	—	—	—	—	—	—	—
070	of which: issued by general governments	373	373	373	373	1,920	1,759	1,920	1,759
080	of which: issued by financial corporations	23	—	23	—	61	—	61	—
090	of which: issued by non-financial corporations	—	—	—	—	—	—	—	—
120	Other assets [2]	958	—			66,045	14,655		

		2022							
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA [3]		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution [1]**	**€ 1,006**	**€ 317**			**€ 69,108**	**€ 18,085**		
030	Equity instruments	—	—	—	—	45	—	45	—
040	Debt securities	342	317	342	317	933	811	933	811
050	of which: covered bonds	—	—	—	—	—	—	—	—
060	of which: securitisations	—	—	—	—	—	—	—	—
070	of which: issued by general governments	317	317	317	317	858	811	858	811
080	of which: issued by financial corporations	24	—	24	—	27	—	27	—
090	of which: issued by non-financial corporations	—	—	—	—	11	—	11	—
120	Other assets [2]	687	—			68,601	17,476		

[1] Figures represent median values calculated as the median of the end-of-period values for each of the four quarters in the year. Totals in the tables are calculated as the median of the sums for each quarter-end and as such will not be equal to the sum of the individual line items in each table.

[2] The majority of unencumbered Other Assets relate to derivative assets not available for encumbrance.

[3] HQLA = High-Quality Liquid Assets; EHQLA = Extremely High-Quality Liquid Assets

Table 3.1.T2. provides details on both the fair value of encumbered collateral received and collateral received that is available for encumbrance.

Table 3.1.T2. – EU AE2 Collateral Received and Own Debt Securities Issued (€ millions)

		2023				2022			
		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA [2]		of which EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060	010	030	040	060
130	**Collateral received by the disclosing institution[1]**	**€ 19**	**€ 19**	**€ 10,502**	**€ 7,153**	**€ —**	**€ —**	**€ 7,885**	**€ 6,533**
140	Loans on demand	—	—	—	—	—	—	—	—
150	Equity Instruments	—	—	—	—	—	—	—	—
160	Debt Securities	19	19	9,354	7,153	—	—	7,120	6,533
170	of which: Covered Bonds	—	—	717	—	—	—	—	—
180	of which: Securitisations	—	—	8,394	6,922	—	—	6,322	5,734
190	of which: Issued by General Governments	19	19	341	341	—	—	1,050	1,050
200	of which: Issued by Financial Corporations	—	—	—	—	—	—	—	—
210	of which: Issued by Non-Financial Corporations	—	—	—	—	—	—	—	—
220	Loans and Advances Other Than Loans on Demand	—	—	1,097	—	—	—	859	—
230	Other Collateral received	—	—	—	—	—	—	—	—
240	Own Debt Securities Issued Other than Own Covered Bonds or Securitisations	—	—	—	—	—	—	—	—
241	Own Covered Bonds and Asset-Backed Securities Issued and Not Yet Pledged			—	—			—	—
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**€ 1,400**	**€ 391**			**€ 1,006**	**€ 317**		

[1] Figures represent median values calculated as the median of the end-of-period values for each of the four quarters in the year. Totals in the tables are calculated as the median of the sums for each quarter end and as such will not be equal to the sum of the individual line items.

[2] HQLA = High-Quality Liquid Assets; EHQLA = Extremely High-Quality Liquid Assets

Table 3.1.T3. outlines the value of liabilities against which assets have been encumbered and the respective asset values.

Table 3.1.T3. – EU AE3 Sources of Encumbrance (€ millions)

		2023		2022	
		Matching Liabilities, Contingent Liabilities or Securities Lent	Assets, Collateral Received and Own Debt Securities Issued other than Covered Bonds and Securitisations Encumbered	Matching Liabilities, Contingent Liabilities or Securities Lent	Assets, Collateral Received and Own Debt Securities Issued other than Covered Bonds and Securitisations Encumbered
		010	030	010	030
010	Carrying amount of selected financial liabilities	€ 1,594	€ 1,381	€ 1,157	€ 1,006

Bank of America Europe
Designated Activity Company
Pillar 3 Disclosure

4. Risk Management, Objectives, and Policy
As at 31 December 2023

4.1. Disclosure of Risk Management Objectives and Policies (EU OVA, EU OVB)

EU OVA – Risk management approach

BAC has established a risk governance framework (the “Risk Framework”), which serves as the foundation for consistent and effective management of the risks facing BAC and its subsidiaries (including BofA Europe). BAC adopted the 2024 Risk Framework in December 2023.

BofA Europe is integrated into and adheres to the global management structure including risk management and oversight, as adapted to reflect local business, legal, and regulatory requirements. The BofA Europe Board adopted the BAC 2024 Risk Framework in March 2024.

The following section lays out the risk management approach and key risk types for BofA Europe.

A culture of managing risk well is fundamental to BofA Europe’s core values and its purpose, and how it drives responsible growth. A culture of managing risk well requires focus on risk in all activities and encourages the necessary mind-set and behaviour to enable effective risk management and promote sound risk-taking within BofA Europe’s risk appetite. Sustaining a culture of managing risk well throughout the organisation is critical to the success of BofA Europe and is a clear expectation of BofA Europe’s Executive Management Team and its Board.

The following principles form the foundation of BofA Europe’s culture of managing risk well:

1. Managing risk well protects BofA Europe and its reputation and enables BofA Europe to deliver on its purpose and strategy

2. BofA Europe treats customers fairly and acts with integrity to support the long-term interests of its employees and customers. BofA Europe understands that improper conduct, behaviour, or practices by BofA Europe, its employees or representatives could harm BofA Europe, the customers, or damage the integrity of the financial markets

3. As BofA Europe helps its customers improve their financial lives, it must always conduct itself with honesty, integrity, and fairness

4. All employees are responsible for proactively managing risk as part of their day-to-day activities through prompt identification, escalation, and debate of risks

5. While BofA Europe employs models and methods to assess risk and better inform BofA Europe’s decisions, proactive debate and a thorough challenge process lead to the best outcomes

6. Lines of business and other FLUs are first and foremost responsible for managing all aspects of their businesses, including all types of risk

7. Global Risk Management provides independent oversight and effective challenge, while Corporate Audit provides independent assessment and validation

8. BofA Europe strives to be best-in-class by continually working to improve risk management practices and capabilities

a) Risk statement approved by the management body (point (f) of Article 435 (1) CRR

Risk Statement

Below is the concise risk statement approved by the BofA Europe Board which succinctly describes BofA Europe's overall risk profile associated with the business strategy.

As at 31 December 2023, BofA Europe’s total assets prepared in accordance with Irish Companies Law and GAAP totalled €68.7 billion, comprised principally of loans and advances and cash placements with central banks.

As at 31 December 2023, BofA Europe had €13.4 billion of regulatory Capital Resources, consisting of CET1 capital of €11.6 billion. As at 31 December 2023, BofA Europe had a Tier 1 capital ratio of 21.62%, BofA Europe's leverage ratio was 12.25% and 12-month average LCR was 144.61%.

BofA Europe enters into transactions with affiliated companies within BAC, primarily for liquidity and risk management purposes. At 31 December 2023, BofA Europe had 44% of balances with affiliated companies (28% with BANA, 12% with Groom Lake,LLC, 2% with Merrill Lynch International and 1% with Bank of America Leasing Ireland).

Credit risk is assessed as outlined in Sections 4.3. Disclosure of Credit Risk Quality (EU CRA, EU CRB), 4.4. Disclosure of the Use of Credit Risk Mitigation Techniques (EU CRC) , and 4.5. Disclosure of Exposures to Counterparty Credit Risk (EU CCRA) .

BofA Europe’s market risk capital requirements are calculated under the standardised approach and are driven by traded debt instruments and foreign exchange (“FX”). Value at Risk (“VaR”) is a common statistic used to measure market risk as it allows the aggregation of market risk factors, including the effects of portfolio diversification. Average VaR for BofA Europe during 2023 was €10 million.

BofA Europe maintains excess liquidity in order to meet day-to-day funding requirements, withstand a range of liquidity shocks, help to safeguard against potential stress events, and meet internal and regulatory requirements.

The Risk Appetite Statement (“RAS”), established for BofA Europe, indicates the amount of capital, earnings, or liquidity BofA Europe is willing to put at risk to achieve its strategic objectives and business plans, consistent with applicable regulatory requirements. Further detail on this is provided in the below section.

Risk Appetite

The BofA Europe RAS ensures that BofA Europe maintains an acceptable risk profile that is in alignment with its strategic and capital plans. The BofA Europe RAS is designed with the objective of ensuring that it is comprehensive for all key risks, relevant to the BofA Europe business and aligned with the risk management practices of BAC. The RAS is reviewed and approved by the BofA Europe Board at least annually.

BofA Europe’s risk appetite is designed to be consistent with the aggregate risk appetite at the BAC level and is based on several principles:

- Overall risk capacity: BofA Europe’s overall capacity to take risk is limited; therefore, BofA Europe prioritises the risks it takes. Risk capacity informs risk appetite, which is the level and types of risk BofA Europe is willing to take to achieve its business objectives

- Financial strength to absorb adverse outcomes: BofA Europe must maintain a strong and flexible financial position so it can weather challenging economic times and take advantage of organic growth opportunities. Therefore, objectives and targets are set for capital and liquidity that permit BofA Europe to continue to operate in a safe and sound manner at all times, including during periods of stress

- Risk-reward evaluation: BofA Europe considers all types of risk including those that are difficult to quantify. Risks taken must fit BofA Europe's risk appetite and offer acceptable risk-adjusted returns for shareholders

- Skills and capabilities: BofA Europe seeks to assume only those risks which it has the skills and capabilities to Identify, Measure, Monitor, and Control ("IMMC")

Risk appetite is aligned with BofA Europe's strategic, capital, and Financial Operating Plans to ensure consistency with its strategy and financial resources. Line of business ("LOB") strategies and risk appetite are also aligned. Ongoing reporting shows performance against the Strategic Plan, as well as risk appetite breaches for each of the lines of business, as appropriate. Risk appetite is also considered within the Recovery Plan, New Product Review and Approval - Enterprise Policy and processes, and within decisions around the business model and Strategic Plan. Managing risk well and embracing the Risk Framework are considered as part of compensation and performance management decisions.

The quantitative and qualitative elements of BofA Europe's RAS provide clear, actionable information for taking and managing risk. Training and communication reinforce the importance of aligning risk-taking decisions to applicable aspects of the BofA Europe RAS.

Risk Appetite Metrics

BofA Europe's RAS quantitative framework consists of BofA Europe Board and BofA Europe Management Risk Committee ("BofA Europe MRC")-approved metrics which are designed to manage the amount of risk BofA Europe is willing to take to meet its strategic objectives. The calibration of the metrics reflect the level of BofA Europe's financial resources and risk profile.

Risk appetite metrics are expressed on an in-year and forward-looking basis, as appropriate, under expected and stressed macroeconomic conditions. In addition, risk appetite metrics and limits related to material concentrations are maintained to ensure appropriate visibility into risks that may manifest themselves across lines of business or risk types as part of ongoing efforts to ensure concentrations are effectively identified, measured, monitored, and controlled.

The BofA Europe RAS provides qualitative statements for all seven risk types (strategic, credit, market, liquidity, operational, compliance, and reputational) defined in the Risk Framework. In addition, there is a suite of quantitative metrics for the following risk types:

- **Strategic Risk:** Metrics relating to Capital, Leverage, and Large Exposures are provided in addition to stress loss limits

- **Credit Risk:** Forward-looking baseline metrics, in addition to concentration limits aligned to credit quality using internal risk rating, geography, and industry

- **Market Risk:** Metrics relating to trading VaR, stress loss, and Interest Rate Risk in the Banking Book ("IRRBB") from an economic value and earnings approach

- **Liquidity Risk:** Metrics relating to key liquidity coverage ratios

- **Operational Risk and Compliance Risk:** Metrics relating to non-legal operational losses, residual risk level and direction, past due issues, performance of outsourced services, information security, systems and applications performance, change management and financial crimes

Risk Appetite Monitoring, Reporting, and Escalation

Robust monitoring and reporting processes for BofA Europe Board-owned and BofA Europe MRC-owned metrics are in place, with breaches resulting in appropriate notification and escalation based on the severity of the breach.

Breach resolution plans include a written description of the root causes and how a breach will be resolved, as appropriate.

The performance against the BofA Europe risk appetite is reviewed on a regular basis by the BofA Europe MRC and on a quarterly basis by the BofA Europe Board Risk Committee ("BofA Europe BRC"). Limits and tripwires are monitored by FLUs and risk management on a more frequent basis. BofA Europe senior management, BofA Europe MRC, BofA Europe BRC, and the BofA Europe Board take action as necessary to proactively and effectively manage risk.

The BofA Europe Chief Risk Officer ("CRO") is the executive sponsor of the BofA Europe RAS and oversees the risk appetite exception management process in order to ensure that excesses are properly escalated, effectively managed, and that any required remediation actions are governed and implemented appropriately. This process outlines the escalation and management of exposures that are in excess of the tripwire or limit levels. When exposures breach tripwire and limit levels, they are escalated as appropriate to management bodies including the BofA Europe MRC, BofA Europe BRC, and BofA Europe Board.

BofA Europe is committed to communicating a clear and consistent position on risk taking to internal and external stakeholders, as appropriate.

b) The risk governance structure for each type of risk (Point (b) of Article 435(1) CRR)

BofA Europe's risk governance principles serve as the cornerstone of the risk governance framework. The Code of Conduct, Risk Framework, BofA Europe RAS, and strategic plans are overarching documents that are firmly embedded in BofA Europe's culture of managing risk well in everything it does. The Code of Conduct provides basic guidelines for business practices and professional and personal conduct that all employees are expected to follow. The Risk Framework articulates how BofA Europe defines and manages risk (governance for each risk type is covered in each risk area's disclosure section). The BofA Europe RAS clearly indicates the risks BofA Europe is willing to accept. The strategic plans for BofA Europe document strategies for the next three-year period.

Three Lines of Defence

BofA Europe has clear ownership and accountability for managing risk across three lines of defence: FLUs, global risk management, and Corporate Audit. BofA Europe also has control functions outside of FLUs and Global Risk Management (e.g., the Legal Department and Global HR), that provide guidance and subject matter expertise in support of managing risks it faces.

FLUs	Own and proactively manage all risks in business activities
Global Risk Management	Oversee risk-taking activities within the FLUs and across BofA Europe, and provide independent assessment of effective challenge of risks
Corporate Audit	Provide independent validation through testing of key processes and controls

Corporate Audit

Corporate Audit supports BofA Europe's risk governance framework by assessing whether controlling processes and controls over strategic, credit, market, liquidity, operational, compliance, and reputational risks are adequately designed and functioning effectively. This is carried out by conducting independent assessments and validation through testing of key processes and controls.

Corporate Audit resources are used to execute work across all EMEA locations. Team deployments are assessed based on the scale, complexity, and nature of the business and control functions in each location. Corporate Audit prepares an annual audit plan with consideration to external and internal risk factors, risk assessment of a business and legislative and regulatory requirements. The annual planning process directs timely and flexible testing of BofA Europe's key risks and risk management processes (inclusive of risk appetite).

Corporate Audit is not responsible for setting or approving of limits for risks which BofA Europe is exposed to. However, Corporate Audit conducts reviews, as appropriate, of the controls and monitoring of such limits.

Corporate Audit maintains independence from the BofA Europe's lines of business and governance and control functions by reporting directly to the BofA Europe Audit Committee ("BofA Europe AC").

c) Declaration on the adequacy of the Group's risk management arrangements (Point (e) of Article 435(1) CRR)

Risk is inherent in all business activities. Managing risk well is the responsibility of every employee. Sound risk management enables BofA Europe to serve the customers and deliver for the shareholders. If not managed well, risks can result in financial loss, regulatory sanctions and penalties, and damage to BofA Europe's reputation, each of which may adversely impact BofA Europe and its ability to execute its business strategy. Managing risk well is fundamental to delivering on BofA Europe's responsible growth approach to business.

The Risk Framework applies to all employees. It provides an understanding of BofA Europe's approach to risk management and each employee's responsibilities for managing risk. All employees must take ownership for managing risk well and are accountable for identifying, escalating, and debating risks facing BofA Europe. The Risk Framework sets forth roles and responsibilities for the management of risk by Front Line Units ("FLUs"), Global Risk Management ("GRM"), other control functions, and Corporate Audit.

BofA Europe's risk management approach is deemed appropriate given its size, complexity, structure, activities, and risk profile. The following are the five components of BofA Europe's risk management approach:

- Culture of managing risk well
- Risk appetite
- Risk management processes
- Risk data management, aggregation, and reporting
- Risk governance

Focusing on these five components allows effective management of risks across the seven key risk types faced by BofA Europe, namely: strategic, credit, market, liquidity, operational, compliance, and reputational risks.

The Board, supported by the Board Risk Committee ("BRC"), confirms that the risk management arrangements outlined are adequate to facilitate the management of risk in the context of BofA Europe's profile and strategy.

d) Scope and nature of risk disclosure and/or measurement systems (Point (c) of Article 435(1) CRR) and (e) Main features of risk disclosure and measurement systems (Point (c) of Article 435(1) CRR)

Effective risk data management, aggregation, and reporting is critical to provide a clear understanding of current and emerging risks and enables BofA Europe to proactively and effectively manage risk.

Risk Data Management, Aggregation, and Reporting Principles:

- Complete, accurate, reliable, and timely data
- Clear and uniform language to articulate risks consistently across BofA Europe
- Robust risk quantification methods and clear approaches to aggregate exposures for risk measures
- Timely, accurate, and comprehensive view of all material risks, including appropriate levels of granularity

Functional risk managers arrange risk reporting to address the requirements of BofA Europe senior management, the Board and its committees as appropriate.

(f) Strategies and processes to manage risks for each category of risk (Point (a) of Article 435(1) CRR)

The risk management processes outlined above allow BofA Europe to manage risks across the seven key risk types; strategic, credit, market, liquidity, operational, compliance, and reputational. Further details on how risk is managed within BofA Europe are given below and detailed within each risk area's related disclosure.

(g) Strategies and processes to manage, hedge and mitigate risks, as well as monitoring the effectiveness of hedges and mitigants (Points (a) and (d) of Article 435(1) CRR)

The Risk Framework requires that strong risk management practices are integrated in key strategic, capital, and financial planning processes and day-to-day business processes across BofA Europe, thereby ensuring risks are appropriately considered, evaluated, and responded to in a timely manner.

BofA Europe's approach to risk management processes:

- All employees are responsible for proactively managing risk
- Risk considerations are part of all daily activities and decision making
- BofA Europe encourages a thorough challenge process and maintains processes to identify, escalate, and debate risks
- BofA Europe utilises timely and effective escalation mechanisms for risk limit breaches

The FLUs have primary responsibility for managing risks inherent in their businesses. BofA Europe follows the BAC risk management process, referred to as IMMC, as part of its daily activities.

EU OVB – Governance arrangements

(a) The number of directorships held by members of the management body (Point (a) of Article 435(2) CRR) and (b) The recruitment policy for members of the management body and their actual knowledge, skills and expertise (Point (b) of Article 435(2) CRR)

Table 4.1.T1. – BofA Europe Directors Board Membership and Experience (EU OVB)

		No. Of Directorships	
		Total	Excluding non-commercial and counting group appointments as one
Oliver Bussmann Independent Non-Executive Director	Mr. Bussmann is a globally recognised technology thought leader and driver of large-scale transformation at multinational organisations. Mr. Bussmann is an Independent Non-Executive Director of BofA Europe since 31 July 2020 and is a member of the Audit Committee and the Board Risk Committee. From 2013 to 2016 Mr. Bussmann was Group Chief Information Officer (CIO) of UBS, where he successfully led a major IT transformation effort, instituted a new group-wide innovation framework and established UBS as a pioneer in the development of blockchain for use in financial services. Prior to joining UBS, Mr. Bussmann was the Global CIO at SAP, where he also spearheaded significant technological transformation. Prior to that, Mr. Bussmann was CIO for North America & Mexico at Allianz. Previous roles have included executive positions at Deutsche Bank and IBM.	6	2
Sally James Independent Non-Executive Director	Ms. James has practiced law in both England and the United States and has held senior legal roles within the investment banking sector in London and Chicago, including Managing Director and EMEA General Counsel for UBS Investment Bank from 2001 to 2008 . Ms. James is an Independent Non-Executive Director and Chairs the Nominations and Remuneration Committees of BofA Europe, she is also a member of the Audit and Board Risk Committees. Ms. James's previous directorships included six years as a Non-Executive Director and Chair of the Risk Committee of UBS Limited from 2009 to 2015. In addition, Ms. James previously served as a Senior Independent Non-Executive Director for Rotork plc. Ms. James acted as a Senior Independent Non-Executive Director for Moneysupermarket.com Group plc and an Independent Non-Executive Director for Hermes Fund Managers Limited Ms James is also a Director of the Bridge Academy School and North London Collegiate School International Limited.	4	1
Nick Jordan Independent Non-Executive Director	Mr. Jordan has over 40 years' experience as a banking professional and held a number of senior leadership positions within the Royal Bank of Canada and the Royal Bank of Scotland (RBS). He most recently worked within risk management as a Chief Risk Officer, Chief Credit Officer and Board Member of the RBS Corporate Banking Business. He is an experienced Independent Non-Executive Director, and has considerable experience within the energy, transport and infrastructure industries. Mr. Jordan was appointed as an Independent Non-Executive Director and Chair of the Board Risk Committee of BofA Europe on 2 October 2019, and also serves as a member of the Audit Committee. Additionally, he serves as an Independent Non-Executive Chairman, Chair of the Nominations Committee and member of the Risk and Remuneration Committees of Hanley Economic Building Society and as an Independent Non-Executive Director of Hanley Financial Services Limited. Mr. Jordan is also an Independent Non-Executive Director of Nordisk Renting AB.	4	3
Rose McHugh Independent Non-Executive Director	Ms. McHugh is a Chartered Accountant and Chartered Director with extensive knowledge of the Irish financial sector with 40 years' experience in the industry. She was appointed as an Independent Non-Executive Director of BofA Europe on 13 December 2019 and is the Chair of the Audit Committee and a member of the Board Risk, Remuneration and Nominations Committees. Ms. McHugh serves as a Non-Executive Director and Chair of the Audit Committee of Irish Life Investment Managers Ltd, Setanta Asset Management Ltd, Canada Life Assurance Europe Plc and Canada Irish Life Holding Company Ltd. She is also a Non-Executive Director, and a member of the Audit and Risk Committees for Irish Life Assurance plc. Ms. McHugh also serves as a Non-Executive Director and Chair of the Audit Committee of Irish Music Rights Organisation CLG, is the Non-Executive Chair of Crawford Art Gallery Cork, a member of the University College Cork Governing Body and Chair of the Audit and Risk Committee in University College Cork.	8	2

Name	Biography	No. Of Directorships: Total	No. Of Directorships: Excluding non-commercial and counting group appointments as one
John G Murphy Independent Non-Executive Director	Mr. Murphy was appointed as an Independent Non-Executive Director of BofA Europe on 11 July 2013. After serving on the BofA Europe Board for nine years, Mr. Murphy was appointed as a Non-Executive Director on 11 July 2022. Mr. Murphy is an Independent Non-Executive Director of EDB Custodial Services Limited and CNP Europe Life DAC. He is currently a Non-Executive Director of GDAC Investments Limited, a private investment vehicle, set up for the sole purpose of managing Mr. Murphy's private economic interests, and is a Non-Executive Director of Triple Crest Limited and Fermat Point Limited which form part of this group of companies. He was formerly the Country Manager / CEO of the HypoVereinsbank group operations in Ireland between 1989 and 2000. Between 2000 and 2002 Mr. Murphy led a project team to establish a European Corporate Bank for Intel Corporation. He was Group Finance Director of the Jacob Fruitfield Food Group between 2002 and 2007. Mr. Murphy is a Fellow of the Institute of Chartered Accountants in Ireland, a Certified Financial Planner and member of the Institute of Taxation and the Institute of Directors in Ireland.	6	3
Ines de Dinechin Independent Non-Executive Director	Ms. De Dinechin has a 30+ year career in the European Financial sector in which 20+ years have been spent within a large, global bank, Ms. de Dinechin has extensive knowledge of the international financial markets and regulated financial services sector.During her executive career, Ms. de Dinechin held significant leadership roles at Société Générale Group including Global Head of Derivatives Sales, Global Head of Structured Products and Global Head of Human Resources within SG Corporate and Investment Bank. Ms. De Dinechin was appointed as an Independent Non-Executive Director of BofA Europe on 7 March 2023 and she was appointed to the Audit Committee on 20 September 2023. From 2012 to 2021, she held several executive roles as CEO and Chair of Lyxor Asset Management CEO of Aviva investors France. Ms. de Dinechin has extensive experience in regulated firms engaging with a wide variety of regulatory bodies in Europe. She was also CEO of Queirade Associates, providing consulting in strategy, organisation and investment to asset management and technology firms. Ms. de Dinechin is a Certified Board Director with the French Institute of Directors. Her significant non-executive board experience includes serving on boards and advisory boards of a number of regulated and unregulated companies spanning several sectors, including the non-profit sector, and she has strong board committees experience. Ms. De Dinechin holds an MBA in Market Finance from Sciences Po in Paris, and a Masters in Finance from the University of Paris IX Dauphine.	3	3
Paul Donofrio Chair and Group Non-Executive Director	Mr. Donofrio joined BAC in 1999 and is vice chairman of BAC and a member of BAC's executive management team and co-chairs the Responsible Growth Committee. He also serves as Chair of Bank of America's European banking entity, BofA Europe. Mr. Donofrio joined BofA Europe as a non-executive director on 1 December 2022. As vice chairman, Mr. Donofrio oversees BAC's sustainability activities and stewards the work and progress to achieve Net Zero. This includes the BAC's commitment to mobilise $1.5 trillion in sustainable finance by 2030, of which $1 trillion is to accelerate the transition towards a low carbon economy and $500 billion is for inclusive social development such as investments in Minority Depository Institutions and private equity funds. Mr. Donofrio also has responsibility for the investment function of BAC's pension, which totals over $22 billion. In addition, the BofA Global Research department and Bank of America Institute are part of his organisation. He most recently served as Bank of America's chief financial officer for more than six years from 2015 to 2021. Before then, he held a number of key roles across the company, based in New York City and London. He served as co-head of Global Corporate and Investment Banking, head of Global Corporate Banking, head of Global Corporate Credit and Transaction Banking, co-head of Investment Banking, head of all Global Industry Groups and co-head of the company's Global Healthcare Group. His product experience includes M&A, global capital markets, including debt, equity, foreign exchange and derivative capital markets, as well as traditional banking products, such as loans, leases, global payments, and deposits. Mr. Donofrio serves on the Board of Trustees for the 9/11 Memorial & Museum, and on the Board of Directors for The New York City Ballet. Mr. Donofrio is a graduate of the United States Naval Academy, and he served in the U.S. Navy from 1982 to 1988 as a naval flight officer.	4	1
Bernie Mensah Group Non-Executive Director	Mr. Mensah is President of International for Bank of America and a member of Bank of America's Executive Management Team. Chief Executive Officer of Merrill Lynch International, Bank of America's largest subsidiary outside the U.S., a director of BofA Securities Europe SA and of Bank of America Europe Designated Activity Company, and BANA London Branch Head. Mr. Mensah is a member of BofA Europe's Board Risk Committee, and he was appointed to BofA Europe's Board Standing Committee on 29 September 2023. Mr. Mensah joined the firm in 2010 from Goldman Sachs in London, where he was a Partner and global head of Bank Loan and Distressed Trading, and prior to that ran the Asia Credit and Convertibles business, based in Hong Kong and Tokyo.	8	1

		No. Of Directorships	
		Total	Excluding non-commercial and counting group appointments as one
Fernando Vicario Chief Executive Officer and Executive Director	Mr. Vicario was appointed as CEO and Ireland Country Executive and as Executive Director of Bank of America Europe DAC on 18 December 2020. Mr. Vicario has worked for Bank of America for over 25 years, and he has held a number of senior positions within the firm including head of Corporate and Investment Banking for the European Union (EU) and head of Corporate Banking for EU, Switzerland, Central & Eastern Europe, Middle East, Africa & UK. Over the years, Mr. Vicario has led a significant number of growth initiatives in these roles. Mr. Vicario sits on the Regional Executive Committee and is a member of the Global Diversity & Inclusion (D&I) Council. He also Co-Chairs the EMEA ESG Strategic Council. Mr. Vicario is director on the Board of Banking & Payments Federation Ireland (BPFI) and is the Chair of Federation of International Banks in Ireland. He also serves as a director on the Board of the American Chamber of Commerce in Ireland.	3	1
Jonathan Lee Chief Financial Officer and Executive Director	Mr. Lee joined Merrill Lynch in London in February 1996, having previously qualified as a Chartered Accountant and working in the accounting profession in both the UK and Singapore. He has held a variety of roles across Corporate Audit and CFO. From 2013 he was EMEA Controller with responsibility for UK Corporate Reporting, EMEA Regional Offices Finance and EMEA Accounting Policy. In late 2021 he was appointed as CFO of BofA Europe. In this role he leads the CFO team in BofA Europe and its branches. He is also an Executive Director of BofA Europe. He also serves as a director on the Board of GPFC Ireland Limited and BofAML Securities Europe Designated Activity Company.	3	1

Note: The table outlines the directors that served at 31 December 2023. Mr. John G Murphy resigned as an Independent Non-Executive Director ("INED") of BofA Europe on 31 December 2023.

(c) The diversity policy for members of the management body (Point (c) of Article 435(2) CRR)

The Nominations Committee, in consultation with the Chair, and the Company's shareholder (where required), identifies and evaluates individual candidates for their background, skills and experience to become directors and recommends suitable candidates to the BofA Europe Board to fill vacancies as the need arises. In identifying and evaluating individual nominees for Directors, the Nominations Committee and the BofA Europe Board will assess the overall knowledge, skills, experience and expertise represented on the Board, as well as the qualifications and suitability of each candidate, taking care that appointees have sufficient time available to devote to the position.

The Nominations Committee shall consider candidates from a wide range of backgrounds and consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the BofA Europe Board, including, but not limited to, gender when identifying a candidate. Additional considerations may include professional experience and educational background, tenure and geographical provenance. The Nominations Committee will determine a Role Profile and Job Description for vacancies on the BofA Europe Board.

In addition, pursuant to the terms of its charter, the Nominations Committee is responsible for deciding on a target for the representation of the underrepresented gender (women) on the BofA Europe Board and how to meet it (as required). The Nominations Committee set a minimum requirement of 25% and a target of 40% for the underrepresented gender for the BofA Europe Board. As of 31 December 2023, there were three women (30%) and seven men on the BofA Europe Board, meeting the minimum requirement set by the Nominations Committee. For 2024, following planned changes to board composition, the BofA Europe Board will be comprised of three women (33%) and six men (67%), meeting the minimum requirement for the underrepresented gender.

General

All appointments to the BofA Europe Board are made in compliance with the Global Background Check - Enterprise Policy and are subject to successful completion of the following background checks: Identification, Credit, Criminal, Global Sanctions, Media, Directorship, Employment, and Education checks, as required and legally permissible. In addition, all persons being appointed to the BofA Europe Board and Board Committees require pre-approval in line with the CBI's Fitness and Probity Regime, which came into effect in 2011, and related requirements regarding suitability, and must agree to abide with the Fitness and Probity Standards, while they remain on the BofA Europe Board.

BofA Europe Board director experience is detailed within individual director biographies in Table T4.1.T.1 - BofA Europe Directors Board Membership and Experience (EU OVB).

In 2023, the Board approved the appointment of a new BofA Europe CRO. There were no changes to the BofA Europe Head of Corporate Audit or Europe Chief Compliance and Operational Risk Officer.

(d) Detail on the Group's risk committee and frequency of meetings (Point (d) of Article 435(2) CRR) and (e) The information flow on risk to the management body (Point (e) Article 435(2) CRR)

Board Structure and Oversight

The BofA Europe Board exercises strong governance and control over the legal entity and is responsible for overseeing management of legal entity matters. The BofA Europe Board is supported by a Board-level committee structure that is designed to ensure the effective oversight of BofA Europe's operations (including those of the BofA Europe branch network), audit matters, financial management, capital and liquidity, risk and control, remuneration, and Board composition. This consists of BofA Europe BRC, BofA Europe Audit Committee, Remuneration Committee, Nominations Committee, and Standing Committee.

The BofA Europe Board and BofA Europe BRC are supported in their work by a series of Risk Management committees, including the BofA Europe MRC, BofA Europe Operational Risk Committee ("BofA Europe ORC"), BofA Europe New Product Committee ("BofA Europe NPC"), BofA Europe Asset and Liability Committee ("BofA Europe ALCO"), and the BofA Europe Credit Risk Committee ("BofA Europe CRC"). All BofA Europe Risk Management committees conduct periodic reviews of risk management strategies to assess their continuing effectiveness.

Board Committees

Board Risk Committee

The BRC meets at least quarterly and may convene on an ad hoc basis to cover special topics as required. The BRC met six times during 2023. The Chair is an INED and is appointed by the Board. The BRC shall assist the Board in fulfilling its oversight responsibilities relating to:

- Risk Framework which includes BofA Europe's seven risk types
- Risk Appetite Statement incorporating risk limits
- ICAAP, ILAAP, and Recovery Plan
- Risk disclosures
- The performance and independence of the Risk function
- The financial risks from climate change
- Other important risks that can manifest themselves or span across key risk types

Audit Committee

The BofA Europe Audit Committee meets at least quarterly and at the start of each year reviews and approves the audit and compliance coverage plans and may convene on an ad hoc basis to cover special topics as required. The Audit Committee met seven times during 2023. The Chair is an INED and is appointed by the Board. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities relating to:

- Preparation and integrity of BofA Europe's financial statements, the Directors' Compliance Statement and oversight of related disclosure matters

- Qualifications, independence and performance of, and BofA Europe's relationship with the External Auditor and reviewing the scope and engagements terms of the External Auditor
- Performance and independence of BofA Europe's Internal Audit function; and
- Performance and independence of BofA Europe's Compliance function

Nominations Committee

The Nominations Committee meets at least twice per year and may convene on an ad hoc basis to cover special topics as required. The Nominations Committee met three times during 2023. The Chair is an INED and is appointed by the Board. The Nominations Committee shall assist the Board in fulfilling its oversight responsibilities relating to:

- Governance of the Board of Directors of BofA Europe relating to nominations to the Board
- Reviewing and reporting to the Board on matters of corporate governance principles applicable to BofA Europe
- Reviewing and reporting on Board succession planning
- Reviewing and reporting to the Board on senior management talent planning and succession; and
- Leading the Board and its Committees in their assessments of their performance

Remuneration Committee

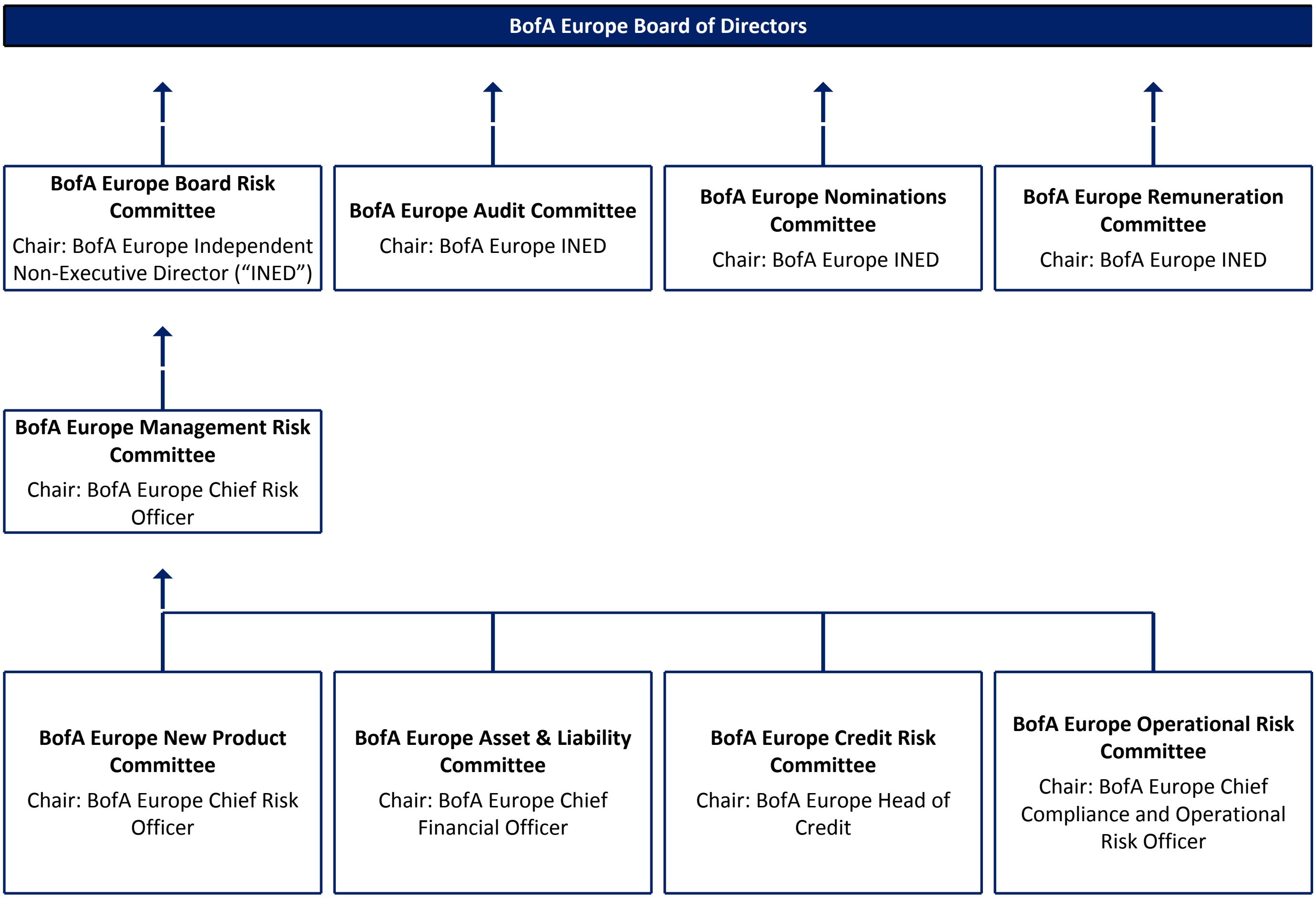
The Remuneration Committee meets at least three times per year and may convene on an ad hoc basis to cover special topics as required. The Remuneration Committee met five times during 2023. The Chair is an INED and is appointed by the Board. The Remuneration Committee shall assist the Board in fulfilling its oversight responsibilities relating to:

- Development and implementation of BofA Europe's remuneration policies and related regulatory requirements; and
- Aggregate and individual compensation decisions for senior management, high earners, and material risk takers

Standing Committee

The Standing Committee meets as required on an ad hoc basis in performance of the duties accorded to it. The Standing Committee Chair is the Chief Executive Officer ("CEO"). The Standing Committee assists the Board in fulfilling its oversight responsibility relating to the administrative actions required with respect to BofA Europe's branch network, and matters which are conducive or incidental to the attainment of the Company's objects or necessary or desirable in connection with the general management of the Company.

Figure 4.1.F1. – Risk Governance Structure



Note: In 2023 the BofA Europe ALCO met nine times, the BofA Europe CRC met nine times, the BofA Europe NPC met nine times, and the BofA Europe ORC met nine times

The BofA Europe MRC reports to the BofA Europe BRC and is responsible for providing management oversight and approval of (or reviewing and recommending to the BofA Europe BRC) market risk, credit risk, operational risk (in conjunction with the BofA Europe ORC), balance sheet, capital and liquidity management, country risk, stress testing, and concentration risk management activities of BofA Europe (including any branches and subsidiaries). The BofA Europe MRC's duties also include review of reporting, including regulatory reporting and remediation plans, and to escalate reporting to the BofA Europe BRC, Board, or other committees, as appropriate. The BofA Europe MRC met 10 times during 2023.

The BofA Europe ORC reports to the BofA Europe MRC and is responsible for providing management oversight of operational risk within the activities of BofA Europe and escalation of relevant matters to the BofA Europe MRC.

The BofA Europe NPC reports to the BofA Europe MRC and is responsible for the review and approval of new products as defined in the Product Risk Management – Enterprise Policy.

The BofA Europe ALCO reports to the BofA Europe MRC and is a business-focused forum to achieve effective strategic balance sheet management and responsible growth taking into account regulatory and market conditions. The BofA Europe ALCO supports the execution of the MRC's strategic decision making through efficient management of financial resources and earnings within the risk appetite.

The BofA Europe CRC reports to the MRC and is responsible for management oversight of the credit risk of BofA Europe and escalation of relevant matters to the MRC.

4.2. Disclosure of Liquidity Requirements (EU LIQA, EU LIQB)

4.2.1. EU LIQA – Liquidity Risk Management in Accordance with Article 451a(4) CRR

Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support the businesses and customers, under a range of economic conditions.

BofA Europe is subject to CRD, CRR, and CBI liquidity requirements through which it must demonstrate self-sufficiency for liquidity purposes.

BofA Europe primarily funds its balance sheet through intercompany term funding, unsecured deposits, equity, and intercompany and third-party unsecured debt.

These funding sources are used to support BofA Europe's lending, trading, and capital markets activity and maintain sufficient excess liquidity.

(a) Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding

The BofA Europe Liquidity Risk Policy (“LRP”) defines the approach to managing BofA Europe’s liquidity, aligned to BAC processes and tailored to meet BofA Europe’s business mix, strategy, activity profile, risk appetite, and regulatory requirements and is approved by the BofA Europe Board. The BofA Europe MRC reviews and recommends Risk Appetite limits to the BofA Europe BRC, which in turn reviews and recommends to the BofA Europe Board for approval.

The primary objective of liquidity risk management is to ensure that BofA Europe can meet expected or unexpected cash flow and collateral needs while continuing to support its businesses and customers under a range of economic conditions. Consistent with the Risk Framework, the main components to achieve BofA Europe’s liquidity risk management objectives include:

1. Clear accountability residing with FLUs for the liquidity risk inherent in their activities
2. Management of BofA Europe’s liquidity and funding activities by Treasury. BofA Europe manages its liquidity and funding position centrally across lines of business and branches. Funding and liquidity needs are centralised in the Treasury function which provides funding to each business unit as required, and manages any surplus liquidity raised by business units
3. Independent oversight of FLU activities by GRM
4. Maintaining sufficient liquidity buffers which are readily convertible to cash for use by BofA Europe if necessary during periods of significant liquidity stress
5. Ensuring appropriate diversification of funding tenors and sources considering BofA Europe’s asset profile and legal entity structure, supported by the use of appropriate metrics
6. Transferring the economic costs and benefits of liquidity risk to the appropriate lines of business through the Funds Transfer Pricing (“FTP”) process
7. Maintaining a contingent funding plan (“CFP”) that allows BofA Europe to react across all market and economic conditions. The BofA Europe CFP highlights the requirements of BofA Europe’s management and governance committees in the event of a stress scenario. It includes key metrics that facilitate the identification of liquidity stress, contingency funding actions, and roles and accountabilities, including those of BofA Europe’s management and independent risk management

(b) Structure and organisation of the liquidity risk management function

Each of the FLUs are accountable for managing liquidity risk within the BofA Europe liquidity risk appetite. GRM provides independent oversight and supervision of FLU activities, an independent view of the liquidity risk of FLU activities, and assesses the effectiveness of BofA Europe's liquidity risk management processes.

The BofA Europe LRP describes the liquidity risk roles and responsibilities including requirements for liquidity risk limits, stress testing, analytics and reporting, and recovery and resolution planning.

The BofA Europe liquidity risk appetite is defined by the following:

- Internal Liquidity Stress Test ("ILST") - 30 day = Prepositioned liquidity sources divided by the net peak outflows over a 30-day combined stress period
- ILST - 90 day = Available (pre-positioned + committed line) liquidity sources divided by the net peak outflows over a 90-day combined stress period
- Liquidity Coverage Ratio = High-quality liquid assets divided by 30-day net stress outflows
- Long-Term Funding Ratio = Ratio that ensures sufficient long term funding is available to fund loans with a residual maturity of greater than one year
- NSFR = Available Stable Funding divided by Required Stable Funding

Limits are monitored and reported daily, and a clear escalation path to senior management, the BofA Europe MRC, BofA Europe BRC, and BofA Europe Board by limit category and breach type exists.

c) A description of the degree of centralisation of liquidity management and interaction between the Group's units

Each of the FLUs are accountable for managing liquidity risk within the BofA Europe liquidity risk appetite. GRM provides independent oversight and supervision of FLU activities, an independent view of the liquidity risk of FLU activities, and assesses the effectiveness of BofA Europe's liquidity risk management processes.

GRM works with Treasury and the businesses to monitor actual and forecast liquidity and funding requirements with a focus on limit utilisation and trends, and any change in business / market behaviour may require a change in liquidity risk management. The BofA Europe LRP further describes the liquidity risk roles and responsibilities including requirements for liquidity risk limits, stress testing, analytics and reporting, and recovery and resolution planning.

(d) Scope and nature of liquidity risk reporting and measurement systems

The BofA Europe Board sets the liquidity risk appetite that is the minimum amount of liquidity that must be held to meet net modelled outflows under an internally developed combined stress scenario and to comply with regulatory requirements and appropriate funding metrics. GRM is responsible for maintaining a liquidity risk limits framework to ensure that the entity is managed within its liquidity risk appetite. In line with the BAC Risk Framework, liquidity risk limits are classified as:

- BofA Europe Board-owned risk appetite
- BofA Europe MRC-owned management level appetite limits
- Non-risk appetite limits
- Risk indicators

Limits are monitored and reported daily, and a clear escalation path to senior management, the BofA Europe MRC, BofA Europe BRC, and BofA Europe Board by limit category and breach type exists.

Daily liquidity reporting enables liquidity risk monitoring and appropriate risk escalation, which includes defined protocols for limit breaches and emerging risks and issues. Regular liquidity risk reports are sent to the BofA Europe MRC, BofA Europe ALCO, BofA Europe Board, BofA Europe BRC, and senior management.

e) Policies for hedging and mitigating liquidity risk; and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants

The BofA Europe LRP defines the approach to managing BofA Europe's liquidity, aligned to BAC processes and tailored to meet BofA Europe's business mix, strategy, activity profile, risk appetite, and regulatory requirements and is approved by the BofA Europe Board. The BofA Europe MRC reviews and recommends Risk Appetite limits to the BofA Europe BRC, which in turn reviews and recommends to the BofA Europe Board for approval.

(f) An outline of the Group's contingency funding plans

Maintaining a CFP that allows BofA Europe to react across all market and economic conditions. The BofA Europe CFP highlights the requirements of BofA Europe's management and governance committees in the event of a stress scenario. It includes key metrics that facilitate the identification of liquidity stress, contingency funding actions, and roles and accountabilities, including those of BofA Europe's management and independent risk management

(g) An explanation of how stress testing is used

BofA Europe uses internal liquidity stress tests to assess its ability to meet liquidity requirements in stressed conditions. Additional exploratory scenarios may be used to identify, understand or manage the liquidity risk associated with business activities

(h) A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.

The BofA Europe Liquidity Adequacy Statement ("LAS") has been documented as a statement of the BofA Europe Board's consideration of the Internal Liquidity Adequacy Assessment Process ("ILAAP") and prepared with reference to relevant ECB guidance. The ILAAP demonstrates BofA Europe has an appropriate framework to manage its liquidity and funding risk and adequate liquidity buffers and stable funding to deliver on its business strategy while continuing to operate within the BofA Europe Board risk appetite.

i) A concise liquidity risk statement approved by the management body describing the overall liquidity risk profile associated with the business strategy

The BofA Europe LAS has been documented as a statement of the BofA Europe Board's consideration of the ILAAP and prepared with reference to relevant ECB guidance. The ILAAP demonstrates BofA Europe has an appropriate framework to manage its liquidity and funding risk and adequate liquidity buffers and stable funding to deliver on its business strategy while continuing to operate within the BofA Europe Board risk appetite.

4.2.2. EU LIQ1 – Quantitative Information on LCR

The table below discloses average weighted and unweighted values of the liquidity buffer, total net cash outflows, the LCR ratio, and provides details of cash outflows and cash inflows of BofA Europe.

Table 4.2.2.T1. – EU LIQ1 Quantitative information on LCR (€ in millions)

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**31-Mar-23**	**30-Jun-23**	**30-Sep-23**	**31-Dec-23**	**31-Mar-23**	**30-Jun-23**	**30-Sep-23**	**31-Dec-23**
EU 1b	**Number of data points used in the calculation of averages**	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					€ 23,227	€ 22,540	€ 22,619	€ 23,000
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
3	*Stable deposits*	—	—	—	—	—	—	—	—
4	*Less stable deposits*	—	—	—	—	—	—	—	—
5	Unsecured wholesale funding	20,524	20,236	20,220	20,111	7,347	7,417	7,314	7,205
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	13,648	13,478	13,477	13,465	3,382	3,341	3,343	3,343
7	*Non-operational deposits (all counterparties)*	6,642	6,542	6,551	6,456	3,731	3,860	3,779	3,672
8	*Unsecured debt*	234	216	193	190	234	216	193	190
9	*Secured wholesale funding*					—	—	—	2
10	Additional requirements	41,337	40,784	40,563	40,936	13,246	13,343	13,597	13,918
11	*Outflows related to derivative exposures and other collateral requirements*	899	960	1,002	1,019	899	960	1,002	1,019
12	*Outflows related to loss of funding on debt products*	—	—	—	—	—	—	—	—
13	*Credit and liquidity facilities*	40,438	39,824	39,561	39,917	12,347	12,383	12,595	12,899
14	Other contractual funding obligations	677	265	346	581	582	167	247	483
15	Other contingent funding obligations	6,091	7,015	7,677	8,042	1,565	1,417	1,381	1,284
16	**TOTAL CASH OUTFLOWS**					**€ 22,740**	**€ 22,344**	**€ 22,539**	**€ 22,893**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	€ 6,090	€ 6,456	€ 6,659	€ 6,963	€ 34	€ —	€ 1	€ 44
18	Inflows from fully performing exposures	6,736	6,635	6,718	6,736	6,497	6,390	6,472	6,473
19	Other cash inflows	158	213	310	469	158	213	310	469
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
EU-19b	(Excess inflows from a related specialised credit institution)					—	—	—	—
20	**TOTAL CASH INFLOWS**	**€ 12,984**	**€ 13,303**	**€ 13,687**	**€ 14,168**	**€ 6,689**	**€ 6,602**	**€ 6,782**	**€ 6,986**
EU-20a	Fully exempt inflows	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
EU-20b	Inflows subject to 90% cap	—	—	—	—	—	—	—	—
EU-20c	Inflows subject to 75% cap	12,984	13,303	13,687	14,168	6,689	6,602	6,782	6,986
TOTAL ADJUSTED VALUE									
21	**LIQUIDITY BUFFER**					**€ 23,227**	**€ 22,540**	**€ 22,619**	**€ 23,000**
22	**TOTAL NET CASH OUTFLOWS**					**€ 16,051**	**€ 15,742**	**€ 15,757**	**€ 15,907**
23	**LIQUIDITY COVERAGE RATIO (%)**					**145.02%**	**143.44 %**	**143.68%**	**144.61 %**

[(1)] The disclosed values and figures are simple averages of the preceding 12 LCR monthly reporting observations for each quarter.

4.2.3. EU LIQB – Qualitative information on LCR, which complements template EU LIQ1. (in accordance with Article 451a(2) CRR)

BofA Europe is subject to the liquidity coverage ratio (“LCR”), which requires BofA Europe to hold a sufficient buffer of eligible high-quality liquid assets (“HQLA”) to cover potential cash outflows during the first 30 days of a liquidity stress event. BofA Europe calculates the LCR pursuant to the Commission Delegated Regulation (EU) 2015/61 with regard to liquidity coverage requirement for Credit Institutions (“Delegated Act”).

This LCR disclosures have been made in accordance with the Article 451a of CRR, requiring firms to disclose the average LCR for each quarter of the previous twelve months. The objective of the LCR disclosure requirements is to provide market participants with information to assess institutions’ liquidity positions and risk management.

(a) The main drivers of LCR results and the contribution of inputs to the LCR’s calculation

BofA Europe’s cash flows are modelled in accordance with the Delegated Act. Outflows are related, but not limited to, commitment facilities, deposits (operational and non-operational) and unsecured debt from affiliates. A smaller portion is related to collateralised derivative activity.

Cash inflows are related, but not limited to, third party unsecured loans and unsecured lending to affiliates.

For the year ending 31 December 2023 the 12-month average LCR was 144.61%.

(b) Changes in the LCR over time

As at 31 December 2023, BofA Europe was in compliance with its regulatory and internal liquidity requirements. The LCR fluctuates over time through a combination of client and market activity with 12 month averages remaining relatively steady.

(c) Actual concentration of funding sources

BofA Europe aims to achieve sufficient diversification of funding instruments, counterparties and tenors are adequately funded. BofA Europe’s primary sources of funding are equity, unsecured debt from affiliates, and deposit taking activity. Funding concentration risk is managed in accordance with internal policies and risk appetite.

(d) Composition of the Group’s liquidity buffer

BofA Europe largely holds HQLA in the form of both Level 1 qualifying securities (predominantly government bonds) and withdrawable cash held at Central Banks.

(e) Derivative exposures and potential collateral calls

Derivative exposures give rise to inherent uncertainty and liquidity risk from contractual and behavioural implications of a combined stress environment. Both are modelled as part of the LCR, including impact of credit rating agency downgrades, monitoring historical changes in variation margin and expected counterparty behaviour and collateral flows.

BofA Europe’s derivative activity is limited and is monitored through internal and regulatory liquidity stress testing.

(f) Currency mismatch in the LCR

BofA Europe's business activity is conducted in USD as well as other currencies, predominantly EUR and GBP. To mitigate the potential exposures that can result from fluctuations in currencies, BofA Europe monitors liquidity resources to ensure sufficient liquidity resources are available to mitigate currency mismatches. BofA Europe's separately reportable currency exposures in line with CRR are USD, EUR and GBP.

(g) Other items in the LCR calculation that are not captured in the LCR disclosure template but that are relevant for the liquidity profile

There are no other items in the LCR calculation, that are not captured in this disclosure, considered relevant for the liquidity profile of BofA Europe.

4.2.4. EU LIQ2 – Net Stable Funding ratio

BofA Europe is also subject to the Net Stable Funding Ratio ("NSFR") which requires BofA Europe to hold stable sources of funding to support its activities.

The NSFR disclosure is prepared in accordance with the requirements of Article 451a of CRR. The NSFR aims to ensure that firms maintain a stable funding structure over a long term horizon, complementing the shorter term LCR.

BofA Europe aims to achieve sufficient diversification of funding sources and actively monitors the tenor of liabilities to ensure long-term assets are adequately funded.

BofA Europe's NSFR required stable funding is primarily driven by loans. Available stable funding consists primarily of equity and unsecured affiliate debt instrument as well as deposits.

Table 4.2.4.T1. below discloses quarter end weighted and unweighted values of assets, liabilities, and off-balance sheet items that make up the NSFR of BofA Europe.

Table 4.2.4.T1. – EU LIQ2 Net Stable Funding Ratio (€ millions)

		Quarter Ended 31 December 2023				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	€ 13,331	€ —	€ —	€ 1,810	€ 15,141
2	*Own funds*	€ 13,331	€ —	€ —	€ 1,810	€ 15,141
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		€ —	€ —	€ —	€ —
5	*Stable deposits*		—	—	—	—
6	*Less stable deposits*		—	—	—	—
7	Wholesale funding:		€ 19,938	€ —	€ 28,439	€ 36,627
8	*Operational deposits*		€ *12,083*	€ —	€ —	€ *6,041*
9	*Other wholesale funding*		*7,855*	—	*28,439*	*30,585*
10	Interdependent liabilities		€ —	€ —	€ —	€ —
11	Other liabilities:	€ —	€ 1,347	€ —	€ 137	€ 137
12	*NSFR derivative liabilities*	€ —				
13	*All other liabilities and capital instruments not included in the above categories*		€ *1,347*	€ —	€ *137*	€ *137*
14	**Total available stable funding (ASF)**					**€ 51,905**
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					€ 238
EU-15a	Assets encumbered for more than 12m in cover pool		€ —	€ —	€ —	€ —
16	Deposits held at other financial institutions for operational purposes		€ —	€ —	€ —	€ —
17	Performing loans and securities:		€ 15,219	€ 2,302	€ 28,895	€ 29,135
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		€ *6,502*	€ *61*	€ *226*	€ *257*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*7,680*	*851*	*16,033*	*17,202*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*328*	*1,383*	*11,636*	*10,727*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*14*	—	*93*	*68*
22	*Performing residential mortgages, of which:*		—	—	—	—
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*710*	*7*	*999*	*950*
25	Interdependent assets		€ —	€ —	€ —	€ —
26	Other assets:	€ —	€ 2,603	€ —	€ 1,193	€ 1,451
27	*Physical traded commodities*				€ —	€ —
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		€ *38*	€ —	€ *33*	€ *61*
29	*NSFR derivative assets*		*103*			*103*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*2,169*			*108*
31	*All other assets not included in the above categories*		*292*	—	*1,160*	*1,178*
32	Off-balance sheet items		€ 47,204	€ —	€ —	€ 2,645
33	**Total RSF**					**€ 33,469**
34	**Net Stable Funding Ratio (%)**					**155.08%**

		Quarter Ended 30 September 2023				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	€ 12,509	€ —	€ —	€ 1,888	€ 14,397
2	*Own funds*	€ 12,509	€ —	€ —	€ 1,888	€ 14,397
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		—	—	—	—
5	*Stable deposits*		—	—	—	—
6	*Less stable deposits*		—	—	—	—
7	Wholesale funding:		€ 19,477	€ 176	€ 28,850	€ 37,269
8	*Operational deposits*		€ *12,934*	€ —	€ —	€ *6,467*
9	*Other wholesale funding*		*6,544*	*176*	*28,850*	*30,803*
10	Interdependent liabilities		€ —	€ —	€ —	€ —
11	Other liabilities:	€ —	€ 4,847	€ —	€ 97	€ 97
12	*NSFR derivative liabilities*	€ —				
13	*All other liabilities and capital instruments not included in the above categories*		€ *4,847*	€ —	€ *97*	€ *97*
14	**Total available stable funding (ASF)**					**€ 51,764**
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					€ 261
EU-15a	Assets encumbered for more than 12m in cover pool		€ —	€ —	€ —	€ —
16	Deposits held at other financial institutions for operational purposes		€ —	€ —	€ —	€ —
17	Performing loans and securities:		€ 17,016	€ 2,688	€ 27,784	€ 28,901
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		€ *7,661*	€ *122*	€ —	€ *297*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*7,440*	*1,163*	*15,235*	*16,560*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*1,192*	*1,342*	*11,918*	*11,379*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*1*	*1*	*92*	*61*
22	*Performing residential mortgages, of which:*		—	—	—	—
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*723*	*61*	*631*	*664*
25	Interdependent assets		€ —	€ —	€ —	€ —
26	Other assets:	€ —	€ 5,919	€ 9	€ 1,191	€ 1,402
27	*Physical traded commodities*				€ —	€ —
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		€ *46*	€ —	€ *23*	€ *58*
29	*NSFR derivative assets*		*41*			*41*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*2,210*			*111*
31	*All other assets not included in the above categories*		*3,622*	*9*	*1,168*	*1,193*
32	Off-balance sheet items		€ 48,278	€ —	€ —	€ 2,749
33	**Total RSF**					**€ 33,313**
34	**Net Stable Funding Ratio (%)**					**155.38%**

		Quarter Ended 30 June 2023				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	€ 12,200	€ —	€ —	€ 1,841	€ 14,041
2	*Own funds*	€ 12,200	€ —	€ —	€ 1,841	€ 14,041
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		€ —	€ —	€ —	€ —
5	*Stable deposits*		€ —	€ —	€ —	€ —
6	*Less stable deposits*		—	—	—	—
7	Wholesale funding:		€ 21,273	€ 1	€ 27,670	€ 36,566
8	*Operational deposits*		€ *13,300*	€ —	€ —	€ *6,650*
9	*Other wholesale funding*		*7,972*	*1*	*27,670*	*29,916*
10	Interdependent liabilities		€ —	€ —	€ —	€ —
11	Other liabilities:	€ 148	€ 2,682	€ —	€ 124	€ 124
12	*NSFR derivative liabilities*	€ *148*				
13	*All other liabilities and capital instruments not included in the above categories*		€ *2,682*	€ —	€ *124*	€ *124*
14	**Total available stable funding (ASF)**					**€ 50,731**
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					€ 215
EU-15a	Assets encumbered for more than 12m in cover pool		€ —	€ —	€ —	€ —
16	Deposits held at other financial institutions for operational purposes		€ —	€ —	€ —	€ —
17	Performing loans and securities:		€ 18,319	€ 3,284	€ 26,993	€ 28,588
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		€ *9,181*	€ *148*	€ —	€ *303*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*6,937*	*2,230*	*14,692*	*16,501*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*1,351*	*837*	*11,599*	*10,953*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	*4*	*3*	*4*
22	*Performing residential mortgages, of which:*		—	—	—	—
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*851*	*70*	*701*	*832*
25	Interdependent assets		€ —	€ —	€ —	€ —
26	Other assets:	€ —	€ 3,928	€ 105	€ 1,126	€ 1,374
27	*Physical traded commodities*				€ —	€ —
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*38*	—	*43*	*68*
29	*NSFR derivative assets*		—			—
30	*NSFR derivative liabilities before deduction of variation margin posted*		*2,002*			*100*
31	*All other assets not included in the above categories*		*1,888*	*105*	*1,083*	*1,205*
32	Off-balance sheet items		€ 49,528	€ —	€ —	€ 2,755
33	**Total RSF**					**€ 32,931**
34	**Net Stable Funding Ratio (%)**					**154.05%**

		Quarter Ended 31 March 2023				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items						
1	Capital items and instruments	€ 12,187	€ —	€ —	€ 1,839	€ 14,026
2	*Own funds*	€ 12,187	€ —	€ —	€ 1,839	€ 14,026
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		€ —	€ —	€ —	€ —
5	*Stable deposits*		€ —	€ —	€ —	€ —
6	*Less stable deposits*		—	—	—	—
7	Wholesale funding:		€ 20,264	€ 1	€ 24,919	€ 33,397
8	*Operational deposits*		€ *12,849*	€ —	€ —	€ *6,424*
9	*Other wholesale funding*		*7,416*	*1*	*24,919*	*26,973*
10	Interdependent liabilities		€ —	€ —	€ —	€ —
11	Other liabilities:	€ 304	€ 2,726	€ —	€ 102	€ 102
12	*NSFR derivative liabilities*	€ *304*				
13	*All other liabilities and capital instruments not included in the above categories*		€ *2,726*	€ —	€ *102*	€ *102*
14	**Total available stable funding (ASF)**					**€ 47,525**
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					€ 184
EU-15a	Assets encumbered for more than 12m in cover pool		€ —	€ —	€ —	€ —
16	Deposits held at other financial institutions for operational purposes		€ —	€ —	€ —	€ —
17	Performing loans and securities:		€ 15,136	€ 2,727	€ 26,445	€ 27,418
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		€ *6,459*	€ —	€ —	€ *230*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*6,573*	*1,716*	*13,985*	*15,501*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*1,492*	*983*	*12,017*	*11,195*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*397*	*6*	*1,282*	*1,035*
22	*Performing residential mortgages, of which:*		—	—	—	—
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*611*	*27*	*442*	*491*
25	Interdependent assets		€ —	€ —	€ —	€ —
26	Other assets:	€ —	€ 3,708	€ 11	€ 1,197	€ 1,420
27	*Physical traded commodities*				€ —	€ —
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*37*	—	*38*	*64*
29	*NSFR derivative assets*		—			—
30	*NSFR derivative liabilities before deduction of variation margin posted*		*1,814*			*91*
31	*All other assets not included in the above categories*		€ *1,856*	€ *11*	€ *1,159*	€ *1,265*
32	Off-balance sheet items		€ 47,090	€ —	€ —	€ 2,478
33	**Total RSF**					**€ 31,499**
34	**Net Stable Funding Ratio (%)**					**150.88%**

4.3. Disclosure of Credit Risk Quality (EU CRA, EU CRB)

4.3.1. EU CRA – General Qualitative Information About Credit Risk

a) Risk statement in accordance with point (f) of Article 435(1) CRR and how the business model translates into the components of the institution's credit risk profile

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 BofA Europe commits to, or enters in to, an agreement with a borrower or counterparty. BofA Europe defines credit exposure to a borrower or counterparty as the loss potential arising from loans, leases, derivatives, and other extensions of credit. Credit quality and measurement of the expected credit loss allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and customer behaviour.

Capital requirements for credit risk are determined under the standardised approach. The standardised approach assesses capital requirements using standard industry-wide risk weightings based on a detailed classification of asset types, external credit ratings, and maturity obligations. Counterparty credit risk exposure on derivatives is assessed using the SA-CCR approach.

The primary source of credit risk for BofA Europe is the risk arising from lending activities to its client base, which is mainly composed of large international corporates.

b) The criteria and approach used for defining the credit risk management policy and for setting credit risk limits

BofA Europe's credit portfolio primarily consists of commercial lending (encompassing drawn and undrawn corporate and institutional lending facilities to clients) and traded products activities.

BofA Europe's credit processes align with BAC's credit policies and credit risk appetite across FLUs and are aligned to applicable laws and regulations. Credit risk management oversees decisions about the amount of credit to extend to borrowers consistent with BofA Europe's credit risk appetite.

When BofA Europe is booking new business, the primary focus when granting credit facilities is the capacity to repay rather than placing primary reliance on credit risk mitigants. Borrowers' credit risk profiles continue to be assessed through risk modelling, underwriting, and asset analysis, while considering current and forward-looking views on economic, industry, and borrower outlooks to ensure portfolio asset quality within FLUs remains within approved credit risk appetite. New products and credit terms and conditions are also differentiated based on risk, and within the limits of risk appetite.

In addition to lending based credit exposures there is counterparty credit risk in BofA Europe, which arises from the creditworthiness of the trading partners and varies by type of transaction. Credit risk management manages counterparty credit risk with specific policies, limits, and controls. Based on counterparty creditworthiness, limits on exposures and tenors are set for individual counterparties.

BofA Europe has an established process in place for approving new credits as well as the amendment, renewal, and re-financing of existing credits. Policies and processes for assuming credit risk are well documented without undue reliance on external credit assessments. Credit risk limits are in place at individual exposure and connected exposure level across all borrowers and counterparties in the portfolio. Based on risk profiles, limits and tenors are set at the individual counterparty level and aggregate family level. Counterparty concentration limits are also set at country, industry, and risk rating levels.

The principle exposure measure for a traded product is potential exposure ("PE"), which governs pre-settlement exposure and represents a statistical estimate of the 95%-confidence, "worst case" exposure that could be realised over the life of a transaction. In addition current exposure ("CE") is also measured. Applicable collateral is included in the exposure calculations. For lending-based credit exposures, credit risk is measured as the amount of binding, advised, or guidance limits to a borrower.

Counterparty risk exposures are considered within the context of the broader credit risk portfolio across FLUs and legal entities. Trading exposures with counterparties are accounted for in the assessment of portfolio concentrations so credit decisions reflect complete, accurate, and timely information.

(c) The structure and organisation of the credit risk management and control function

BofA Europe manages credit risk to a borrower or counterparty based on its risk profile, which includes assessing repayment sources, underlying collateral (if any), and the expected effects of the current and forward-looking economic environment on the borrower or counterparty. Underwriting, credit risk management, and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes.

BofA Europe uses a number of actions to actively mitigate credit losses, including increased frequency and intensity of portfolio monitoring for moderate to weak risk profiles, hedging, and transferring management of deteriorated commercial exposures to special asset officers.

Credit risk management includes the following processes:

- Credit origination
- Portfolio management
- Loss mitigation activities
- Establishing Allowances for Credit Losses which is a reserve for expected credit losses

These processes create a comprehensive and consolidated view of BofA Europe's credit risks, thus providing senior management with the information required to guide or redirect FLUs and the Strategic Plan, if necessary.

BofA Europe recognises that credit risk management relies heavily upon forward-looking estimates (some required by regulatory capital rules), including, but not limited to, probabilities of default, exposures at default, loss severity and collateral valuations.

d) The relationships between credit risk management, risk control, compliance and internal audit functions

BofA Europe credit risk is integrated into the governance structure as described earlier in the document. This structure enables a system of risk escalation, which includes the hierarchy and process to be followed for approvals on an exceptional basis, limit excesses, policy variances, and internally identified issues and emerging risks.

Credit risk policies form an important part of BofA Europe's risk governance framework. Policies govern the extension of credit and the management of credit relationships in order to:

- Align day-to-day employee decision-making with the Risk Framework, risk appetite, and risk management objectives
- Foster understanding and compliance with all relevant laws, rules, regulations, and regulatory guidance
- Describe standards for underwriting and management of credit risk exposures
- Define approval authorities, including authorities for exceptions to policy and higher risk or specialised transactions

Core credit risk policies are supplemented, as needed, by individual business unit or legal entity policies which contain additional requirements specific to individual business unit / legal entity needs.

At the FLU level, independent risk management oversees credit risk management processes and governance in accordance with BofA Europe's requirements and authority levels. Credit risk teams oversee credit risk management processes in accordance with BAC's subsidiary governance requirements. This includes reporting to various risk governance committees, senior management, and the BofA Europe Board of Directors.

Transparency of credit risk is critical to effective risk management. To ensure appropriate transparency and escalation to the BofA Europe Board and senior management, comprehensive and actionable credit risk internal reports are produced in accordance with BCBS239 Principles, which contain the required granularity of content for each level of seniority.

Exposures under BofA Europe's RAS, credit risk limits are reported on an ongoing basis and monitored by Enterprise Credit Risk ("ECR").

Regular reporting for the BofA Europe management committees and the BofA Europe Board includes monitoring of credit risk exposure against BofA Europe Board-approved risk appetite limits, as well as more detailed credit information covering total outstanding volumes, industry and geographic concentrations, key counterparty exposures, credit quality trends and Climate Change risk. Credit risk reporting enables appropriate risk escalation. The BofA Europe MRC receives a monthly limit monitoring report, and the BofA Europe Board receives quarterly reporting.

Additionally, the credit risk governance framework and reporting enable appropriate risk escalation for key items, including policy violations, limit breaches, exceptions, emerging risks and issues.

At a counterparty level, exposure is monitored through daily routines with any excesses or exceptions highlighted, investigated, reported, and remediated / escalated in line with BAC and BofA Europe's Risk Framework, risk appetite, and credit risk policies.

4.3.2. EU CRB – Additional Disclosure Related to the Credit Quality of Assets

(a) The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes

A financial asset is past due if there is a legal obligation to make a payment and the payment is compulsory and not paid.

As part of its regular portfolio monitoring process, BofA Europe assesses whether financial assets carried at amortised cost and debt financial assets carried at Fair Value through Other Comprehensive Income ("FVOCI") are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer
- A breach of contract such as a default or past due event
- The restructuring of a loan or advance by BofA Europe on terms that BofA Europe would not consider otherwise
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for a security because of financial difficulties

The materiality threshold used to determine whether an exposure is considered as material is the higher of a threshold of €500 past due or 1% of the outstanding amount owed by a borrower.

Once the legal obligation for a mandatory payment has been established, the counting of days past due starts as soon as any amount of principal, interest, or fee has not been paid at the date when it was due.

BofA Europe bases its assessment of unlikeliness to pay on guidance issued by the ECB in 2017. It classifies an exposure as non-performing exposure ("NPE") if specific "hard" triggers are in evidence and there is no strong mitigant in place. It assesses specific "soft" triggers of unlikeliness to pay as part of its credit assessment process.

BofA Europe considers exposures to have ceased being non-performing exposures (i.e., be re-designated as performing), when all of the following conditions are met:

- The exposure is not considered as impaired or defaulted
- The situation of the borrower has improved to the extent that full repayment, according to the original or when applicable the modified conditions, is likely to be made

- The borrower does not have any amount past due by more than 90 days
- Three months have passed since the exposure was designated as non-performing / defaulted in line with the criteria for the return to a non-defaulted status as set out in the EBA Guidelines on the application of the definition of default

Any exposure which is deemed to be in default as per Article 178 of the CRR is deemed to be non-performing. BofA Europe treats non-performing exposures as defaulted exposures for provisioning, capital and financial reporting purposes. There is no difference between the accounting and regulatory definition of default.

In assessing whether a borrower is in default, BofA Europe considers qualitative indicators such as breaches of covenants, as well as quantitative indicators such as overdue status and non-payment on other obligations of the same issuer. Data from external sources is also used in the consideration of whether a borrower is in default.

b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired

A loan that has been renegotiated due to a deterioration in the borrower’s condition will be tested for credit impairment.

BofA Europe has no past-due exposures that are not considered to be impaired.

(c) Methods used for determining general and specific credit risk adjustments

BofA Europe considers a financial asset to be in default when:

- Material exposures are more than 90 days past-due
- The borrower is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due

(d) Definition of a restructured exposure when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer.

If the terms of a financial asset or financial liability are modified, BofA Europe evaluates whether the new terms of the modified instrument are substantially different to the original terms. If the new terms are substantially different, then the original instrument is derecognised and a new instrument, based on the modified terms, is recognised at fair value. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition.

If the contractual terms of the modified asset or liability carried at amortised cost are not substantially different, then the modification does not result in derecognition. Instead BofA Europe recalculates the gross carrying amount of the financial instrument based on the revised cash flows of the financial instrument and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

If such a modification of a financial asset is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases it is presented as interest income.

Where modification does result in derecognition, the date of renegotiation is considered to be the date of initial recognition for impairment calculation purposes, including for the purposes of determining where a significant increase in credit risk has occurred.

Table 4.3.2.T1 presents the credit quality of the performing and non-performing exposures by portfolio and exposure class showing the impairment stage.

Table 4.3.2.T1. – EU CR1 Performing and Non-performing Exposures and Related Provisions (€ millions)

		Q4 2023														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
	Cash balances at central banks and other demand deposits	€ 21,231	€ 21,231	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
1	Loans and advances	40,883	35,719	1,741	684	—	228	(66)	(24)	(43)	(24)	—	(14)	(8)	26,923	441
2	*Central banks*	0	—	0	—	—	—	0	—	0	—	—	—	—	—	—
3	*General governments*	24	24	—	—	—	—	0	0	—	—	—	—	—	—	—
4	*Credit institutions*	10,289	9,787	75	—	—	—	(2)	(1)	(1)	—	—	—	—	7,683	—
5	*Other financial corporations*	20,222	17,246	435	94	—	88	(27)	(12)	(15)	(3)	—	(3)	—	15,438	53
6	*Non-financial corporations*	10,348	8,663	1,230	590	—	139	(38)	(11)	(27)	(21)	—	(11)	(8)	3,803	388
7	*Of which SME's*	4	3	1	0	—	0	0	0	0	—	—	—	—	0	0
8	*Households*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Debt securities	2,016	2,016	—	—	—	—	0	0	—	—	—	—	—	—	—
10	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

		Q4 2023														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
11	*General governments*	2,016	2,016	—	—	—	—	0	0	—	—	—	—	—	—	—
12	*Credit institutions*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	*Other financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Off-balance sheet exposures	43,563	41,345	2,218	144	—	144	79	26	53	9	—	9	—	—	—
16	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	*General governments*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	*Credit institutions*	737	737	—	—	—	—	0	0	—	—	—	—	—	—	—
19	*Other financial corporations*	12,617	11,906	710	74	—	74	35	7	29	1	—	1	—	—	—
20	*Non-financial corporations*	30,209	28,701	1,508	69	—	69	44	19	24	7	—	7	—	—	—
21	*Households*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22	**Total**	**€ 107,693**	**€ 100,312**	**€ 3,959**	**€ 828**	**€ —**	**€ 371**	**€ (146)**	**€ (50)**	**€ (96)**	**€ (33)**	**€ —**	**€ (23)**	**€ (8)**	**€ 26,923**	**€ 441**

Table 4.3.2.T2. – Prior EU CR1 Performing and Non-performing Exposures and Related Provisions (€ millions)

		Q4 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposure - accumulated impairment, accumulated negtirce change in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
	Cash balances at central banks and other demand deposits	€ 19,067	€ 19,067	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
1	Loans and advances	43,066	32,842	4,886	942	—	462	(96)	(28)	(68)	(82)	—	(66)	(62)	25,813	681
2	*Central banks*	68	68	—	—	—	—	—	—	—	—	—	—	—	—	—
3	*General governments*	440	13	—	—	—	—	—	—	—	—	—	—	—	—	—
4	*Credit institutions*	13,271	12,342	534	—	—	—	(7)	(4)	(3)	—	—	—	—	7,124	—
5	*Other financial corporations*	17,501	12,271	1,445	207	—	185	(38)	(14)	(24)	(25)	—	(25)	(35)	14,222	132
6	*Non-financial corporations*	11,787	8,149	2,907	735	—	277	(51)	(10)	(41)	(57)	—	(41)	(27)	4,467	549
7	*Of which SME's*	3	1	2	6	—	6	—	—	—	—	—	—	—	—	6
8	*Households*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Debt securities	305	305	—	—	—	—	—	—	—	—	—	—	—	—	—
10	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	*General governments*	305	305	—	—	—	—	—	—	—	—	—	—	—	—	—
12	*Credit institutions*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	*Other financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Off-balance sheet exposures	41,033	34,406	6,627	137	—	137	107	38	69	10	—	10	—	—	—
16	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	*General governments*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	*Credit institutions*	523	383	141	—	—	—	—	—	—	—	—	—	—	—	—
19	*Other financial corporations*	10,764	8,114	2,651	64	—	64	39	9	30	4	—	4	—	—	—
20	*Non-financial corporations*	29,745	25,910	3,835	73	—	73	68	29	39	6	—	6	—	—	—
21	*Households*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22	**Total**	**€ 103,471**	**€ 86,620**	**€ 11,512**	**€ 1,079**	**€ —**	**€ 599**	**€ (203)**	**€ (66)**	**€ (137)**	**€ (91)**	**€ —**	**€ (75)**	**€ (62)**	**€ 25,813**	**€ 681**

Table discloses detail on collateral obtained by taking possession and execution processes.

EU CR1-A – Maturity of exposures

Maturity analysis in Table 4.3.2.T3. discloses the credit quality of the performing and non-performing exposures split by the residual contractual maturity band of the portfolio, Net Exposure Value represents the gross carry amount of exposures less provisions.

Table 4.3.2.T3. – EU CR1-A Maturity of Exposures (€ millions)

		Q4 2023					
		a	b	c	d	e	f
		Net Exposure Value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and Advances	€ (1)	€ 13,656	€ 27,821	€ —	€ —	€ 41,476
2	Debt Securities	—	2,016	—	—	—	2,016
3	**Total**	**€ (1)**	**€ 15,672**	**€ 27,821**	**€ —**	**€ —**	**€ 43,492**

The majority of BofA Europe's exposure matures in less than five years.

Table 4.3.2.T4. – EU CR1-A Prior Maturity of Exposures (€ millions)

		Q4 2022					
		a	b	c	d	e	f
		Net Exposure Value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and Advances	€ 111	€ 20,388	€ 23,331	€ —	€ —	€ 43,830
2	Debt Securities	—	305	—	—	—	305
3	**Total**	**€ 111**	**€ 20,693**	**€ 23,331**	**€ —**	**€ —**	**€ 44,135**

EU CR2 – Changes in the stock of non-performing loans and advances

Table 4.3.2.T5. – EU CR2 Changes in the stock of non-performing loans and advances (€ millions)

		Q4 2023
		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**€ 963**
020	Inflows to non-performing portfolios	€ 339
030	Outflows from non-performing portfolios	(579)
040	Outflows due to write-offs	(54)
050	Outflow due to other situations	(526)
060	**Final stock of non-performing loans and advances**	**€ 722**

Previously table EU CR2 was not disclosed, as per the Q&A of Regulation (EU) 2021/637 laying down Implementing Technical Standards (“ITS”) on public disclosure, table EU CR2 is now required to be disclosed from 4th Quarter 2023.

EU CR2a – Changes in the stock of non-performing loans and advances and related net accumulated recoveries

In accordance with the Regulation (EU) 2021/637 laying down ITS on public disclosure, the table EU CR2a is not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

EU CQ1 – Credit quality of forborne exposures

Table 4.3.2.T6. below presents details on the credit quality of forborne exposures

Table 4.3.2.T6. – EU CQ1 Credit Quality of Forborne Exposures (€ millions)

		Q4 2023							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
10	Loans and advances	135	574	574	464	0	(22)	416	350
20	Central banks	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—
40	Credit institutions	—	—	—	—	—	—	—	—
50	Other financial corporations	7	48	48	42	0	(2)	14	8
60	Non-financial corporations	128	526	526	422	0	(20)	401	342
70	Households	—	—	—	—	—	—	—	—
80	Debt securities	—	—	—	—	—	—	—	—
90	Loan commitments given	247	104	104	104	1	3	—	—
100	**Total**	**€ 382**	**€ 678**	**€ 678**	**€ 568**	**€ (2)**	**€ (25)**	**€ 416**	**€ 350**

Table 4.3.2.T7. – Prior EU CQ1 Credit Quality of Forborne Exposure (€ millions)

		Q4 2022							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
10	Loans and advances	178	740	740	615	(4)	(33)	664	599
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	11	133	133	112	—	(12)	115	104
60	*Non-financial corporations*	167	607	607	503	(4)	(20)	549	495
70	*Households*	—	—	—	—	—	—	—	—
80	Debt securities	—	—	—	—	—	—	—	—
90	Loan commitments given	73	60	60	60	4	4	—	—
100	**Total**	**€ 251**	**€ 800**	**€ 800**	**€ 675**	**€ (8)**	**€ (36)**	**€ 664**	**€ 599**

The increase in Performing forborne of €0.1 billion from €0.3 billion 4th Quarter 2022 to €0.4 billion in 4th Quarter 2023 was driven by an increase in Loan Commitments given of €0.2 billion, and partially offset by decreases in Loans and Advances and Non Financial Corporations -€0.1 billion.

EU CQ2 – Quality of forbearance

In accordance with the Regulation (EU) 2021/637 laying down ITS on public disclosure, table EU CQ2 is not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

EU CQ3 – Credit quality of performing and non-performing exposures by past due days

Table 4.3.2.T8 shows credit quality of performing and non-performing exposures by buckets of past due days.

Table 4.3.2.T8. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days (€ millions)

		Q4 2023											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
	Cash balances at central banks and other demand deposits	€ 21,231	€ 21,231	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
1	Loans and advances	40,883	40,835	48	684	684	0	—	—	—	—	—	684
2	*Central banks*	0	0	—	—	—	—	—	—	—	—	—	—
3	*General governments*	24	24	0	—	—	—	—	—	—	—	—	—
4	*Credit institutions*	10,289	10,289	—	—	—	—	—	—	—	—	—	—
5	*Other financial corporations*	20,222	20,220	1	94	94	—	—	—	—	—	—	94
6	*Non-financial corporations*	10,348	10,302	47	590	590	0	—	—	—	—	—	590
7	*Of which SME's*	4	4	—	0	0	—	—	—	—	—	—	0
8	*Households*	—	—	—	—	—	—	—	—	—	—	—	—
9	Debt securities	2,016	2,016	—	—	—	—	—	—	—	—	—	—
10	*Central banks*			—	—	—	—	—	—	—	—	—	—
11	*General governments*	2,016	2,016	—	—	—	—	—	—	—	—	—	—
12	*Credit institutions*	—	—	—	—	—	—	—	—	—	—	—	—
13	*Other financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—

		Q4 2023											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
14	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—
15	Off-balance sheet exposures	43,563	—	—	144	—	—	—	—	—	—	—	144
16	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—
17	*General governments*	—	—	—	—	—	—	—	—	—	—	—	—
18	*Credit institutions*	737	—	—	—	—	—	—	—	—	—	—	—
19	*Other financial corporations*	12,617	—	—	74	—	—	—	—	—	—	—	74
20	*Non-financial corporations*	30,209	—	—	69	—	—	—	—	—	—	—	69
21	*Households*	—	—	—	—	—	—	—	—	—	—	—	—
22	**Total**	**€ 107,693**	**€ 64,082**	**€ 48**	**€ 828**	**€ 684**	**€ 0**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ 828**

Table 4.3.2.T9. – Prior EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days (€ millions)

		Q4 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
	Cash balances at central banks and other demand deposits	€ 19,067	€ 19,067	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
1	Loans and advances	43,066	42,918	148	942	866	1	75	—	—	—	—	942

		Q4 2022											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
2	Central banks	68	68	—	—	—	—	—	—	—	—	—	—
3	General governments	440	440	—	—	—	—	—	—	—	—	—	—
4	Credit institutions	13,271	13,271	—	—	—	—	—	—	—	—	—	—
5	Other financial corporations	17,501	17,412	89	207	205	—	2	—	—	—	—	207
6	Non-financial corporations	11,787	11,728	59	735	661	1	73	—	—	—	—	735
7	Of which SME's	3	3	—	6	6	—	—	—	—	—	—	6
8	Households	—	—	—	—	—	—	—	—	—	—	—	—
9	Debt securities	305	305	—	—	—	—	—	—	—	—	—	—
10	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
11	General governments	305	305	—	—	—	—	—	—	—	—	—	—
12	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
13	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
14	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
15	Off-balance sheet exposures	41,033	—	—	137	—	—	—	—	—	—	—	137
16	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
17	General governments	—	—	—	—	—	—	—	—	—	—	—	—
18	Credit institutions	523	—	—	—	—	—	—	—	—	—	—	—
19	Other financial corporations	10,764	—	—	64	—	—	—	—	—	—	—	64
20	Non-financial corporations	29,745	—	—	73	—	—	—	—	—	—	—	73
21	Households	—	—	—	—	—	—	—	—	—	—	—	—
22	**Total**	**€ 103,470**	**€ 62,290**	**€ 148**	**€ 1,079**	**€ 866**	**€ 1**	**€ 75**	**€ —**	**€ —**	**€ —**	**€ —**	**€ 1,079**

The increase in Performing exposures from €103.5 billion in 4th Quarter 2022 to €€107.7 billion in 4th Quarter 2023 is primarily driven by an increase in Debt Securities, Other financial corporations and Off-Balance Sheet exposures.

EU CQ4 – Quality of non-performing exposures by geography

Table 4.3.2.T10 presents an overview of the credit quality of non-performing and related accumulated impairment and valuation adjustments by geography.

Table 4.3.2.T10. – EU CQ4 Quality of Non-performing Exposures by Geography (€ millions)

	Q4 2023				
	a	c	e	f	g
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted			
On-balance-sheet exposures	**€ 43,583**	**€ 684**	**€ (91)**	**€ —**	**€ —**
UNITED KINGDOM	10,462	52	(12)	—	—
UNITED STATES	7,140	9	(2)	—	—
LUXEMBOURG	5,463	300	(15)	—	—
FRANCE	4,683	137	(22)	—	—
IRELAND	3,072	1	(2)	—	—
SPAIN	2,086	7	(2)	—	—
ITALY	1,792	17	(6)	—	—
NETHERLANDS	1,712	11	(4)	—	—
GERMANY	1,109	105	(2)	—	—
SAUDI ARABIA	944	—	(1)	—	—
SWITZERLAND	722	28	(2)	—	—
BELGIUM	682	1	(1)	—	—
QATAR	635	—	—	—	—
UNITED ARAB EMIRATES	537	—	—	—	—
SWEDEN	517	—	(1)	—	—
TURKEY	449	—	(7)	—	—
Other Countries[(1)]	1,578	17	(11)	—	—
Off-balance-sheet exposures	**€ 43,706**	**€ 144**	**€ —**	**€ 88**	**€ —**
UNITED KINGDOM	10,188	88	—	20	—
FRANCE	7,521	40	—	12	—
GERMANY	5,198	4	—	7	—

	Q4 2023				
	a	c	e	f	g
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted			
NETHERLANDS	3,379	—	—	6	—
SWITZERLAND	2,303	1	—	2	—
ITALY	1,962	—	—	6	—
LUXEMBOURG	1,525	6	—	9	—
SPAIN	1,511	5	—	10	—
SWEDEN	1,439	—	—	2	—
SAUDI ARABIA	1,357	—	—	—	—
BELGIUM	1,201	—	—	2	—
UNITED STATES	1,159	—	—	1	—
DENMARK	1,104	—	—	1	—
IRELAND	664	—	—	2	—
NORWAY	567	—	—	3	—
Other Countries[1]	2,629	—	—	4	—
Total	**€ 87,289**	**€ 828**	**€ (91)**	**€ 88**	**€ —**

[1]Other countries are categorised as countries with less than 1% of On-Balance sheet or Off-Balance sheet exposures corresponding to their totals. It comprises of the following countries: Australia, Austria, Bahrain, Bermuda, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Czech Republic, Costa Rica, Denmark (On-Balance sheet Only), Estonia, Finland, Greece, Guernsey, Honk Kong, Hungary, India, Isle of Man, Israel, Japan, Jersey, Liberia, Liechtenstein, Malta, Malaysia, Morocco, Mauritius, Mexico, Norway (On-Balance sheet Only), Poland, Portugal, Qatar, Romania, Singapore, Slovakia, South Africa, and United Arab Emirates (Off-Balance sheet Only).

Table 4.3.2.T11. – EU CQ4 Prior Quality of Non-performing Exposures by Geography (€ millions)

	Q4 2022				
	a	c	e	f	g
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted			
On-balance-sheet exposures	**€ 44,313**	**€ 942**	**€ (168)**	**€ —**	**€ (10)**
UNITED KINGDOM	€ 11,180	€ 70	€ (34)	€ —	€ —
UNITED STATES	8,594	1	(1)	—	—
FRANCE	4,105	109	(10)	—	—

	Q4 2022				
	a	c	e	f	g
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted			
LUXEMBOURG	4,035	311	(13)	—	—
IRELAND	3,747	—	(4)	—	—
ITALY	2,261	31	(19)	—	—
NETHERLANDS	1,802	25	(4)	—	—
GERMANY	1,725	107	(3)	—	(10)
SPAIN	1,541	16	(2)	—	—
SAUDI ARABIA	1,013	—	(1)	—	—
TURKEY	786	—	(8)	—	—
BELGIUM	769	—	(4)	—	—
Other Countries[(1)]	2,755	272	(65)	—	—
Off-balance-sheet exposures	**€ 41,170**	**€ 137**	**€ —**	**€ 117**	**€ —**
UNITED KINGDOM	€ 9,407	€ 31	€ —	€ 31	€ —
FRANCE	7,076	36	—	23	—
GERMANY	4,630	—	—	8	—
NETHERLANDS	3,324	25	—	8	—
SWITZERLAND	1,977	13	—	2	—
ITALY	1,738	8	—	8	—
SPAIN	1,389	5	—	8	—
BELGIUM	1,362	2	—	3	—
SWEDEN	1,350	—	—	3	—
LUXEMBOURG	1,347	1	—	10	—
SAUDI ARABIA	1,233	—	—	2	—
DENMARK	1,141	—	—	2	—
IRELAND	809	—	—	1	—
UNITED STATES	766	16	—	—	—
NORWAY	599	—	—	1	—

	Q4 2022				
	a	c	e	f	g
	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted			
QATAR	441	—	—	1	—
Other Countries[(1)]	2,581	—	—	6	—
Total	**€ 85,483**	**€ 1,079**	**€ (168)**	**€ 117**	**€ (10)**

[(1)]Other countries are categorised as countries with less than 1% of On-Balance sheet or Off-Balance sheet exposures corresponding to their totals. It comprises of the following countries: Australia, Austria, Bahamas, Bahrain, Bermuda, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Cyprus, Czech Republic, Denmark (On-Balance sheet Only), Estonia, Finland, Greece, Guernsey, Honk Kong, Hungary, India, Isle of Man, Israel, Japan, Jersey, Liberia, Liechtenstein, Mauritius, Mexico, Norway (On-Balance sheet Only), Poland, Portugal, Qatar, Romania, Russian Federation, Singapore, Slovakia, Slovenia, South Africa, Sweden (On-Balance sheet Only), and United Arab Emirates (Off-Balance sheet Only).

Columns b and d of templates EU CQ4 (Quality of non-performing exposures by geography) are not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

Table 4.3.2.T12. EU CQ5 presents an overview of the credit quality of loans and advances to non-financial corporations and related impairments and valuation adjustments by industry.

Table 4.3.2.T12. – EU CQ5 Credit Quality of Loans and Advances to Non-financial Corporations by Industry (€ millions)

		Q4 2023					
		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
10	Agriculture, forestry and fishing	€ 0	€ —	€ —	€ 0	€ 0	€ —
20	Mining and quarrying	40	—	—	40	0	—
30	Manufacturing	3,741	45	45	3,526	(12)	—
40	Electricity, gas, steam and air conditioning supply	1,466	—	—	1,466	(2)	—
50	Water supply	10	—	—	10	0	—
60	Construction	445	—	—	348	0	—
70	Wholesale and retail trade	661	1	1	661	(3)	—
80	Transport and storage	218	—	—	218	0	—
90	Accommodation and food service activities	335	316	316	335	(9)	—
100	Information and communication	526	60	60	488	(13)	—
110	Financial and insurance activities	—	—	—	—	—	—
120	Real estate activities	1,325	16	16	1,230	(1)	—
130	Professional, scientific and technical activities	562	3	3	562	(2)	—
140	Administrative and support service activities	757	142	142	644	(11)	0
150	Public administration and defence, compulsory social security	—	—	—	—	—	—
160	Education	5	—	—	5	0	—
170	Human health services and social work activities	386	—	—	386	(3)	—
180	Arts, entertainment and recreation	455	—	—	455	(1)	—
190	Other services	7	7	7	4	0	—
200	**Total**	**€ 10,938**	**€ 590**	**€ 590**	**€ 10,376**	**€ (59)**	**€ 0**

Table 4.3.2.T13. – EU CQ5 Prior Credit Quality of Loans and Advances to Non-financial Corporations by Industry (€ millions)

		Q4 2022			
		a	c	e	f
		Gross Carrying Amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted		
10	Agriculture, forestry and fishing	€ —	€ —	€ —	€ —
20	Mining and quarrying	119	8	(4)	—
30	Manufacturing	4,469	140	(54)	—
40	Electricity, gas, steam and air conditioning supply	1,979	75	(6)	—
50	Water Supply	5	—	—	—
60	Construction	353	—	(1)	—
70	Wholesale and retail trade	1,053	4	(3)	—
80	Transport and storage	384	6	(1)	—
90	Accommodation and food service activities	467	330	(7)	—
100	Information and communication	576	1	(13)	—
110	Real estate activities	—	—	(1)	—
120	Financial and insurance activities	1,364	20	(2)	—
130	Professional, scientific and technical activities	596	—	(1)	—
140	Administrative and support service activities	631	141	(3)	(10)
150	Public administration and defence, compulsory social security	3	—	—	—
160	Education	12	—	—	—
170	Human health services and social work activities	154	—	(3)	—
180	Arts, entertainment and recreation	347	—	(1)	—
190	Other services	10	9	—	—
200	**Total**	**€ 12,522**	**€ 735**	**€ (98)**	**€ (10)**

Columns b and d of EU CQ5 (Credit quality of loans and advances by industry) are not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

EU CQ6 – Collateral valuation – loans and advances

The EU CQ6 In accordance with the Regulation (EU) 2021/637 laying down ITS on public disclosure, is not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

EU CQ7 – Collateral obtained by taking possession and execution processes

Table 4.3.2.T14. discloses detail on collateral obtained by taking possession and execution processes.

Table 4.3.2.T14. – EU CQ7 Collateral Obtained by Taking Possession and Execution Processes (€ millions)

		Q4 2023		Q4 2022	
		a	b	a	b
		Collateral obtained by taking possession accumulated		Collateral obtained by taking possession accumulated	
		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Property, Plant and Equipment (PP&E)	€ —	€ —	€ —	€ —
020	Other than PP&E	—	—	—	—
030	*Residential immovable property*	—	—	—	—
040	*Commercial Immovable property*	—	—	—	—
050	*Movable property (auto, shipping, etc.)*	—	—	—	—
060	*Equity and debt instruments*	—	—	—	—
070	*Other collateral*	—	—	—	—
080	**Total**	**€ —**	**€ —**	**€ —**	**€ —**

EU CQ8 – Collateral obtained by taking possession and execution processes – vintage breakdown

In accordance with the Regulation (EU) 2021/637 laying down ITS on public disclosure, table EU CQ8 is not disclosed as the NPL Ratio does not meet the required 5% threshold as outlined by Commission Implementing Regulation (EU) 2021/637 Article 8(3) and Article 47a of Regulation No 575/2013

4.4. Disclosure of the Use of Credit Risk Mitigation Techniques (EU CRC)

4.4.1. EU CRC – Qualitative disclosure requirements related to CRM techniques

(a) Core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which the Group makes use of balance sheet netting (Article 453 (a) CRR)

BofA Europe maintains policies and processes to apply netting where appropriate and may treat contractual netting agreements as risk-reducing for purposes of EU Capital Requirements Regulations subject to certain conditions.

See Section 1.2.2. Differences between the Financial Statements' Carrying Value Amounts and the Exposure Amounts used for Regulatory Purposes (EU LIA), under sub-section Netting Rules, of the Pillar 3 statement for a description and extent of netting; as well as Table EU LI1 & LI2, for impact on netting exposures.

The Global Banking and Global Markets Legal Department publishes summaries of opinions regarding the enforceability of netting and associated collateral agreements for certain traded products agreements. The Global Banking and Global Markets Legal Department also performs a periodic legal review of such opinions, no less frequently than annually.

BofA Europe credit risk exposure is net of collateral where legally enforceable netting and collateral agreements are recognised. In order to benefit from close-out netting / enforceability of collateral, written legal opinions are required to confirm:

- The enforceability of close-out netting under a Master Agreement
- Enforceability of credit support agreements (if applicable) in the jurisdiction of incorporation of the counterparty in each case for the relevant type of counterparty

Where applicable for Uncleared Margin Rules (“UMR”) purposes or otherwise:

- The enforceability of collateral arrangements in respect of BofA Europe, the counterparty and the custodian including in the event of bankruptcy, insolvency or other similar proceeding

- The ability of the collateral provider and collateral taker to recover collateral held by the custodian

Where necessary, Credit Risk management consults with the Legal department so that any necessary capacity and authority matters, country and enforceability issues are addressed.

(b) Core features of policies and processes for eligible collateral evaluation and management (Article 453 (b) CRR)

Policies are in place to value and manage collateral according to its type and risk characteristics.

The Marketable Securities and Other Liquid Collateral Policy establishes criteria for the types of marketable securities and other liquid assets that are acceptable as collateral when there is a reliance on such collateral as the primary or secondary source of repayment. The Marketable Securities and Other Liquid Collateral Policy defines parameters for loan advance rates and maintaining collateral values and also addresses risk mitigation, documentation, monitoring, control, and compliance with legal and regulatory requirements. Business units have documented processes to comply with this policy and, where monitored less than daily, reduced advance rates may be applied to account for the increased market risk. When ECR is negotiating CSAs with counterparties, the list of eligible collateral is defined based on the counterparty's credit profile. At any point in time, FLU Credit and ECR can request updating the collateral list should the counterparty's credit profile change.

The Commercial Real Estate Valuations Policy establishes the requirements for evaluating real estate when taken as collateral. An independent current valuation must be secured prior to the closing date of the transaction. Business units maintain procedures for monitoring collateral values in accordance with the policy and relevant regulatory guidance on review frequency. As a credit deteriorates, there is a need for timely information to assess real estate collateral and more frequent valuations may be necessary. Leasing exposures operate under policies that outline requirements for residual values to be prudently determined, as well as standards for the frequency of appraisals and inspections.

Generally, daily valuations are carried out on market trading activities such as collateralised OTC derivatives in support of margining requirements. All requests for non-standard collateral are reviewed and approved through the Non-Standard Collateral Review Process. Collateral Management report, and escalate collateral disputes and fails through established routines.

(c) The main types of collateral taken to mitigate credit risk (Article 453 (c) CRR)

At times, borrowers and counterparties do not fulfil their obligations and steps are taken to mitigate and manage losses. Dedicated BofA Europe teams and stringent processes are in place to appropriately manage non-performing assets.

During a credit cycle, BofA Europe may experience a concentration of losses and must intensify efforts to mitigate losses, balancing fiduciary responsibilities to protect asset values with BofA Europe's principles to serve its customers.

BofA Europe employs a range of techniques to actively mitigate counterparty credit risk. BofA Europe accepts collateral that it is permitted by documentation such as repurchase agreements or a CSA to an International Swaps and Derivatives Association ("ISDA") Master Agreement. For derivatives, required collateral levels may vary depending on the credit quality of the party posting collateral. Generally, collateral is accepted in the form of cash and high-grade government securities.

For a description of the main types of collateral taken by the institution please see BofA Europe's Notes to the Financial Statements for the Year Ended 31 December 2023, section "Collateral held and other credit enhancements".

(d) For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures (Article 453 (d) CRR)

A range of instruments including guarantees, credit insurance, credit derivatives, and securitisation can be used to transfer credit risk from one counterparty to another. Third-party guarantees are reviewed by the Legal Department and must conform to certain standards in order to be recognised as mitigation for credit risk management purposes. The main types of provider of guarantees are banks, other financial institutions, and corporates, the latter typically in support of subsidiaries of their company group. Where credit risk mitigation is deemed to transfer credit risk, the risk is transferred to a counterparty with higher credit quality than the transferor and typically with investment grade ratings, this exposure is appropriately recorded against the credit risk mitigation provider.

At an individual client level, internal guidelines set exposure thresholds by risk rating, beyond which those clients are considered an exception and subject to heightened management attention. A framework exists for managing client and portfolio concentration - through the use of strategies which include the purchase of Credit Default Swap (“CDS”) or other approved products. Such strategies are implemented through means such as: (1) maximum loss limit framework based on public debt ratings; and (2) booking election that depend on exposure size, credit profile, and availability of liquid hedging options. Hedging is conducted by Global Loan Portfolio Management and is organised as a buy-side trading unit that resides on the public side of the Information Wall.

(e) Information about market or credit risk concentrations within the credit mitigation taken (Article 453 (e) CRR)

Credit risk mitigation taken by BofA Europe to reduce credit risk may result in credit or market risk concentrations. Guarantees that are treated as eligible credit risk mitigation are marked as an exposure against the guarantor and aggregated with other credit exposure to the guarantor. Limit monitoring at the counterparty level is then used for monitoring of concentrations in line with Enterprise policy. Derivatives exposure will increasingly be routed through central counterparty clearing houses (“CCPs”) in response to regulation changes being phased-in globally.

4.4.2. EU CR3 – CRM techniques overview: Disclosures of the use of credit risk mitigation techniques

Table 4.4.2.T1 shows the extent of the use of CRM techniques as at 31 December 2023 for BofA Europe.

Table 4.4.2.T1. – EU CR3 CRM Techniques Overview: Disclosure of the Use of Credit Risk Mitigation Techniques (€ millions)

		Q4 2023				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	€ 35,344	€ 27,364	€ 23,135	€ 4,229	€ —
2	Debt securities	2,016	—	—	—	
3	**Total**	**€ 37,359**	**€ 27,364**	**€ 23,135**	**€ 4,229**	**€ —**
4	Of which non-performing exposures	€ 218	€ 441	€ 369	€ 73	€ —
EU-5	Of which defaulted	—	—			

Table 4.4.2.T2. – EU CR3 Prior CRM Techniques Overview: Disclosure of the Use of Credit Risk Mitigation Techniques (€ millions)

		Q4 2022				
		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	€ 36,403	€ 26,494	€ 22,429	€ 4,066	€ —
2	Debt securities	305	—	—	—	
3	**Total**	**€ 36,708**	**€ 26,494**	**€ 22,429**	**€ 4,066**	**€ —**
4	Of which non-performing exposures	€ 261	€ 681	€ 604	€ 77	€ —
EU-5	Of which defaulted	€ 261	€ 681			

The total unsecured and secured exposure increased from €36.7 billion in 4th Quarter 2022 to €37.4 billion in 4th Quarter 2023 . The total Secured Carrying amount increased from €26.5 billion in 4th Quarter 2022 to €27.4 billion in 4th Quarter 2023.

4.5. Disclosure of Exposures to Counterparty Credit Risk (EU CCRA)

EU CCRA – Qualitative disclosure related to CCR

(a) The methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties (Article 439 (a) CRR)

In addition to lending based credit exposures there is counterparty credit risk in BofA Europe, which arises from the creditworthiness of the trading partners and varies by type of transaction. Credit risk management manages counterparty risk with specific policies, limits, and controls. Based on counterparty creditworthiness, limits on exposures and tenors are set for individual counterparties. Current exposure and potential exposure are measured and applicable collateral is monitored.

BofA Europe has an established process in place for approving new credits as well as the amendment, renewal, and re-financing of existing credits. Policies and processes for assuming credit risk are well documented without undue reliance on external credit assessments. Credit risk limits are in place at individual exposure and connected exposure level across all borrowers and counterparties in the portfolio. Based on risk profiles, limits and tenors are set at the individual counterparty level and aggregate family level. SA-CCR exposure and potential exposure are measured taking applicable collateral into account. Counterparty concentration limits are also set at country, industry, and risk rating levels. The principle exposure measure for a traded product is potential exposure, which governs pre-settlement exposure and represents a statistical estimate of the 95%-confidence, “worst case” exposure that could be realised over the life of a transaction. For lending-based credit exposures, credit risk is measured as the amount of binding, advised, or guidance limits to a borrower.

Counterparty risk exposures are considered within the context of the broader credit risk portfolio across FLUs. Trading exposures with counterparties are accounted for in the assessment of portfolio concentrations so credit decisions reflect complete, accurate, and timely information.

Once credit has been extended, processes are in place to monitor credit risk exposure at both the individual borrower and portfolio levels.

Key credit risk exposures are assessed under both normal and stress scenarios and credit risk is managed primarily through establishing limits and monitoring usage. Credit risk may be hedged to mitigate exposure and remain within credit risk appetite and return expectations.

Regular portfolio monitoring, reporting and business-specific governance routines, including periodic testing and examinations by Credit Review, which is part of Corporate Audit, enable detection of deteriorating credit trends, development of mitigation strategies, and measurement of the effectiveness of actions taken. At the borrower and counterparty levels, the risks inherent in ongoing financial performance are reviewed. At the portfolio level, the credit performance of key concentrations under actual conditions, as well as under potential stress scenarios are assessed.

As part of the portfolio management process, loss experience is evaluated compared to expected losses against established credit risk metrics for the entire credit portfolio, including obligor and facility rating distributions for the commercial portfolio. In addition, targeted and portfolio stress testing and scenario analysis are performed and reviewed.

As of 2nd Quarter 2023 BofA Europe has been using CDS as a mechanism to reduce exposure for capital purposes as is fully allowable under CRR once specific legal requirements are satisfied.

(b) Policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves (Article 439 (b) CRR)

Core credit risk policies cover loss mitigation activities including the use of guarantees and securing collateral.

BofA Europe employs a range of techniques to actively mitigate counterparty credit risk. BofA Europe accepts collateral that it is permitted by documentation such as repurchase agreements or a CSA to an ISDA Master Agreement. For derivatives, required collateral levels may vary depending on the credit quality of the party posting collateral. Generally, collateral is accepted in the form of cash and high-grade government securities. For a description of the main types of collateral taken by the institution please see BofA Europe's Notes to the Financial Statements for the Year Ended 31 December 2023, section "Collateral held and other credit enhancements".

(c) Policies with respect to Wrong-Way risk as defined in Article 291 of the CRR (Article 439 (c) CRR)

Wrong-way risk exists when there is adverse correlation between the counterparty's probability of default and the market value of the underlying transaction and / or the collateral. Examples of wrong-way risk include, but are not limited to, situations that involve a counterparty that is a resident and / or incorporated in an emerging market entering into a transaction to sell non-domestic currency in exchange for its local currency; a trade involving the purchase of an equity put option from a counterparty whose shares are the subject of the option; or the purchase of credit protection from a counterparty who is closely associated with the credit default swap reference

BofA Europe uses a range of policies and reporting to identify and monitor wrong-way risk across the portfolio. The Correlation and Concentration Risk Policy describes the governance, limits framework, approval requirements, and roles and responsibilities for the management of wrong-way risk exposures. Forums have been established to review potential situations of wrong-way risk and, depending on the nature of the wrong way risk, Risk Management may require pre-trade approval or apply various portfolio limits. In keeping with the Risk Framework, several processes exist to control and monitor wrong-way risk, including reviews at the BAC Global Markets Risk Committee, the BAC Credit Risk Committee and the BofA Europe MRC.

BofA Europe recognises Specific Wrong-Way Risk Exposures on Regional Italian Counterparties where the Republic of Italy is the reference entity on Credit Default Swaps.

(d) Other risk management objectives and relevant policies related to CCR (Article 431 (3) and (4) CRR)

The previous sections cover the main credit risk management processes including credit origination, portfolio management, loss mitigation activities and establishing Allowances for Credit Losses which is a reserve for expected credit losses which are covered within core credit risk policies.

(e) The amount of collateral the Group would have to provide if its credit rating was downgraded (Article 439 (d) CRR)

The full impact of a credit rating downgrade on BofA Europe depends on numerous factors, including: (1) the type and severity of any downgrade; and (2) the reaction of counterparties, customers, and investors who face BofA Europe.

Based on the terms of various over-the-counter derivatives contracts and other trading agreements, a credit rating downgrade may result in BofA Europe posting additional collateral to counterparties or counterparties choosing to unwind or terminate specific transactions. In either case, BofA Europe could experience liquidity outflows or the loss of funding sources. The materiality of such events will depend on whether the downgrade affects long-term or short-term credit ratings, as well as whether credit ratings drop by one or more levels.

The potential impact of a credit rating downgrade on collateral is monitored continuously and factored into BofA Europe's internal liquidity stress testing and regulatory liquidity requirements. As of 31 December 2023, BofA Europe was in excess of both internal and regulatory liquidity requirements, with a one-notch and two-notch downgrade scenario resulting in nil and €7 million of incremental additional outflows, respectively in line with contractual obligations in OTC derivative contracts.

EU CCR1 – Analysis of CCR exposure by approach

Table 4.5.T1 shows a breakdown of BofA Europe's CCR exposures by approach.

This template excludes own funds requirements for CVA risk and exposures to a central counterparty

Table 4.5.T1. – EU CCR1 Analysis of CCR Exposure by Approach (€ millions)

		4Q 2023							
		a	b	c	d	e	f	g	h
		Replacement Cost ("RC")	Potential Future Exposure ("PFE")	Effective Expected Positive Exposure ("EEPE")	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	Original Exposure method (for derivatives)	€ —	€ —		1.4	€ —	€ —	€ —	€ —
EU-2	Simplified SA-CRR (for derivatives)	—	—		1.4	—	—	—	—
1	SA-CRR (for derivatives)	779	1,380		1.4	6,648	3,022	3,022	2,366
2	IMM (for derivatives and SFTs)			—	—	—	—	—	—
2a	Of which securities financing transactions netting sets			—		—	—	—	—
2b	Of which derivatives and long settlement transactions netting sets			—		—	—	—	—
2c	Of which from contractual cross product netting sets			—		—	—	—	—
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					9,422	723	723	345
5	VaR for SFTs					—	—	—	—
6	**Total**					**€ 16,069**	**€ 3,745**	**€ 3,745**	**€ 2,711**

Table 4.5.T2. – EU CCR1 Prior Analysis of CCR Exposure by Approach (€ millions)

		4Q 2022							
		a	b	c	d	e	f	g	h
		Replacement Cost ("RC")	Potential Future Exposure ("PFE")	Effective Expected Positive Exposure ("EEPE")	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	Original Exposure method (for derivatives)	€ —	€ —		1.4	€ —	€ —	€ —	€ —
EU-2	Simplified SA-CRR (for derivatives)	—	—		1.4	—	—	—	—
1	SA-CRR (for derivatives)	643	663		1.4	4,641	1,829	1,829	1,407
2	IMM (for derivatives and SFTs)			—	—	—	—	—	—
2a	Of which securities financing transactions netting sets			—		—	—	—	—
2b	Of which derivatives and long settlement transactions netting sets			—		—	—	—	—
2c	Of which from contractual cross product netting sets			—		—	—	—	—
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					9,495	1,102	1,102	484
5	VaR for SFTs					—	—	—	—
6	Total					**€ 14,136**	**€ 2,931**	**€ 2,931**	**€ 1,891**

Increase in risk weighted exposure amount from €1,891 million in 4th Quarter 2022 to €2,711 million in 4th Quarter 2023 is primarily driven by increase in the SA-CCR (for derivatives) from €1,407 million to €2,366 million in 4th Quarter 2023.

EU CCR2 – Transactions subject to own funds requirements for CVA risk

Exposures relevant for CVA are presented in Table 4.5.T3.

Table 4.5.T3. – EU CCR2 Transactions Subject to Own Funds Requirements for CVA Risk (€ millions)

		Q4 2023		Q4 2022	
		a	b	a	b
		Exposure value	RWEA	Exposure value	RWEA
1	**Total transactions subject to the Advanced method**	€ —	€ —	€ —	€ —
2	(i) VaR component (including the 3× multiplier)	€ —	€ —	€ —	€ —
3	(ii) stressed VaR component (including the 3× multiplier)	—	—	—	—
4	**Transactions subject to the Standardised method**	**€ 1,976**	**€ 1,620**	**€ 1,811**	**€ 968**
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	€ —	€ —	€ —	€ —
5	Total transactions subject to own funds requirements for CVA risk	1,976	1,620	1,811	968

CVA RWEA increased from €1.0 billion in 4th Quarter 2022 to €1.6 billion in 4th Quarter 2023 .

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Table 4.5.T4. discloses exposures split by risk weight, broken down by regulatory exposure classes for CCR exposures.

Table 4.5.T4. – EU CCR3 Standardised Approach – CCR Exposures by Regulatory Exposure Class and Risk Weights (€ millions)

	Exposure Classes	Q4 2023											
		Risk Weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total Exposure Value
1	Central governments or central banks	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	**€ —**
2	Regional government or local authorities	—	—	—	—	—	181	—	—	575	—	—	**756**
3	Public sector entities	—	—	—	—	—	60	—	—	—	—	—	**60**
4	Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	**—**
5	International organisations	—	—	—	—	—	—	—	—	—	—	—	**—**
6	Institutions	—	71	—	—	258	938	—	—	—	—	—	**1,267**
7	Corporates	—	—	—	—	1	307	—	—	1,051	19	—	**1,378**
8	Retail	—	—	—	—	—	—	—	—	—	—	—	**—**
9	Institutions and corporates with a short-term credit assessment	—	—	—	—	161	67	—	—	79	—	—	**307**
10	Other items	—	—	—	—	—	—	—	—	—	—	—	**—**
11	**Total Exposure Value**	**€ —**	**€ 71**	**€ —**	**€ —**	**€ 420**	**€1,553**	**€ —**	**€ —**	**€1,705**	**€ 19**	**€ —**	**€ 3,767**

Table 4.5.T5. – EU CCR3 Prior Standardised Approach CCR Exposures by Regulatory Portfolio and Risk Weights (€ millions)

	Exposure Classes	Q4 2022											
		Risk Weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total Exposure Value
1	Central governments or central banks	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
2	Regional government or local authorities	—	—	—	—	—	15	—	—	53	—	—	€ 68
3	Public sector entities	—	—	—	—	—	92	—	—	—	—	—	€ 92
4	Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	€ —
5	International organisations	—	—	—	—	—	—	—	—	—	—	—	€ —
6	Institutions	—	82	—	—	89	982	—	—	—	—	—	€ 1,153
7	Corporates	—	—	—	—	2	327	—	—	826	14	—	€ 1,169
8	Retail	—	—	—	—	—	—	—	—	—	—	—	€ —
9	Institutions and corporates with a short-term credit assessment	—	—	—	—	385	52	—	—	67	—	—	€ 504
10	Other items	—	—	—	—	—	—	—	—	—	—	—	€ —
11	**Total Exposure Value**	€ —	€ 82	€ —	€ —	€ 476	€1,468	€ —	€ —	€ 946	€ 14	€ —	€ 2,986

Counterparty credit risk exposures across all exposure classes increased by €0.8 billion to €3.8 billion, driven mainly by increases in Regional government or local authorities exposures.

EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

BofA Europe does not follow the IRB approach and does not have an Internal Model Method approval. Therefore no IRB or IMM related templates are disclosed.

EU CCR5 – Composition of collateral for CCR exposures

Table 4.5.T6. discloses a breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivatives and Securities Financing Transaction (“SFT”). For SFT, collateral refers to both legs of the transaction as collateral received and collateral posted. There has been an increase in Collateral used in Derivatives and SFTs from €1.1 billion in 4th Quarter 2022 to €1.9 billion 4th Quarter 2023.

Table 4.5.T6. – EU CCR5 Composition of Collateral for CCR Exposures (€ millions)

		Q4 2023							
		a	b	c	d	e	f	g	h
		Collateral Used in Derivative Transactions				Collateral Used in SFTs			
		Fair Value of Collateral Received		Fair Value of Posted Collateral		Fair Value of Collateral Received		Fair Value of Posted Collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash - Domestic Currency	—	€ 635	—	€ 212	—	€ 5	—	€ 1,319
2	Cash - Other Currencies	—	468	—	1,344	—	227	—	—
3	Domestic Sovereign Debt	—	—	—	—	—	—	—	—
4	Other Sovereign Debt	—	—	—	36	—	463	—	562
5	Government Agency Debt	—	—	—	—	—	6,279	—	—
6	Corporate Bonds	—	—	—	—	—	2,256	—	—
7	Equity Securities	—	—	—	—	—	—	—	—
8	Other Collateral	—	—	—	—	—	18	—	—
9	**Total**	€ —	€ 1,103	€ —	€ 1,592	€ —	€ 9,248	€ —	€ 1,881

Table 4.5.T7. – Prior EU CCR5 Composition of Collateral for CCR Exposures (€ millions)

		Q4 2022							
		Collateral Used in Derivative Transactions				Collateral Used in SFTs			
		Fair Value of Collateral Received		Fair Value of Posted Collateral		Fair Value of Collateral Received		Fair Value of Posted Collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash - Domestic Currency	€ —	€ 635	€ —	€ 212	€ —	€ 6	€ —	€ 536
2	Cash - Other Currencies	—	468	—	1,344	—	256	—	—
3	Domestic Sovereign Debt	—	—	—	—	—	—	—	—
4	Other Sovereign Debt	—	—	—	36	—	1,151	—	528
5	Government Agency Debt	—	—	—	—	—	6,694	—	—
6	Corporate Bonds	—	—	—	—	—	—	—	—
7	Equity Securities	—	—	—	—	—	—	—	—
8	Other Collateral	—	—	—	—	—	620	—	—
9	**Total**	**€ —**	**€ 1,103**	**€ —**	**€ 1,029**	**€ —**	**€ 8,727**	**€ —**	**€ 1,064**

EU CCR6 – Credit derivatives exposures

Table 4.5.T8. discloses the exposure of the credit derivative transactions split between where protection has been bought and sold and by product type.

Table 4.5.T8. – EU CCR6 Credit Derivatives Exposure (€ millions)

		Q4 2023	
		a	b
		Protection Bought	Protection Sold
	Notionals		
1	Single-name credit default swaps	€ 2,482	€ 91
2	Index credit default swaps	536	198
3	Total return swaps	260	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	**Total notionals**	**€ 3,278**	**€ 289**
	Fair values		
7	Positive fair value (asset)	**€ 64**	**€ 8**
8	Negative fair value (liability)	**(344)**	—

Table 4.5.T9. – EU CCR6 Prior Credit Derivatives Exposure (€ millions)

		Q4 2022	
		a	b
		Protection Bought	Protection Sold
	Notionals		
1	Single-name credit default swaps	€ 2,548	€ 83
2	Index credit default swaps	379	159
3	Total return swaps	203	—
4	Credit options	—	—
5	Other credit derivatives	—	—
6	**Total notionals**	**€ 3,130**	**€ 242**
	Fair values		
7	Positive fair value (asset)	€ 87	€ 2
8	Negative fair value (liability)	(295)	—

Credit derivatives notional increased from €3.1 billion in 4th Quarter 2022 to €3.3 billion in 4th Quarter 2023 primarily driven by an increase in index Credit Default Swaps.

EU CCR7 – RWEA flow statements of CCR exposures under the IMM

Not Applicable - BofA Europe does not use internal models in the calculation of market risk capital requirements

EU CCR8 – Exposures to CCPs

Table 4.5.T10. represents BofA Europe's exposures to Central Counterparties (CCPs).

Table 4.5.T10. – EU CCR8 Exposure to CCPs (€ millions)

		Q4 2023	
		a	b
		Exposure Value	RWEA
1	**Exposures to QCCPs (total)**		**€ 18**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	€ 71	€ 1
3	(i) OTC derivatives	66	1
4	(ii) Exchange-traded derivatives	—	—
5	(iii) SFTs	4	0
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	0	0
9	Prefunded default fund contributions	36	16
10	Unfunded default fund contributions	—	—
11	**Exposures to non-QCCPs (total)**		—
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) SFTs	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	—	—
19	Prefunded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

Table 4.5.T11. – EU CCR8 Prior Exposure to CCPs (€ millions)

		Q4 2022	
		a	b
		Exposure Value	RWEA
1	**Exposures to QCCPs (total)**		**€ 15**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	€ 82	€ 2
3	(i) OTC derivatives	78	2
4	(ii) Exchange-traded derivatives	—	—
5	(iii) SFTs	4	—
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	—	—
9	Prefunded default fund contributions	36	14
10	Unfunded default fund contributions	—	—
11	**Exposures to non-QCCPs (total)**		—
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—
13	(i) OTC derivatives	—	—
14	(ii) Exchange-traded derivatives	—	—
15	(iii) SFTs	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	—	—
19	Prefunded default fund contributions	—	—
20	Unfunded default fund contributions	—	—

Qualifying Central Counterparty's ("QCCP's") RWEA increased by €3 million to €18 million and was driven across lines, mainly by prefunded default fund contributions.

4.6. Disclosure of Exposures to Securitisation Positions (EU SECA)

4.6.1. EU SECA – Qualitative Disclosure Requirements Related to Securitisation Exposures

(a) Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised ("STS") securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy (Article 449(a) CRR)

Securitisation risk is defined as the risks arising from securitisation transactions in relation to which institutions are originator, sponsor, or investor. These risks may include reputational risks that could arise in relation to complex structures or products.

BofA Europe securitisation risk is managed through a comprehensive review approach that is enforced through existing policies and procedures. All securitisations are monitored on an ongoing basis, including:

- Weekly monitoring and reporting of securitisation exposures against LOB / various limits (e.g., asset class limits, regional limits, country limits, segment limits), including information on upcoming loan maturities and repayments

- Monthly review of the Asset Backed Securitisation Banking and Finance (“ABSF”) lending portfolio including deal specific performance metrics, facility utilisations, and monitoring of residual value performance, if applicable
- A quarterly asset quality review of the Mortgages Commercial Real Estate (“CRE”) portfolio, including deal specific performance metrics and facility risk ratings
- Reviews of facilities highlighting any changes in transaction structure, collateral quality, underwriting criteria, and risk rating

Further to this, prior to approval of any new transactions, a comprehensive risk review and due diligence is conducted to ensure the facility complies with existing limits, policies, and procedures.

BofA Europe does not have any re-securitisation exposure.

BofA Europe’s securitisation exposures are primarily as an investor as part of its Global Mortgage Products LOB where there is a portfolio of debt financings provided by BofA Europe (as a lending bank) to its core relationship clients across Europe. These financings are secured by pools of receivables and credit enhanced through subordination, reserve accounts and excess spread. The positions are generally accounted for on an amortised cost basis. However, these positions are secured by pools of receivables therefore are still typically classified as securitisations under the CRR definition. The majority of securitisation exposures in the ABSF portfolio consists of loans to Special Purpose Entities (“SPEs”) that are held as loans on the balance sheet, typically enhanced to an investment grade level.

Other securitisation activity in BofA Europe consists of CRE Finance and Global Rates Corporate Client derivative activity.

(b) The type of risk the Group is exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and: i) risk retained in own-originated transactions; ii) risk incurred in relation to transactions originated by third parties (Article 449(b) CRR)

Currently BofA Europe acts as an originator for a small number of commercial real estate loans for commercial mortgage backed securitisation (“CMBS”). These CMBS positions are derecognised in their entirety in BofA Europe but in order to meet the risk retention requirements in accordance with the text of Article 6 of Regulation (EU) 2017/2402 (the “EU Securitisation Regulation”), the business retains, on an ongoing basis, a material net economic interest of not less than 5% of the nominal value of the original CRE loan via a loan to the SPE, which is known as an Issuer loan. The issuer loan would be a vertical non-tranched exposure to the SPE. The Issuer loan itself is not viewed as a securitisation exposure.

As at 31 December 2023 BofA Europe had no synthetic securitisation exposures and does not currently act as sponsor of STS securitisations, therefore the related requirements on sponsors in the EU Securitisation Regulation are not applicable. BofA Europe has not provided financial support to securitisation vehicles within the terms of Article 248(1) of CRR.

The total amount of securitised exposures related to Investor SPE financing and derivatives activity in BofA Europe at 31 December 2023 was €13.4 billion (2022 €10.4 billion). BofA Europe acted as originator for one securitisation in 2023 (2022: one).

(c) The Group’s approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions (Article 449(c) CRR)

BofA Europe uses the Standardised Approach (“SEC-SA”) per the hierarchy of approaches and the External Ratings Based Approach (“SEC-ERBA”) where required per Article 254 of Regulation (EU) 2017/2401, to calculate the capital requirements on its securitisation positions.

(d) A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts:

(i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation (Article 449(d) CRR)

BofA Europe also acts as derivative counterparty to SPE's within its Global Rates LOB. This activity typically consists of Balance Guaranteed Swaps and Interest Rates Swaps which are hedges for public and private Asset-Backed Securities ("ABS") transactions where clients are hedging the mismatch between fixed rate linked assets and their floating interest rate exposure under the underlying financing facilities / floating notes. BofA Europe trades as principal and utilises inter-affiliate booking arrangements to hedge and manage market risk. This is in line with the BofA Europe Derivatives Booking Policy and associated Derivatives Booking Protocols for Rates and Currencies.

(e) A list of any legal entities in relation to which the Group have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR (Article 449(e) CRR)

N/A - BofA Europe has not provided support in accordance with Chapter 5 of Title II of Part Three

(f) A list of legal entities affiliated with the Groups and that invest in securitisations originated by the Group or in securitisation positions issued by SSPEs sponsored by the Group (Article 449(f) CRR)

N/A

(g) Accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions (Article 449(g) CRR)

Consolidation

BofA Europe accounts for its interests in SPEs in accordance with IFRS 10: Consolidated Financial Statements which establishes the criteria for when one entity is deemed to control another entity. IFRS 10 defines control as follows: "an investor controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee." In assessing control all relevant factors are considered including qualitative and quantitative aspects.

The consolidation analysis is re-assessed whenever there is a change in the substance of the relationship between BofA Europe and an SPE, for example, when the nature of BofA Europe's involvement or the governing rules, contractual arrangements or capital structure of the SPE change. Further, the full population is reassessed every quarter end. The review process includes all stakeholders, including FLUs.

BofA Europe currently does not have SPE exposure that meets the consolidation requirements of IFRS 10.

De-Recognition

Whether the transfer of assets to an SPE in a securitisation transaction is treated as a sale or financing depends on whether the de-recognition requirements of IFRS 9 - Financial Instruments are met.

The "de-recognition" criteria are satisfied if:

- Substantially all the risks and rewards associated with the assets have been transferred, in which case, they are derecognised in full
- BofA Europe neither transfers nor retains substantially all the risks and rewards of ownership, and has not retained control, in which case the assets are de-recognised in their entirety and BofA Europe recognises separately as assets or liabilities any rights and obligations created or retained in the transfer, otherwise if BofA

Europe has retained control, the assets continue to be recognised to the extent of BofA Europe's continuing involvement

Transactions where de-recognition of the assets transferred to an SPE has occurred are treated as sales or partial sales of those assets. The difference between the carrying amount of the assets transferred and the consideration received is recorded in current period net operating income.

Assets that have been transferred to an unconsolidated SPE which fail the de-recognition requirements in IFRS 9 are treated as financing arrangements and will remain on BofA Europe's Balance Sheet, with a corresponding liability recognised for the proceeds received. These assets are classified as trading assets and the corresponding liabilities are classified as Creditors: Amounts falling due after one year. The assets are measured at fair value through P&L and the liabilities at amortised cost or fair value through P&L under a fair value option election.

BofA Europe's retained interests in securitisation transactions are valued in accordance with BofA Europe's Accounting Policies, as set out in the BofA Europe Financial Statements. These interests mainly comprise of loans, which are classified as loans and advances to customers or derivatives and measured at amortised cost or fair value through profit or loss. BofA Europe does not provide non-contractual financial support to the SPEs.

(h) The names of the ECAIs used for securitisations and the types of exposure for which each agency is used (Article 449(h) CRR)

BofA Europe uses ratings from three ECAIs, Moody's, S&P, and Fitch.

(i) Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels (Article 449(i) CRR)

N/A - BofA Europe does not use the Internal Assessment Approach

4.6.2. EU-SEC1 - Securitisation Exposures in the Non-Trading Book

Overall, BofA Europe banking book securitisations exposure increased by €3.0 billion from €10.4 billion in 4th Quarter 2022 to €13.4 billion in 4th Quarter 2023. This increase was primarily driven by the bank acting as investor in Residential Mortgages in Retail and Lease and Receivables securitisation positions.

Table 4.6.2.T1 shows the total securitisation exposure in the non-trading book in BofA Europe as at 31 December 2023.

Table 4.6.2.T1. – EU SEC 1 Securitisation Exposures in the Non-trading Book (€ millions)

		Q4 2023														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution Acts as Originator							Institution Acts as Sponsor				Institution Acts as Investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			Of which SRT		STS	Non-STS			STS	Non-STS		
			Of which SRT		Of which SRT											
1	**Total exposures**	€ —	€ —	€ 3	€ 3	€ —	€ —	€ 3	€ —	€ —	€ —	€ —	€ —	€13,405	€ —	€13,405
2	**Retail (total)**	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€8,380	€ —	€8,380
3	residential mortgages	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€1,878	€ —	€1,878
4	credit card	—	—	—	—	—	—	—	—	—	—	—	—	200	—	200
5	other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	6,302	—	6,302
6	re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	**Wholesale (total)**	€ —	€ —	€ 3	€ 3	€ —	€ —	€ 3	€ —	€ —	€ —	€ —	€ —	€5,025	€ —	€5,025
8	loans to corporates	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
9	commercial mortgage	—	—	3	3	—	—	—	—	—	—	—	—	8	—	8
10	lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	4,704	—	4,704
11	other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	314	—	314
12	re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 4.6.2.T2. – EU SEC 1 Prior Securitisation Exposures in the Non-trading Book (€ millions)

		Q4 2022														
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution Acts as Originator							Institution Acts as Sponsor				Institution Acts as Investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS			Of which SRT		STS	Non-STS			STS	Non-STS		
			Of which SRT		Of which SRT											
1	**Total exposures**	€—	€ —	€ 4	€ 4	€ —	€ —	€ 4	€ —	€ —	€ —	€ —	€ —	€10,385	€ —	€10,385
2	**Retail (total)**	€—	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€6,952	€ —	€6,952
3	residential mortgages	€—	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€2,240	€ —	€2,240
4	credit card	—	—	—	—	—	—	—	—	—	—	—	—	158	—	158
5	other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	4,554	—	4,554
6	re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	**Wholesale (total)**	€—	€ —	€ 4	€ 4	€ —	€ —	€ 4	€ —	€ —	€ —	€ —	€ —	€3,432	€ —	€3,432
8	loans to corporates	€—	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
9	commercial mortgage	—	—	4	4	—	—	4	—	—	—	—	—	10	—	10
10	lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	3,255	—	3,255
11	other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	168	—	168
12	re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

EU-SEC2 - Securitisation exposures in the trading book

Table 4.6.2.T3 shows there were no securitisation exposures in the trading book in BofA Europe as at 31 December 2023. Similarly in 2022, there were no securitisation exposures in the trading book.

Table 4.6.2.T3. – EU SEC 2 Securitisation Exposures in the Trading Book (€ millions)

		Q4 2023											
		a	b	c	d	e	f	g	h	i	j	k	l
		Institution Acts as Originator				Institution Acts as Sponsor				Institution Acts as Investor			
		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	Non-STS			STS	Non-STS			STS	Non-STS		
1	**Total exposures**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**
2	**Retail (total)**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**
3	Residential mortgages	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
4	Credit card	—	—	—	—	—	—	—	—	—	—	—	—
5	Other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—
6	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—
7	**Wholesale (total)**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**
8	Loans to corporates	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
9	Commercial mortgage	—	—	—	—	—	—	—	—	—	—	—	—
10	Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—
11	Other wholesale	—	—	—	—	—	—	—	—	—	—	—	—
12	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—

EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

Table 4.6.2.T4 shows there is a €3 million exposure in the Non-trading Book where BofA Europe is acting as originator or sponsor.

Table 4.6.2.T4. – EU SEC 3 Securitisation Exposures in the Non-trading Book and Associated Regulatory Capital Requirements – Institution Acting as Originator or Sponsor (€ millions)

		Q4 2023																		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure Values (by RW bands / deductions)					Exposure Values (by regulatory approach)				RWEA (by regulatory approach)				Capital Charge After Cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions
1	**Total exposures**	**€ 3**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ 3**	**€ —**	**€ —**	**€ —**	**€ 0**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**
2	Traditional transactions	€ 3	€ —	€ —	€ —	€ —	€ —	€ —	€ 3	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
3	Securitisation	3	—	—	—	—	—	—	3	—	—	—	—	—	—	—	—	—
4	Retail	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Wholesale	3	—	—	—	—	—	—	3	—	—	—	—	—	—	—	—	—
7	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 4.6.2.T5. – EU SEC 3 Prior Securitisation Exposures in the Non-trading Book and Associated Regulatory Capital Requirements – Bank Acting as Originator or Sponsor (€ millions)

		Q4 2022																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure Values (by RW bands / deductions)					Exposure Values (by regulatory approach)				RWEA (by regulatory approach)				Capital Charge After Cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions
1	**Total exposures**	**€ 4**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**	**€ 4**	**€ —**	**€ —**	**€ —**	**€ 1**	**€ —**	**€ —**	**€ —**	**€ —**	**€ —**
2	Traditional transactions	€ 4	€ —	€ —	€ —	€ —	€ —	€ —	€ 4	€ —	€ —	€ —	€ 1	€ —	€ —	€ —	€ —	€ —
3	Securitisation	4	—	—	—	—	—	—	4	—	—	—	1	—	—	—	—	—
4	Retail	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Wholesale	4	—	—	—	—	—	—	4	—	—	—	1	—	—	—	—	—
7	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Re-Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

Table 4.6.2.T6 presents securitisation exposures in the non-trading book and associated regulatory capital requirements where BofA Europe acts as an investor.

Table 4.6.2.T6. – EU SEC 4 Securitisation Exposures in the Non-trading Book and Associated Regulatory Capital Requirements – Institution Acting as Investor (€ millions)

		Q4 2023																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands / deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital Charge After Cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions
1	**Total exposures**	**€ 4,002**	**€ 4,066**	**€ 4,730**	**€ 472**	**€ —**	**€ —**	**€ 135**	**€13,269**	**€ —**	**€ —**	**€ 126**	**€ 6,113**	**€ —**	**€ —**	**€ 10**	**€ 489**	**€ —**
2	Traditional securitisation	€ 4,002	€ 4,066	€ 4,730	€ 472	€ —	€ —	€ 135	€13,269	€ —	€ —	€ 126	€ 6,113	€ —	€ —	€ 10	€ 489	€ —
3	Securitisation	4,002	4,066	4,730	472	—	—	135	13,269	—	—	126	6,113	—	—	10	489	—
4	Retail underlying	350	2,917	2,303	—	—	—	—	5,570	—	—	—	2,896	—	—	—	232	—
5	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Wholesale	3,652	1,149	2,427	472	—	—	135	7,700	—	—	126	3,217	—	—	10	257	—
7	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 4.6.2.T7. – EU SEC 4 Prior Securitisation Exposures in the Non-trading Book and Associated Regulatory Capital Requirements – Institution Acting as Investor (€ millions)

		Q4 2022																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		(by RW bands /					(by regulatory				(by regulatory				Capital Charge After Cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA	SEC-SA	1250% RW / deductions
1	**Total exposures**	**€3,909**	**€3,219**	**€3,240**	**€ 18**	**€ —**	**€ —**	**€ 108**	**€10,277**	**€ —**	**€ —**	**€ 125**	**€3,776**	**€ —**	**€ —**	**€ 10**	**€ 302**	**€ —**
2	Traditional securitisation	€3,909	€3,219	€3,240	€ 18	€ —	€ —	€ 108	€10,277	€ —	€ —	€ 125	€3,776	€ —	€ —	€ 10	€ 302	€ —
3	Securitisation	3,909	3,219	3,240	18	—	—	108	10,277	—	—	125	3,776	—	—	10	302	—
4	Retail underlying	2,175	2,581	2,196	—	—	—	90	6,862	—	—	36	2,657	—	—	3	213	—
5	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Wholesale	1,734	638	1,043	18	—	—	18	3,415	—	—	89	1,119	—	—	7	90	—
7	Of which STS	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

Table 4.6.2.T8 shows exposures securitised by BofA Europe acting as originator or as sponsor and includes the exposure value in default and the specific credit risk adjustments.

Table 4.6.2.T8. – EU SEC 5 Exposures Securitised by the Institution – Exposures in Default and Specific Credit Risk Adjustments (€ millions)

		Q4 2023		
		a	b	c
		Exposures Securitised by the Institution - Institution Acts as Originator		
		Total Outstanding Nominal Amount		Total Amount of Specific Credit Risk Adjustment Made During the Period
			Of Which Exposures in Default	
1	**Total exposures**	€ 3,271	€ —	€ —
2	**Retail (total)**	€ —	€ —	€ —
3	Residential mortgages	€ —	€ —	€ —
4	Credit card	—	—	—
5	Other retail exposures	—	—	—
6	Re-securitisation	—	—	—
7	**Wholesale (total)**	€ 3,271	€ —	€ —
8	Loans to corporates	€ —	€ —	€ —
9	Commercial mortgage	3,271	—	—
10	Lease and receivables	—	—	—
11	Other wholesale	—	—	—
12	Re-securitisation	—	—	—

Table 4.6.2.T8 EU SEC 5 Exposures Securitised by the Institution – Total Exposures for 4th Quarter 2022 decreased from €3,715 million to €3,271 million in 4th Quarter 2023.

Table 4.6.2.T9. – EU SEC 5 Prior Exposures Securitised by the Institution – Exposures in Default and Specific Credit Risk Adjustments (€ millions)

		Q4 2022		
		a	b	c
		Exposures Securitised by the Institution - Institution Acts as Originator or as Sponsor		
		Total Outstanding Nominal Amount		Total Amount of Specific Credit Risk Adjustment Made During the Period
			Of Which Exposures in Default	
1	**Total exposures**	€ 3,715	€ —	€ —
2	**Retail (total)**	€ —	€ —	€ —
3	Residential mortgages	€ —	€ —	€ —
4	Credit card	—	—	—
5	Other retail exposures	—	—	—
6	Re-securitisation	—	—	—
7	**Wholesale (total)**	€ 3,715	€ —	€ —
8	Loans to corporates	€ —	€ —	€ —
9	Commercial mortgage	3,715	—	—
10	Lease and receivables	—	—	—
11	Other wholesale	—	—	—
12	Re-securitisation	—	—	—

4.7. Disclosure of Use of Standardised Approach and Internal Model for Market Risk (EU MRA, EU MRB)

4.7.1. EU MRA – Qualitative disclosure requirements related to Market Risk

(a) The Group's strategies and processes to manage market risk, including: an explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the Group's market risks, policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges (Points (a) and (d) of Article 435 (1) CRR)

BofA Europe, a bank entity, is a licensed credit institution and BofA's European Banking headquarters. The primary Global Markets activity in the entity includes: EMEA Mortgages Origination and Lending activities (BofA Europe is the preferred booking entity for Lending activity), loan trading (leveraged, par, distressed, asset-backed and non-performing loans) and derivative transactions relating to Corporate Derivatives business (FICC products including foreign exchange and derivatives, commercial paper origination and trading).

Market risk is the risk that changes in market conditions adversely impact the value of assets or liabilities or otherwise negatively impact earnings. Market risk is composed of price risk and interest rate risk(IRR):

- Price risk is risk to current or projected financial condition and resilience arising from changes in the value of either trading portfolios or other obligations that are entered into as part of distributing risk
- Interest rate risk is the risk to current or projected financial condition arising from movements in interest rates. Interest rate risk results from differences between the timing of rate changes and the timing of cash flows (repricing risk), from changing rate relationships among different yield curves affecting bank activities (basis risk), from changing rate relationships across the spectrum of maturities (yield curve risk), and from interest-related options embedded in bank products or investment securities (options risk)

BofA Europe adheres to the BAC Global Markets Market Risk Policy and the Market Risk Limits Policy. In addition, the BofA Europe Market Risk Policy specifies additional corporate governance and regulatory requirements beyond those stated in the global policies and is approved by the BofA Europe MRC. BofA Europe's approach to managing market risk involves:

- Monitoring compliance with established market risk limits and reporting BofA Europe's exposures
- Diversifying exposures
- Controlling position sizes
- Evaluating mitigants, such as economic hedges in related securities or derivatives

The effectiveness of hedges and mitigants is monitored using processes such as risk and limit reporting, in addition to the requirements under various firm's policies. GMR produces risk measures and monitors and reports them against established market risk limits. These measures reflect an extensive range of scenarios, and the results are aggregated at product, business and firm-wide levels. Metrics including VaR, risk factor sensitivities and stress scenario impacts are reported to market risk managers and relevant stakeholders in GMR and FLUs. The metrics are available on the applications housed in the "Market Risk Suite", which can be accessed for further analyses. GMR also reports risk measures and analyses to various oversight and governance routines in the company.

(b) A description of the structure and organisation of the market risk management function (Point (b) of Article 435 (1) CRR)

Global Markets Risk ("GMR"), which is independent of the revenue-producing units and reports to the BofA Europe's Chief Risk Officer, has primary responsibility for assessing, monitoring, and managing market risk through firm-wide oversight across global businesses. Managers in revenue-producing units and GMR discuss market information, positions and estimated loss scenarios on an ongoing basis. Managers in revenue-producing units are accountable for managing risk within prescribed limits. These managers have in-depth knowledge of their positions, markets, and the instruments available to hedge their exposures.

Models used in calculation of measures used for day-to-day Market Risk are developed by the Global Markets Risk Analytics ("GMRA") team and validated by the Model Risk Management ("MRM") team. These teams are part of the Global Risk Management ("GRM") division. GMR engages with these teams as part of governance bodies overseeing model performance, model change assessments, review of measures produced by these models.

GMR engages with senior management in BofA Europe, relevant lines of business, and at BAC level through multiple committees such as the BofA Europe MRC, BofA Europe BRC, and Global Markets Risk Committee. Additionally, working groups and steering councils are established to provide oversight on specific initiatives or aspects of market risk management in the entity. The details of these are elucidated in the BofA Europe Market Risk Policy.

(c) Scope and nature of risk reporting and measurement systems (Point (c) of Article 435 (1) CRR)

GMR produces risk measures and monitors and reports them against established market risk limits. These measures reflect an extensive range of scenarios, and the results are aggregated at product, business and firm-wide levels. Metrics including VaR, risk factor sensitivities and stress scenario impacts are reported to market risk managers and relevant stakeholders in GMR and FLUs. The metrics are available on the applications housed in the "Market Risk Suite", which can be accessed for further analyses. GMR also reports risk measures and analyses to various oversight and governance routines in BofA Europe.

Note: For additional information regarding Market Risk Management, Stress Testing, Backtesting, Timeseries and Proxy data usage, see "Managing Risk – Market Risk Management - Trading Risk Management" in "Part II – Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations" in BAC's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the U.S Securities and Exchange Commission which is available at https://investor.bankofamerica.com/

4.7.2. EU MR1 - Market risk under the standardised approach

Table 4.7.2.T1 EU MR1 presents a breakdown of BofA Europe's market risk under the Standardised Approach.

Table 4.7.2.T1. – EU MR1 Market Risk under the Standardised Approach (€ millions)

		Q4 2023	Q4 2022
		a	a
		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	€ 1,873	€ 964
2	Equity risk (general and specific)	—	—
3	Foreign exchange risk	1,169	755
4	Commodity risk	—	—
	Options		
5	Simplified approach	—	—
6	Delta-plus approach	—	—
7	Scenario approach	—	—
8	Securitisation (specific risk)	—	—
9	**Total**	**€ 3,041**	**€ 1,719**

Standardised market risk risk-weighted exposure amounts ("RWEAs") increased by €1.3 billion from €1.7 billion at 4th Quarter 2022 to €3.0 billion at the 4th Quarter 2023.

4.7.3. EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models

N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used

Procedures and systems implemented for the assurance of tradability of the positions included in the trading book in order to comply with the requirements of Article 104 and the policies and procedures implemented for the overall management of the trading book. (Article 455(c) CRR)

Systems and controls to ensure that the valuation estimates are prudent and reliable (Article 455(c) CRR)

A - Institutions using VaR models and SVaR models must disclose the following information (Point (i) of Article 455(a) CRR):

1) **Activities and risks covered by VaR and SVaR models, specifying how they are distributed in portfolios/sub-portfolios for which the competent authority has granted permission. (Point (i) of Article 455 (a) and Article 455 (b) CRR)**
2) **Scope of application of the VaR and SVaR models for which the competent authority has granted permission (Article 455(b) CRR)**
3) **Characteristics of the models used (Point (i) of Article 455(a) CRR)**
4) **Stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the VaR and SVaR models apply at the group level). (Point (iii) of Article 455(a) CRR)**
5) **Approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the internal models and modelling processes. (Point (iv) of Article 455(a) CRR)**

B - Institutions using internal models to measure the own funds requirements for the incremental default and migration risk (IRC) must disclose the following information (Point (ii) of Article 455(a) CRR):

1) **Risks covered by the IRC models, specifying how they are distributed in portfolios/sub-portfolios for which the competent authority has granted permission. (Point (ii) of Article 455 (a) and Article 455 (b) CRR)**
2) **Scope of application of the IRC model for which the competent authority has granted permission (Article 455(b) CRR)**
3) **Methodology used for internal models for incremental default and migration risk (Point (ii) of Article 455(a) CRR)**
4) **Approach used to determine liquidity horizons**
5) **Methodology used to achieve a capital assessment that is consistent with the required soundness standard**
6) **Approach used in the validation of the models**
7) **Stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the IRC models apply at the group level). (Point (iii) of Article 455(a) CRR)**
8) **Approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the IRC internal models and modelling processes (Point (iv) of Article 455(a) CRR)**

C - Institutions using internal models to measure own funds requirements for correlation trading portfolio (comprehensive risk measure) must disclosure the following information (Point (ii) of Article 455(a) CRR)

1) **Risks covered by the comprehensive risk measure models, specifying how they are distributed in portfolios/ sub-portfolios for which the competent authority has granted permission (Point (ii) of Article 455 (a) and Article 455 (b) CRR)**

2) **Scope of application of the comprehensive risk measure models for which the competent authority has granted permission (Article 455(b) CRR)**

3) **Methodology used for correlation trading (Point (ii) of Article 455(a) CRR)**

4) **Approach used to determine liquidity horizons**

5) **Methodology used to achieve a capital assessment that is consistent with the required soundness standard**

6) **Approach used in the validation of the models**

7) **Stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the comprehensive risk measure models apply at the group level) (Point (iii) of Article 455(a) CRR)**

8) **Approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the comprehensive risk measure internal models and modelling processes (Point (iv) of Article 455(a) CRR)**

9) **Information on weighted average liquidity horizon for each subportfolio covered by the internal models for incremental default and migration risk and for correlation trading (Point (f) of Article 455 CRR)**

EU MR2-A - Market risk under the internal Model Approach (IMA)

N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used

EU MR2-B - RWA flow statements of market risk exposures under the IMA

N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used

EU MR3 - Internal Model Approach ("IMA") values for trading portfolios

N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used

EU MR4 - Comparison of VaR estimates with gains/losses

N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used

4.8. Disclosure of operational risk (EU ORA)

4.8.1. EU ORA – Qualitative information on operational risk

(a) Disclosure of the risk management objectives and policies (Points (a), (b), (c) and(d) of Article 435(1) CRR)

BofA Europe operates in a highly regulated environment and serves a wide range of customers across many jurisdictions. BofA Europe is subject to many laws, rules, and regulations that define the requirements BofA Europe must satisfy across the jurisdictions in which BofA Europe operates. Changes to existing products and services, new product innovations in delivery of services, expanding markets, and changes to the technology infrastructure create changes to BofA Europe's operational risk profile that must be anticipated and managed to mitigate adverse impacts to BofA Europe.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, people, or external events. BofA Europe strives for Operational Excellence in everything BofA Europe does. BofA Europe has designed an operational risk management program that seeks to anticipate and assess operational risks and respond to these risks effectively should they materialise.

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or damage to the reputation of BofA Europe arising from the failure of BofA Europe to comply with the requirements of applicable laws, rules, and regulations or internal policies and procedures. BofA Europe is committed to the highest level of compliance and has no appetite for violations of legislative or regulatory requirements. BofA Europe has established a compliance risk management program that seeks to anticipate and assess compliance risks and respond to these risks effectively should they materialise.

Operational Risk and Compliance Risk Management

BofA Europe is committed to maintaining strong operational risk and compliance risk management practices across all FLUs and control functions. BofA Europe manages operational risk and compliance risk in an ever changing and complex regulatory environment, and with the evolving products, services, and strategies offered by BofA Europe's FLUs. BofA Europe has an integrated set of processes and controls to manage external and internal risks, including metrics and extensive monitoring, testing, and risk assessment processes.

FLUs and control functions are first and foremost responsible for managing all aspects of their businesses, including their operational risks and compliance risks. FLUs and control functions are required to understand their business processes and related risks and controls, including third party dependencies, related regulatory requirements, and monitor and report on the effectiveness of the control environment. In order to actively monitor and assess the performance of their processes and controls, they must conduct comprehensive quality assurance activities and identify issues and risks to remediate control gaps and weaknesses. FLUs and control functions must also adhere to Operational Risk Appetite and Compliance Risk Appetite limits to meet strategic, capital, and financial planning objectives. Finally, FLUs and control functions are responsible for the proactive identification, management, and escalation of operational risks and compliance risks across BofA Europe.

When third party capabilities are required to support processes, products, and services, BofA Europe manages third-party risk with a similar level of accountability as if managed internally.

BofA Europe has combined the Operational Risk and Compliance Risk management control functions into a single integrated function under the leadership of the BofA Europe Chief Compliance and Operational Risk Officer. This combination allows BofA Europe to bring professionals with complementary subject matter expertise together to assess business processes. It also gives a broader view of the key operational risks and compliance risks facing the businesses and control functions, with the ability to develop wide-ranging coverage plans to address risk more holistically, aggregate quantitative and qualitative data across the two disciplines and provide greater visibility into systemic issues in business activities so that critical risks are understood and adequately controlled.

Global Compliance and Operational Risk ("GCOR") sets enterprise-wide policies and standards and provides independent challenge and oversight to the FLUs and control functions. The Operational Risk and Compliance Risk teams comprise of subject matter experts ("SMEs") who understand the front-to-back processes and controls by which BofA Europe delivers products and services, understand applicable laws, rules, regulations, and conduct risk-based oversight activities to assess the effectiveness of processes and controls. These teams independently assess operational risk and compliance risk, monitor business activities and processes, determine and develop tests to be conducted by the Enterprise Independent Testing unit, and report on the state of the control environment. GCOR also collaborates with other control functions to provide additional support for certain issue remediation efforts and shares responsibility with the FLUs, other organisations within Global Risk Management, and other control functions for mitigating certain risks, such as reputational risks and risks associated with improper conduct.

BofA Europe's approach to managing conduct risk is documented in the Conduct Risk Management Program, which is organised around a framework of five distinct segments that work together to (1) reinforce Bank of America's expectations for employee conduct as outlined in the Code of Conduct; (2) describe the infrastructure, program and practices used to prevent employee misconduct; (3) define the systems and controls designed to detect employee misconduct; (4) outline a consistent approach for evaluating and disciplining employees when misconduct occurs; and (5) address the governance process for escalating conduct-related matters to senior management and the Boards of Directors.

In addition, teams in GCOR cover areas such as financial crimes, privacy, climate risk, and information security / cybersecurity that affect multiple FLUs or control functions. These horizontal teams are responsible for, among other things, reviewing the front line unit's and control function's risk management practices related to these specific areas to gauge the effectiveness and consistency of the controls across business units, monitoring losses and reporting and overseeing processes for accuracy and adherence to BofA Europe Operational Risk and Compliance Risk standards.

In alignment with the Basel Committee, BofA Europe define operational resilience as the ability of a company to deliver critical services through disruption, regardless of the source of disruption. Being operationally resilient is a key objective of sound operational risk management. Processes, data flows and systems supporting critical services must be designed from the outset to be well-controlled and resilient. This requires solid process engineering, robust capabilities and controls to prevent or detect and mitigate operational failures. Being operationally resilient enables the company to continuously serve customers, clients and financial markets, even during periods of operational stress. In addition, a formal and robust testing regime ensures the ongoing identification of potential process-related issues.

Operational Risk and Compliance Risk Governance

GCOR employs a governance structure to escalate material risks and issues, as well as the changes to BofA Europe's operational risk and compliance and risk policies and procedures. The BofA Europe Operational Risk Committee ("ORC") is responsible for providing management oversight of operational risk within the activities of BofA Europe. The BofA Europe ORC reports to the BofA Europe MRC where operational risk and compliance risk issues are reviewed, and sent to the BofA Europe AC, BofA Europe BRC, and BofA Europe Board as appropriate. The goal of having this governance structure is to drive accountability for risk management, including decision making, oversight, and escalation, at all levels throughout BofA Europe.

Operational Risk and Compliance Risk Identification and Reporting

Operational risks and compliance risks which require heightened transparency and escalation to management and / or BofA Europe governance committees are referred to as identified risks. Identified risks which meet or exceed minimum materiality thresholds as outlined in the Risk Identification sub-section (under the BofA Europe ICAAP Risk Management chapter "Assessment Approach"), will be designated material risks. All identified risks are documented in the BofA Europe Risk Identification ("Risk ID") Inventory and all material operational risks and compliance risks are further documented in the BofA Europe Risk Self-Assessment process.

Operational risk and Compliance risk reporting and escalation to senior management and the BofA Europe Board is critical to ensuring a clear understanding of current and emerging risks across BofA Europe, as well as whether BofA Europe is operating within its Operational Risk Appetite and Compliance Risk Appetite Limits, so BofA Europe can promptly take action to address out of tolerance risks. Reporting includes results of operational risk and compliance risk assessments, monitoring and testing results, issues, and other operational and compliance metrics. To support decision-making and remediation activities, significant operational risks, compliance risks and issues are escalated to management-level committees, board-level committees, and the BofA Europe Board, as applicable.

BofA Europe establishes and monitors operational risk appetite metrics. The output of scenario analysis for ICAAP supports the ranking of key risks and informs the overall process for ensuring appropriate risk appetite metrics are in place, while the output of the stress test for ICAAP informs the calibration of the Non-Legal Operational Losses metric Trigger and Limit.

BofA Europe is committed to the highest level of compliance and has no appetite for violations of legislative or regulatory requirements. While BofA Europe strive to prevent compliance violations in everything it does, BofA Europe cannot fully eliminate compliance risk, but manage it by defining risk metrics to help reduce exposure to financial loss, reputational harm or regulatory sanctions.

(b) Disclosure of the approaches for the assessment of minimum own funds requirements (Article 446 CRR)

BofA Europe adopts the Standardised Approach for calculating Pillar 1 Regulatory Capital Requirements for operational risk. As part of the annual ICAAP, the adequacy of the Pillar 1 Regulatory Capital Requirement is assessed through scenario analysis and stress testing that considers the material operational risks and compliance risks documented within the BofA Europe Risk Self-Assessment.

(c) Description of the AMA methodology approach used (if applicable) (Article 446 CRR)

N/A – BofA Europe does not use the advanced measurement approach for Operational Risk

(d) Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable) (Article 454 CRR)

N/A – BofA Europe uses the standardised approach for calculating Operational Risk

4.8.2. EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

The following table shows a breakdown of the calculation of own funds requirements for operational risk as at 31 December 2023 for BofA Europe. Own funds requirements for operational risk are calculated under the Standardised Approach.

Table 4.8.2.T1. – EU OR1 – Operational Risk Own Funds Requirements and Risk-Weighted Exposure Amounts (€ millions)

	Banking Activities	a	b	c	d	e
		Relevant Indicator			Own Funds Requirements	Risk Exposure Amount
		Year -3	Year -2	Last Year		
1	Banking activities subject to basic indicator approach ("BIA")	€ —	€ —	€ —	€ —	€ —
2	Banking activities subject to standardised ("TSA") / alternative standardised ("ASA") approaches	1,803	1,835	2,734	346	4,325
3	Subject to TSA	1,803	1,835	2,734		
4	Subject to ASA	—	—	—		
5	Banking activities subject to advanced measurement approaches ("AMA")	—	—	—	—	—

4.9. Disclosure of Interest Rate Risk in the Banking Book (IRRBB) (EU IRRBBA)

EU IRRBBA – Risk management objectives and policies

a) How the Group defines, measures, mitigates and controls IRRBB for the purposes of risk control and measurement (Point (e) of Article 448(1) CRR)

BofA Europe defines IRRBB as the risk to its current or anticipated earnings or capital arising from movements in interest rates in the Banking Book. Interest rate risk represents the most significant market risk exposure to BofA Europe's banking-book balance sheet. Client-facing activities, primarily lending and deposit-taking, create interest rate sensitive positions on BofA Europe's Balance Sheet. See further information in (b)

b) The Group's overall IRRBB management and mitigation strategies (Point (f) of Article 448(1) CRR)

c) The periodicity of the calculation of the Group's IRRBB measures, and a description of the specific risk measures used to gauge sensitivity to IRRBB (Point (e)(i) of Article 448(1) CRR)

BofA Europe's overall IRRBB management and mitigation strategies are performed through regular risk measurements using Economic Value of Equity ("EVE") and Net Interest Income and Market Value changes ("NII + MVC") scenario based risk measurements which are monitored against established limits, and hedging actions are taken as necessary. BofA Europe ALCO and BofA Europe MRC approve the risk measurement methodology, limits, and hedging strategy.

Forward-looking forecasts of NII + MVC are prepared, where the baseline forecast takes into consideration expected future business growth of client facing activities such as lending and deposit taking, asset liability management positioning and the direction of interest rate movements as implied by the market-based forward rate paths. The impact that alternative interest rate scenarios have on the baseline forecast is then measured and evaluated in order to assess interest rate sensitivity under varied conditions. The NII + MVC forecast is frequently updated for changing assumptions and differing outlooks based on economic trends, market conditions, and business strategies. BofA Europe's balance sheet position is continually monitored in order to maintain an acceptable level of exposure to interest rate changes.

EVE is calculated measuring the changes in present value of interest rate-sensitive instruments currently on the BofA Europe's Banking Book over their remaining life using a baseline and shocked forward interest rate paths with the difference between the two representing EVE risk.

Non-maturity deposits ("NMDs") are evaluated and classified into categories in line with Basel guidelines on the treatment of NMDs and EBA guidelines on IRRBB. Deposits are treated as overnight exposures

For EVE methodology, measurements include commercial margins in cash flows and use risk free discount rates.

Risk measurement for each material currency is aggregated by direct summation - with a 50% positive currency adjustment for Supervisory Outlier Tests in line with EBA guidelines.

In addition to NII + MVC and EVE risk measurement, sub-components of IRRBB are also evaluated:

- Tenor basis risk, which is driven by the impact of relative changes in interest rates on instruments that are priced using different interest rate indices is measured and monitored on an ongoing basis

- Optionality is evaluated annually to identify any potential prepayment and withdrawal risk / early redemption risk for materiality to be measured and monitored where required

d) The interest rate shock and stress scenarios used to estimate changes in economic value and in earnings (Point (e) (iii) of Article 448(1) CRR)

To estimate changes in economic value and in earnings driven by interest rate movements, BofA Europe leverages a range of internal and regulatory mandated parallel and non-parallel shock scenarios and stress scenarios consistent with EBA/GL/2022/14.

e) Key modelling and parametric assumptions used in calculating change in economic value of equity (ΔEVE) and change in net interest income (ΔNII) in Template EU IRRBB1 (Point (c) of Article 448(1) CRR)

The results of all IRRBB metrics are generated using a model that is reviewed and validated by Model Risk Management routinely. The BofA Europe ALCO consistently receive updates on IRRBB metrics, trends and details on various topics impacting IRRBB, facilitating timely decision making in response to any factor impacting BofA Europe's interest rate risk exposure.

f) Significant modelling assumptions used in the Group's internal risk measurement systems for purposes other than disclosure, that differ from the modelling assumptions used for the disclosure in Template EU IRRBB1 (Point (e)(ii) of Article 448(1) CRR)

The key difference between the information in the table below and internal measurement approaches is that the measurement of internal NII + MVC uses a forecasted / dynamic balance sheet for NII+MVC measurement as opposed to the static balance sheet used for the measurement of net interest income ("NII") populated in Table 4.9.T1.

g) How the Group hedges its IRRBB, as well as the associated accounting treatment (Point (e)(iv) of Article 448(1) CRR)

BofA Europe's overall goal is to manage interest rate risk so that movements in interest rates do not significantly adversely affect earnings or capital. If deemed necessary, the bank will hedge its IRRBB in line with the documented hedging strategy.

h) Other information regarding the interpretation of the significance and sensitivity of the IRRBB measures disclosed and/or an explanation of any significant variations in the level of the reported IRRBB since previous disclosures (Point (d) of Article 448(1) CRR)

IRRBB metrics contained in Table 4.9.T1 signify that BofA Europe manages exposures within its risk appetite. Variances in results period on period are driven by a combination of balance sheet composition changes and changes in forward rate path expectations.

Table 4.9.T1. – EU IRRBB1 – Quantitative information on IRRBB (€ millions)

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Q4 2023	Q4 2022	Q4 2023	Q4 2022
1	Parallel up	€ (173)	€ (120)	€ 274	€ 206
2	Parallel down	203	81	(287)	(235)
3	Steepener	19	6	—	—
4	Flattener	(47)	(38)	—	—
5	Short rates up	(96)	(78)	—	—
6	Short rates down	100	45	—	—

4.10. Strategic Risk

Definition

Strategic risk is the risk to current or projected financial condition arising from incorrect assumptions about external or internal factors, inappropriate business plans (e.g., too aggressive, wrong focus, ambiguous), ineffective business strategy execution, or failure to respond in a timely manner to changes in the regulatory, macroeconomic, or competitive environments, in the geographic locations in which BofA Europe operates (e.g., competitor actions, changing customer preferences, product obsolescence, and technology developments).

Strategic Risk Management

BofA Europe proactively considers strategic risk in the strategic planning process which feeds into the capital, liquidity, and financial planning processes throughout the year. BofA Europe continuously evaluates the internal and external environment, including the perspective of external experts, and its strengths, weaknesses, opportunities, and threats. During the strategic and capital planning processes, the BofA Europe Board provides credible challenge to senior management’s assumptions and recommendations and approves the strategic and capital plans after a comprehensive assessment of the risks.

BofA Europe sets strategies within the context of overall risk appetite. BofA Europe strategic plans are consistent with risk appetite, the capital plan and liquidity requirements and specifically address strategic risks.

BofA Europe tracks performance to the strategic plan and analyses progress throughout the year. Senior management continuously monitors business performance throughout the year with several processes ranging from the monitoring of financial and operating performance, to the management of the BofA Europe Recovery Plan and the regular assessment of earnings and risk profile. Senior management provides the BofA Europe Board with reports on progress in meeting the Strategic Plan, as well as whether timelines and objectives are being met and if additional or alternative actions need to be implemented.

BofA Europe sets capital limits in the capital planning process. As part of the capital planning process, BofA Europe establishes Capital Management Triggers to ensure it maintains adequate capital, including during periods of stress. BofA Europe manages its capital position in line with its Capital Plan and its Capital Management Policy, and tracks performance with capital adequacy assessments throughout the year.

Strategic Risk Governance

The BofA Europe Board is responsible for overseeing the strategic planning process and senior management’s execution of the resulting strategic plan. The strategic plan is reviewed and approved annually by the BofA Europe Board in line with the capital plan, financial operating plan, liquidity requirements and risk appetite. Significant strategic actions, such as capital actions, material acquisitions or divestitures, and recovery and resolution plans are reviewed and approved by the BofA Europe Board as required.

Processes exist to discuss the strategic risk implications of new, expanded, or modified businesses, products or services, and other strategic initiatives, and to provide formal review and approval where required.

The BofA Europe Board is also responsible for overseeing the capital planning process. Capital plans are reviewed and approved annually by the BofA Europe Board in consideration of the entity’s overall strategic plans, financial operating plans, and risk appetite.

Global Risk Management, Corporate Audit, and other control functions provide input, challenge, and oversight to front line unit strategic plans, initiatives and capital plans relating to BofA Europe.

Strategic Risk Reporting

Transparency around meeting the objectives of BofA Europe's strategic and capital plans by providing visibility to BofA Europe's strategic risks is critical to effective risk management. FLUs and control functions present updates to senior management and the BofA Europe Board on their business performance and management of strategic risk. Updates take into account analyses of performance relative to the strategic plan, capital adequacy assessments, Capital Management Triggers, risk appetite, and performance relative to peers. Topical presentations are also made to address any developments or additional considerations as they relate to strategic or capital planning, or the strategic plan itself. The BofA Europe Board use these updates and presentations to ensure that management actions and decisions remain consistent with strategic plans, capital plans, and risk appetite.

4.11. Reputational Risk

Definition

Reputational risk is the risk that negative perception of BofA Europe may adversely impact profitability or operations.

Reputational risk can stem from many of BofA Europe's activities, including those related to the management of the strategic, operational, compliance, and other risks, as well as the overall financial position. As a result, BofA Europe evaluates the potential impact to its reputation within all of the risk categories and throughout the risk management process.

Reputational Risk Management

BAC, including its subsidiaries, manages reputational risk through established policies and controls in the business and risk management processes to mitigate reputational risks in a timely manner and through proactive monitoring and identification of potential reputational risk events. In addition, reputational risk is also reflected as one of the considerations in the assessment of operational risk scenarios.

At the enterprise level, reputational risk is reviewed by the Enterprise Risk Committee and the Management Risk Committee, which provide primary oversight of reputational risk. Additionally, top reputational risks are reviewed by the GRM leadership team and the BAC Board of Directors.

Reputational risk items relating to BofA Europe are under the remit of the EMEA Reputational Risk Committee (the "Reputational Risk Committee"), whose mandate includes consideration of reputational risk issues (including matters related to environmental and social factors) and to provide guidance and approvals for activities that represent specific reputational risks which have been referred for discussion by other current control frameworks or lines of business.

Activities will be escalated to the Reputational Risk Committee ("RRC") for review and approval where elevated levels of Risk are present, examples of such activities include:

- Business activities that present significant legal, regulatory, or headline risk
- Violations of, or deviations from, BofA Europe policies
- Concerns about customer / client identity or integrity, money laundering, potential criminal activity or potential violations of economic sanctions requirements, such as direct or indirect terrorist financing or operation of an account for or on behalf of a sanctioned country, company, or person
- Business activities that have a particular accounting, finance, or tax treatment as a material objective
- Business activities that raise the possibility that BofA Europe might have an undisclosed or significant conflict of interest

- Business activities from which BofA Europe expects to receive disproportionate compensation compared with the services provided, investments made, and / or risks assumed
- Business activities which due to their nature or due to the current or historic reputation of any of the parties involved, might reflect adversely on BofA Europe's reputation or suggest the need for close scrutiny
- Business activities that present the risk of creating information or security breaches or consumer privacy issues including public disclosure of information
- Business activities that may present environmental or social risks due to actions by BofA Europe or any of the parties involved. This includes activities that may result in negative perceptions of the Company's strategy, policies or commitments related to climate change
- Business activities or practices that may follow long-standing industry practice where there is the potential for a shift in public sentiment such that the business activity or practice might now or in the future be perceived as unfair, improper, or unethical
- Business activities that are similar to other activities in BofA Europe or another firm that have caused reputational harm
- Any potential reputational risk associated with the introduction, modification, or discontinuation of products, services, lines of business, or delivery channels
- Any reputational risk concerns that are specific to the business, region, or the markets in which the business operates

Ultimately, to help ensure that reputational risk is mitigated through regular business activity, monitoring and oversight of the risk is integrated into the overall governance process, as well as incorporated into the roles and responsibilities for employees.

Given the nature of reputational risk, BofA Europe does not set quantitative limits to define its associated risk appetite. Through proactive risk management, BofA Europe seeks to minimise both the frequency and impact of reputational risk events.

Reputational Risk Governance

BAC has a well established organisational and governance structure in place that ensures strong oversight at both the enterprise and business levels.

The Reputational Risk Committee membership consists of executive representation from Global Markets, Global Corporate and Investment Banking and control functions (i.e., the Legal Department, GRM including Risk, Compliance and Climate Risk and a representative relevant to the matter from Public Policy and / or Corporate Social Responsibility), this includes senior representatives from BofA Europe. The RRC is co-chaired by the President - International, the BofA Europe CEO and the BofA Europe CRO. The RRC charter requires that a majority of members must be present, including a co-chair and all control functions, in order for meetings to proceed.

The EMEA Reputational Risk Committee is a sub-committee of both the Global Reputational Risk Committee and is applicable to all key legal operating entities in the region. Items requiring increased attention may be escalated from the Reputational Risk Committee to the Global Reputational Risk Committee as appropriate.

Reputational Risk Reporting

The reporting of BofA Europe reputational risk issues is captured as part of management routines for the RRC. Tracking of items presented to this committee is maintained through a reporting protocol, which provides detail such as the description of the reputational risk issue, the geographical jurisdiction of the issue, the reason for escalation, and the decision reached by the RRC. In addition, any relevant updates from the RRC are provided through the legal entity MRC.

4.12. Other Risk Considerations

4.12.1. Stressed Gap Framework

Stress Gap Framework aims to identify concentrated exposure to a single counterparty arising from market risk exposures across Bilateral OTC, Client Cleared, Listed Futures & Options, Repo Style and Fixed Income Forward transactions as well as Collateral. Stress scenarios are comprised of global portfolio and single underlying shocks including FX de-peg shocks. For each counterparty, stress gap exposure is calculated based on 2,052 market stress scenarios. The scenario that generates the highest stress exposure is defined as the Stress Gap scenario with that counterparty and is managed against top of the house level limit. The permanent and temporary changes for the limits are reviewed and approved at the BAC Global Markets Risk Committee, or by delegated authority from that committee.

4.12.2. Equities Exposures in the Non-Trading Book

No detailed disclosures are made in respect of equity exposures in the non-trading book as the information provided by such disclosures is not regarded as material. BofA Europe currently does not conduct material activity in Equities in either the trading or non-trading books.

4.12.3. Climate Change

Further information on BofA Europe’s management of climate change risk is included in the Annual Report for the year ended 31 December 2023 and can be found at https://investor.bankofamerica.com/.

4.12.4. Product Initiatives

BofA Europe is committed to offering products and services that are appropriate, are aligned with BofA Europe's strategic plans and risk appetite and comply with applicable laws and regulations in the jurisdiction(s) in which they are offered.

BofA Europe complies with the Product Risk Management – Enterprise Policy, which establishes requirements designed to identify and mitigate risks associated with Product Initiatives, as defined in the Product Risk Management – Enterprise Policy. This Policy requires that Product Initiatives be assessed across applicable key risk types, including consistency with Enterprise Risk Appetite, prior to product implementation, and the Product Lifecycle.

The Product Lifecycle includes New Product Development, Launch, Ongoing Product Management, Modify / Expand, and Stop-Sell / Exit, each with a set of key requirements. Key requirements include (but are not limited to) initial Product Risk Classification and Product Risk Assessment, relevant Committee Approval, inclusion in the Product Inventory, and Post-Implementation Review.

4.12.5. Geopolitical and Macroeconomic Factors

The 2023 market environment was characterised by turmoil in the banking system, as bank failures early in the year caused stress through the banking system that significantly impacted asset prices and volatility. The situation drove investor caution, and 2023 saw record annual inflows into money market funds and government debt.

2023 was also dominated by the direction of interest rates, as central banks hiked policy rates in an effort to tame inflation. The sharp increase in inflation in the Euro Area and UK started to moderate towards the end of the year, but remained above central bank targets. Looking ahead to 2024, market expectations are that inflation will gradually reduce and central banks may therefore, start cutting rates.

From a macroeconomic standpoint, the main global economic blocks gradually began to decouple, both in terms of growth and inflation. There was a divergence in outlook as the US economy remained strong, however both stagnating growth in Europe and weak growth in China proved to be a key concern for investors and corporates.

Geopolitical risk continued to rise in 2023, driven by the continued conflict between Russia and Ukraine, tensions between China and Hong Kong/Taiwan, and ongoing tensions between the US and China. Additionally, instability in the Middle East, instigated by the conflict between Israel and Hamas, continues to develop and has the potential to broaden in scope.

The macroeconomic and geopolitical environment suppressed deal activity in primary markets, where full year global Investment Banking ("IBK") fees ended the year at the lowest level in over a decade. In EMEA markets, Mergers & Acquisitions (“M&A”) activity was down, and the year ended with the lowest announced M&A volumes since 2009. However, there were signs of reopening in capital markets – EMEA Equity and Debt capital markets volumes were up versus the prior year, but still remained below historical levels.

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Bank of America Europe Designated Activity Company Pillar 3 Disclosure

5. Further Detail on Capital Requirement, Capital Resources, Leverage, Securitisation, and Capital Buffers

As at 31 December 2023

5.1. Minimum Capital Requirement Summary

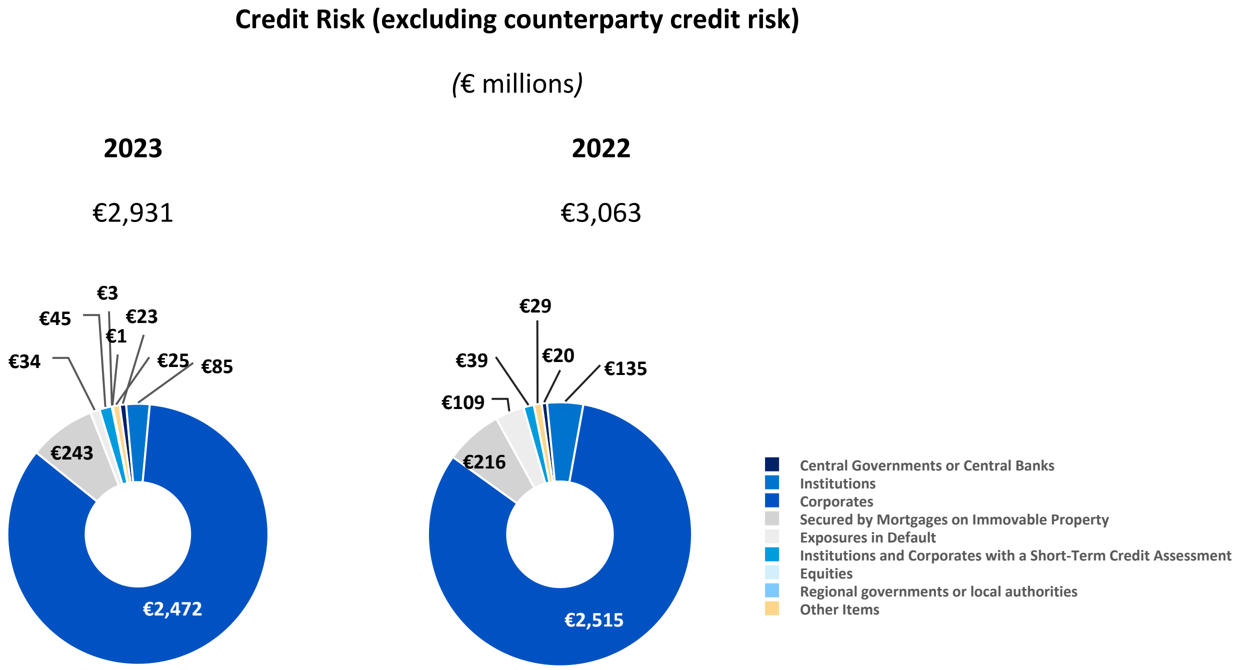
BofA Europe's Minimum Capital Requirement is principally comprised of credit risk, counterparty credit risk, market risk, and operational risk requirements.

BofA Europe's credit risk exposure, which is the largest component of the Minimum Capital Requirement, is largely comprised of exposure to corporate clients in EMEA. A breakdown of credit risk Minimum Capital Requirement by exposure class is shown in Figure 5.1.F1 below, and further details can be found in Section 5.4. Counterparty and Credit Risk.

Further detail on BofA Europe's operational risk capital requirement can be found in Section 4.8.2. EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

BofA Europe's market risk capital requirement is principally driven by capital requirements on position risk. Further detail on market risk can be found in Section 4.7. Disclosure of Use of Standardised Approach and Internal Model for Market Risk (EU MRA, EU MRB) .

Figure 5.1.F1. – Minimum Capital Requirement Detail: Credit Risk (excluding counterparty credit risk)



5.2. Additional Detail on Minimum Requirements for Own Funds and Eligible Liabilities

As part of amendments to the CRR which were published in the Official Journal of the EU as Regulation (EU) 2019/876, the international standard to meet a minimum amount of TLAC became effective for certain types of Investment Firms and Credit Institutions in June 2019. In the CRR, this is referred to as MREL. Firms that are material subsidiaries of non-EU Global Systemically Important Institutions ("G-SIIs") per the CRR definition are required to hold a minimum amount of MREL, BAC is a non-EU G-SII and as at 31 December 2023, following the application of the Intermediate Parent Undertaking (IPU) requirements (Article 21b of the Capital Requirements Directive) effective 30 December 2023, BofA Europe meets the definition of a material subsidiary, as per Art 4(135) of CRR and so became subject to TLAC requirements.

BofA Europe does meet the definition of a Relevant Legal Entity as set out in the Single Resolution Board's ("SRB") MREL Policy published in May 2021. Furthermore, the institution specific internal MREL requirement has been set by the SRB and BofA Europe has met the transitional provisions since January 2022.

Table 5.2.T1. discloses the own funds and eligible liabilities, the total risk exposure amount and the total exposure amount, the ratio of own funds and eligible liabilities and the requirements.

Table 5.2.T1. – EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs (€ millions)

Q4 2023		Minimum Requirement for Own Funds and Eligible Liabilities (Internal MREL)	Non-EU G-SII Requirement for Own Funds and Eligible Liabilities (Internal TLAC)	Qualitative Information
Applicable Requirement and Level of Application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y / N)			Y
EU-2	If EU-1 is answered by "Yes", is the requirement applicable on a consolidated or individual basis? (C / I)			I
EU-2a	Is the entity subject to an internal MREL ? (Y / N)			Y
EU-2b	If EU-2a is answered by "Yes", is the requirement applicable on a consolidated or individual basis? (C / I)			I
Own Funds and Eligible Liabilities				
EU-3	Common Equity Tier 1 capital ("CET1")	€ 12,982	€ 12,982	
EU-4	Eligible Additional Tier 1 instruments	—	—	
EU-5	Eligible Tier 2 capital	1,810	1,810	
EU-6	Eligible own funds	14,792	14,792	
EU-7	Eligible liabilities	1,810	1,810	
EU-8	Of which permitted guarantees	—		
EU-9a	(Adjustments)	—		
EU-9b	Own funds and eligible liabilities items after adjustments	16,602	16,602	
Total Risk Exposure Amount and Total Exposure Measure				
EU-10	Total risk exposure amount	€ 54,462	€ 54,462	
EU-11	Total exposure measure	94,870	94,870	
Ratio of Own Funds and Eligible Liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA)	30.48 %	30.48 %	
EU-13	Of which permitted guarantees	— %		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure)	17.50 %	17.50 %	
EU-15	Of which permitted guarantees	— %		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	2.84 %	2.84 %	
EU-17	Institution-specific combined buffer requirement		4.13 %	
Requirements				
EU-18	Requirement expressed as a percentage of the total risk exposure amount	21.00 %	16.20 %	
EU-19	Of which may be met with guarantees	— %		
EU-20	Internal MREL expressed as percentage of the total exposure measure	5.88 %	6.08 %	
EU-21	of which may be met with guarantees	— %		
Memorandum Items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CCR		26,872	

Table 5.2.T2. – EU ILAC Prior Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs (€ millions)

Q2 2023		Minimum Requirement for Own Funds and Eligible Liabilities (Internal MREL)	Non-EU G-SII Requirements for Own Funds and Eligible Liabilities (Internal TLAC)	Qualitative Information
Applicable Requirement and Level of Application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y / N)			N
EU-2	If EU-1 is answered by "Yes", is the requirements applicable on a consolidated or individual basis? (C / I)			—
EU-2a	Is the entity subject to an internal MREL requirement? (Y / N)			Y
EU-2b	If EU-2a is answered by "Yes", is the requirement applicable on a consolidated or individual basis? (C / I)			I
Own Funds and Eligible Liabilities				
EU-3	Common Equity Tier 1 capital ("CET1")	€ 11,852	€ —	
EU-4	Eligible Additional Tier 1 instruments	—	—	
EU-5	Eligible Tier 2 instruments	1,841	—	
EU-6	Eligible own funds	13,692	—	
EU-7	Eligible liabilities	1,841	—	
EU-8	Of which permitted guarantees	—		
EU-9a	(Adjustments)	—		
EU-9b	Own funds and eligible liabilities items after adjustments	15,533	—	
Total Risk Exposure Amount and Total Exposure Measure				
EU-10	Total risk exposure amount	€ 54,170	€ —	
EU-11	Total exposure measure	95,329	—	
Ratio of Own Funds and Eligible Liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA)	28.67 %	—	
EU-13	Of which permitted guarantees	— %		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure)	16.29 %	—	
EU-15	Of which permitted guarantees	— %		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	0.88 %	—	
EU-17	Institution-specific combined buffer requirement		—	
Requirements				
EU-18	Requirement expressed as a percentage of the total risk exposure amount	21.00 %	—	
EU-19	Of which may be met with guarantees	— %		
EU-20	Internal MREL expressed as percentage of the total exposure amount	5.88 %	—	
EU-21	Of which may be met with guarantees	— %		
Memorandum Items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR		—	

Table 5.2.T3. discloses the creditor insolvency ranking for internal MREL by maturity. The ranking is presented from the most junior to the more senior. The amount attributable to each ranking is further broken down into amounts owned by the Resolution Entity and Other.

Table 5.2.T3. - EU TLAC2a Creditor Ranking - Entity That is Not a Resolution Entity (€ millions)

Q4 2023		Insolvency Ranking				Sum of 1 to n
		1	1	2	2	
		(most junior)	(most junior)			
		Resolution entity	Other	Resolution entity	Other	
1	*Empty set in the EU*					
2	Description of insolvency rank (free text)	Equity	Equity	Subordinated Claims	Subordinated Claims	
3	Liabilities and own funds	€ —	€ 12,982	€ —	€ 3,620	€ 16,602
4	*of which excluded liabilities*	—	—	—	—	—
5	Liabilities and own funds less excluded liabilities	—	12,982	—	3,620	16,602
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal MREL/internal TLAC	—	12,982	—	1,810	16,602
7	Of which residual maturity ≥ 1 year < 2 years	—	—	—	—	—
8	Of which residual maturity ≥ 2 years < 5 years	—	—	—	1,810	1,810
9	Of which residual maturity ≥ 5 years < 10 years	—	—	—	1,810	1,810
10	Of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—
11	Of which perpetual securities	—	12,982	—	—	12,982

Table 5.2.T4. - EU TLAC2a Prior Creditor Ranking - Entity That is Not a Resolution Entity (€ millions)

Q2 2023		Insolvency Ranking				Sum of 1 to n
		1	1	2	2	
		(most junior)	(most junior)			
		Resolution entity	Other	Resolution entity	Other	
2	Description of insolvency rank (free text)	Equity	Equity	Subordinated claims	Subordinated claims	
3	Liabilities and own funds	€ —	€ 11,852	€ —	€ 3,681	€ 15,533
4	of which excluded liabilities	—	—	—	—	—
5	Liabilities and own funds less excluded liabilities	—	11,852	—	3,681	15,533
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal MREL	—	11,852	—	3,681	15,533
7	of which residual maturity ≥ 1 year < 2 years	—	—	—	—	—
8	of which residual maturity ≥ 2 year < 5 years	—	—	—	1,841	1,841
9	of which residual maturity ≥ 5 years < 10 years	—	—	—	1,841	1,841
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—
11	of which perpetual securities	—	11,852	—	—	11,852

5.3. Capital Requirements Under Standardised Approaches for Market Risk

Capital Requirements under the Standardised Approaches for Market Risk

In BofA Europe, regulatory capital required on traded debt instruments are split into two components, general market risk and specific risk:

- General market risk is based on a portfolio by currency basis. Positions are grouped by maturity ranging from maturity of less than one month to maturity of greater than 20 years, with a corresponding weighting applied depending on the maturity band
- Specific risk looks at each security in terms of type of issuer (corporate / government), credit quality, and maturity

FX Market Risk

FX market risk requirement is the regulatory capital requirement calculated on the open net foreign currency exposure of the balance sheet.

Market risk is the potential change in an instrument's value caused by fluctuations in interest and currency exchange rates, credit spreads, or other risks. BofA Europe uses a standardised rules maturity based calculation for general market risk. MR1 discloses BofA Europe's market risk under the standardised approach for RWAs and capital requirements.

5.4. Counterparty and 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 BofA Europe commits to, or enters in to, an agreement with a borrower or counterparty. BofA Europe defines credit exposure to a borrower or counterparty as the loss potential arising from loans, leases, derivatives, and other extensions of credit. Credit quality and measurement of the expected credit loss allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and customer behaviour.

Capital requirements for credit risk are determined under the standardised approach. The standardised approach assesses capital requirements using standard industry-wide risk weightings based on a detailed classification of asset types, external credit ratings, and maturity obligations. Counterparty credit risk exposure on derivatives is assessed using the SA-CCR approach.

The following sub sections provide detailed information on BofA Europe counterparty and credit risk exposures using the above mentioned approaches.

5.5. Capital Buffer Requirements

Capital buffer requirements are comprised of the Capital Conservation Buffer, the CCyB, and the O-SII buffers consist entirely of Common Equity Tier 1 capital.

The Capital Conservation Buffer requires BofA Europe to maintain a conservation buffer equal to 2.5 % of total risk exposure amount. BofA Europe is classified as an O-SII, and has an O-SII buffer of 0.75%

The CCyB is equal to BofA Europe's total risk exposure amount multiplied by the weighted average of the CCyB rates that apply to exposures in the jurisdictions where BofA Europe's relevant credit exposures are located.

The aim of the CCyB is to achieve the broader macro-prudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. The CCyB requirements may also help to limit the build-up of credit in jurisdictions in the first place, by raising the cost of credit and dampening its demand. Thus jurisdictions will be required to monitor credit growth in relation to measures such as Gross Domestic Product ("GDP") and assess whether growth is excessive and leading to the build-up of system-wide risk. Based on this assessment a CCyB, ranging from 0% to 2.5% of risk-weighted assets, may be put in place for specified jurisdictions.

Under CRD, BofA Europe should face the same CCyB rates as domestic institutions on its cross-border exposures under the international reciprocation process.

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer and amount of institution-specific countercyclical capital buffer are presented in line with Commission Implementing Regulation (EU) 2021/637 published on 21 April 2021.

Table 5.5.T1. – EU CCyB1 Geographical Distribution of Credit Exposure Relevant for the Calculation of the Countercyclical Buffer (€ millions)

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General Credit Exposures		Relevant Credit Exposures - Market Risk				Own Funds Requirements						
	Exposure Value Under the Standardised Approach	**Exposure Value under the IRB Approach**	**Sum of Long and Short Positions of Trading Book Exposures for SA**	**Value of Trading Book Exposures for Internal Models**	Securitisation Exposures - Exposure Value for Non-trading Book	Total Exposure Value	**Relevant Credit Risk Exposures - Credit Risk**	**Relevant Credit Risk Exposures - Market Risk**	**Relevant Credit Risk Exposures - Securitisation Positions in the Non-trading Book**	**Total**	Risk-Weighted Exposure Amounts	Own Funds Requirement Weights (%)	**Countercyclical Buffer Rate %**
Countries with a buffer													
UNITED KINGDOM	€ 8,572	€ —	€ 135	€ —	€ 4,275	€ 12,982	€ 604	€ 12	€ 163	€ 779	€ 9,731	22.43 %	2.0 %
FRANCE	5,675	—	102	—	1,275	7,052	367	9	43	419	5,242	12.08	0.50
LUXEMBOURG	2,155	—	34	—	4,177	6,365	172	3	131	306	3,821	8.81	0.50
GERMANY	4,233	—	166	—	—	4,399	286	15	—	301	3,757	8.66	0.75
IRELAND	2,234	—	17	—	2,294	4,545	179	2	116	297	3,719	8.57	1.00
NETHERLANDS	3,104	—	79	—	613	3,795	209	7	23	239	2,984	6.88	1.00
SWEDEN	1,248	—	—	—	—	1,248	93	—	—	93	1,164	2.68	2.00
DENMARK	675	—	—	—	—	675	54	—	—	54	675	1.56	2.50
NORWAY	325	—	6	—	—	331	18	—	—	18	227	0.52	2.50
CZECH REPUBLIC	45	—	—	—	—	45	4	—	—	4	45	0.10	2.00
ROMANIA	17	—	—	—	—	17	1	—	—	1	17	0.04	1.00
ESTONIA	8	—	—	—	—	8	1	—	—	1	8	0.02	1.50
SLOVAKIA	4	—	—	—	—	4	—	—	—	—	4	0.01	1.50
AUSTRALIA	—	—	—	—	—	—	—	—	—	—	—	—	1.00
HONG KONG	—	—	—	—	—	—	—	—	—	—	—	—	1.00
SLOVENIA	—	—	—	—	—	—	—	—	—	—	—	—	0.50
Total	**€ 28,294**	**€ —**	**€ 539**	**€ —**	**€ 12,634**	**€ 41,467**	**€ 1,988**	**€ 48**	**€ 476**	**€ 2,512**	**€31,395**	**72.37 %**	**— %**
Countries without a Buffer													
ITALY	€ 2,271	€ —	€ —	€ —	€ 128	€ 2,399	€ 174	€ —	€ 8	€ 182	€ 2,273	5.24 %	— %
SPAIN	1,949	—	15	—	—	1,965	158	2	—	160	2,001	4.61	—
SWITZERLAND	1,564	—	—	—	296	1,860	101	—	11	112	1,401	3.23	—
SAUDI ARABIA	1,187	—	—	—	—	1,187	86	—	—	86	1,071	2.47	—
BELGIUM	933	—	—	—	350	1,283	63	—	4	67	835	1.92	—
QATAR	903	—	—	—	—	903	64	—	—	64	800	1.84	—
JERSEY	476	—	8	—	—	484	39	1	—	40	498	1.15	—
Other Countries[(1)]	3,467	—	59	—	—	3,525	244	6	—	250	3,121	7.19	—
Total	**€ 12,749**	**€ —**	**€ 83**	**€ —**	**€ 774**	**€ 13,605**	**€ 929**	**€ 9**	**€ 23**	**€ 961**	**€12,000**	**27.65 %**	**— %**

[(1)]Other countries are countries where exposure is below 1% of total credit exposure and have a buffer rate of 0.00%. Other Countries comprise of Australia, Brazil, Canada, Cayman Islands, Chile, Cyprus, Greece, Guernsey, Hungary, India, Isle Of Man, Israel, Japan, Liberia, Liechtenstein, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Morocco, New Zealand, Oman, Panama, Poland, Portugal, Qatar, Russian Federation, Singapore, South Africa, Virgin Islands.

Table 5.5.T2. – EU CCyB2 Amount of Institution-Specific Countercyclical Capital Buffer (€ millions)

		Q4 2023	Q4 2022
1	Total risk exposure amount	€ 54,462	€ 50,447
2	Institution specific countercyclical capital buffer rate	0.88 %	0.34%
3	Institution specific countercyclical capital buffer requirement	€ 480	€ 171

Institution-specific CCyB requirement increased from €171 million to €480 million, explained by National Authorities' planned increases in CCyB rates in 2023 to gradually return to pre COVID-19 levels.

5.6. Capital Resources

Table 5.6.T1. - EU CC2 shows a reconciliation between the accounting balance sheet values and the regulatory capital values of the items included in BofA Europe's Capital Resources. There are no restrictions applied to the calculation of own funds in accordance with CRR regulations.

BofA Europe adopted IFRS 9 for the accounting of financial instruments. The introduction of the ECL model did not result in a material adjustment to equity as at the date of adoption of IFRS 9. For this reason BofA Europe is not applying the transitional arrangements for IFRS 9 as specified in Article 473a of the CRR. BofA Europe's own funds, capital and leverage ratios already reflect the full impact of IFRS 9. EUR - U.S. Dollar exchange rate used at year end was 1.105.

BofA Europe in accordance with paragraphs 213 to 232 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014, has taken the following approach in respect of coverage of exposures classified as NPEs:

- For secured and unsecured NPEs, a 100% coverage was achieved by year-end 2023.

BofA Europe has reviewed the non-performing exposures population and exposures classified as NPEs on 31 March 2018 and also considered the Addendum to the ECB Guidance to bank on non-performing loans and Regulation (EU) 2019/630 amending regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures.

BofA Europe also considers the Pillar 1 Backstop guidance on the calculation of deductions for non-performing exposures. This guidance relates to the NPE population which originated between 26 April 2019 and 31 December 2021.

Overall BofA Europe CET 1 capital before regulatory adjustments increased from €12.4 billion at year end 2022 to €13.3 billion at year end 2023, driven by an increase in Profit (See Table 5.6.2.T1. - EU CC1).

Table 5.6.T1. – EU CC2 - Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements (€ millions)

		a (b)[1]		c
		Balance sheet as in published financial statements		Reference
		As at period end		In Table 5.6.2.T1
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash held at central banks	€	15,513	
2	Loans and advances to banks		8,007	
3	Loans and advances to customers		29,024	
4	Reverse repurchase agreements		8,670	
5	Market and client receivables		1,291	
6	Trading assets		1,224	
7	Investment securities		2,057	
8	Derivative financial instruments		2,334	
9	Property, plant and equipment		37	
10	Right-of-use assets		81	
11	Other assets		467	
12	Total assets	€	68,705	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Deposits by banks	€	13,957	
2	Deposits by customers		31,417	
3	Debt securities		1,108	
4	Market and client payables		767	
5	Derivative financial instruments		3,368	
6	Financial liabilities designated at fair value		15	
7	Other liabilities		905	
8	Accruals		124	
9	Subordinated liabilities		3,620	58
10	Retirement benefit obligations		93	
11	Total liabilities	€	55,374	
Shareholders' Equity				
1	Called up share capital	€	29	1
2	Share premium account		8,200	1
3	Other reserves		69	
4	Profit and loss account		5,033	2
5	Total shareholders(') equity	€	13,331	

(1) Columns (a) and (b) are merged because of the same accounting and regulatory scope of consolidation. Note: The financial statements have been presented in USD which is also the functional currency of BofA Europe. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. IAS 21 is applied to prudential returns reported in EUR

Reconciliation consists of balance per audited financial statements, including Ordinary Share Capital, Share Premium, Other Equity, Accumulated Other Comprehensive Income and Retained Earnings; adjusting for regulatory own funds of Debit and Prudential Validation Adjustments, NPE Minimum Coverage deduction and Other Current Year Audited Gains / Losses; plus Tier 2 Capital; to agree to Regulatory Own Funds.

5.6.1. Capital Resources (Landscape)

The main features of regulatory own funds instruments and eligible liabilities instruments are disclosed in the table below, comprising the main features of the CET1, Tier 2, and Eligible Liability. In addition and as per Article 437 (d) of the CRR, as amended by CRR 2, the full terms and conditions of the CET1, Tier 2, and Eligible Liability issued by BofA Europe are published on the Investor Relations section of BAC's corporate website:

http://investor.bankofamerica.com

Table 5.6.1.T1. – EU CCA Main Features of Regulatory Own Funds Instruments and Eligible Liabilities Instruments

	Capital instruments main features template	1	2	4
		CET1	T2	Eligible Liability
1	Issuer	Bank of America Europe Designated Activity Company	Bank of America Europe Designated Activity Company	Bank of America Europe Designated Activity Company
2	Unique identifier (e.g., CUSIP, ISIN, or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	Private Placement	Private Placement	Private Placement
3	Governing law(s) of the instrument	Irish	Irish	Irish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes (as per Article 64 of BRRD)	Yes	Yes
Regulatory Treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1	T2	Eligible Liability
5	Post-transitional CRR rules	CET1	T2	Eligible Liability
6	Eligible at solo / (sub-)consolidated / solo & (sub-)consolidated	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares with full voting rights	Subordinated Loan	Subordinated Loan Non T2
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	$32 million comprising nominal	$2 billion	$2 billion
9	Nominal amount of instrument	32,067,011 issued shares at $1.00	$2 billion	$2 billion
EU-9a	Issue price	32,067,011 at $1.00	$2 billion	$2 billion
EU-9b	Redemption price	N/A	$2 billion	$2 billion
10	Accounting classification	Shareholders equity	Liability - amortised cost	Liability - amortised cost

	Capital instruments main features template	1	2	4
		CET1	T2	Eligible Liability
11	Original date of issuance	Original allotment 21 February 1995, further allotments took place on 13 June 1995, 25 August 1995, 29 and 30 September 2006, 13 March 2007 and 1 December 2018.	31/1/2023	31/1/2023
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	20/5/2033	9/2/2026
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	No issuer call date. However, may repay before maturity in the event of a Tax Event or a Capital Disqualification Event, subject to prior supervisory approval.	No issuer call date. However, may repay in whole or party at par on any date subject to prior supervisory approval.
16	Subsequent call dates, if applicable	N/A	N/A	N/A
Coupons / Dividends				
17	Fixed or floating dividend / coupon	N/A	Floating	Floating
18	Coupon rate and any related index	N/A	SOFR + 2.17%	SOFR plus 77 bps
19	Existence of a dividend stopper	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	No	No	Yes

	Capital instruments main features template	1	2	4
		CET1	T2	Eligible Liability
31	If write-down, write-down trigger(s)	N/A	N/A	Single Resolution Board has the authority to trigger the write-down of the instrument under the contractual terms if they deem the entity is failing or likely to fail
32	If write-down, full or partial	N/A	N/A	Full and Partial
33	If write-down, permanent or temporary	N/A	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liability noted in column 2 to 3	Subordinated to Eligible Liabilities	Subordinated to Other Liabilities
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	http://investor.bankofamerica.com	http://investor.bankofamerica.com	http://investor.bankofamerica.com

(*) Insert 'N/A' if the question is not applicable

5.6.2. Capital Resources (Continued)

Table 5.6.2.T1. discloses CET 1 capital: instruments and reserves, CET 1 capital: regulatory adjustments, Tier 2 capital: instruments and provisions, capital ratios and buffers, amounts below the thresholds for deduction (before risk weighting), and applicable caps on the inclusion of provisions in Tier 2.

Table 5.6.2.T1. – EU CC1 Composition of Regulatory Own Funds (€ millions)

	Common Equity Tier 1 (CET1) Capital: Instruments and Reserves	Q4 2023	Q4 2022	Regulation (EU) No 575/2013 Article Reference	Reference
1	Capital instruments and the related share premium accounts	€ 7,410	€ 7,410	26 (1), 27, 28, 29	
	of which: Ordinary shares with full voting rights	26	26	EBA list 26 (3)	
	of which: Share premium	7,383	7,383	EBA list 26 (3)	
	of which: Capital contribution	—	—	EBA list 26 (3)	
2	Retained earnings	3,451	3,446	26 (1) (c)	
3	Accumulated other comprehensive income (and other reserves)	1,132	1,556	26 (1)	
EU-3a	Funds for general banking risk	—	—	26 (1) (f)	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	—	—	486 (2)	
5	Minority interests (amount allowed in consolidated CET1)	—	—	84	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,338	—	26 (2)	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**€ 13,331**	**€ 12,412**	**Sum of rows 1 to 5a**	E(5)
Common Equity Tier 1 (CET1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)	€ (118)	€ (236)	34, 105	
8	Intangible assets (net of related tax liability) (negative amount)	—	—	36 (1) (b), 37	
9	Not Applicable	—	—		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	—	—	36 (1) (c), 38,	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	—	—	33(1) (a)	
12	Negative amounts resulting from the calculation of expected loss amounts	—	—	36 (1) (d), 40, 159	
13	Any increase in equity that results from securitised assets (negative amount)	—	—	32 (1)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	33(1) (b)	
15	Defined-benefit pension fund assets (negative amount)	—	—	36 (1) (e), 41	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	—	—	36 (1) (f), 42	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—	36 (1) (g), 44	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—	36 (1) (h), 43, 45, 46, 49 (2) (3), 79	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79	
20	Not Applicable	—	—		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	—	—	36 (1) (k)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	—	—	36 (1) (k) (i), 89 to 91	
EU-20c	of which: securitisation positions (negative amount)	—	—	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	

	Common Equity Tier 1 (CET1) Capital: Instruments and Reserves	Q4 2023	Q4 2022	Regulation (EU) No 575/2013 Article Reference	Reference
EU-20d	of which: free deliveries (negative amount)	—	—	36 (1) (k) (iii), 379 (3)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	—	—	36 (1) (c), 38, 48 (1) (a)	
22	Amount exceeding the 17.65% threshold (negative amount)	—	—	48 (1)	
23	of which: of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	—	—	36 (1) (i), 48 (1) (b)	
24	Not Applicable	—	—		
25	of which: deferred tax assets arising from temporary differences	—	—	36 (1) (c), 38, 48 (1) (a)	
EU-25a	Losses for the current financial year (negative amount)	—	—	36 (1) (a)	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	—	—	36 (1) (l)	
26	Not Applicable	—	—		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	—	—	36 (1) (j)	
27a	Other regulatory adjustments	(231)	(202)	3	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**€ (350)**	**€ (438)**	**Sum of rows 7 to 20a, 21, 22 and 25a to 27**	
29	**Common Equity Tier 1 (CET1) capital**	**€ 12,982**	**€ 11,974**	**Row 6 minus row 28**	
Additional Tier 1 (AT1) capital: instruments					
30	Capital instruments and the related share premium accounts	€ —	—	51, 52	
31	of which: classified as equity under applicable accounting standards	—	—		
32	of which: classified as liabilities under applicable accounting standards	—	—		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	—	—	486 (3)	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	—	—		
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	—	—		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	—	—	85, 86	
35	of which: instruments issued by subsidiaries subject to phase out	—	—	486 (3)	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**—**	**—**	**Sum of rows 30, 33 and 34**	
Additional Tier 1 capital (AT1): regulatory adjustments					
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	€ —	—	52 (1) (b), 56 (a), 57	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—	56 (b), 58	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—	56 (c), 59, 60, 79	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	—	—	56 (d), 59, 79	
41	Not Applicable	—	—		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	—	—	56 (e)	
42a	Other regulatory adjustments to AT1 capital	—	—		
43	**Total Regulatory adjustments to Additional Tier 1 (AT1) capital**	**€ —**	**€ —**	**Sum of rows 37 to 42**	

	Common Equity Tier 1 (CET1) Capital: Instruments and Reserves	Q4 2023	Q4 2022	Regulation (EU) No 575/2013 Article Reference	Reference
44	**Additional Tier 1 (AT1) capital**	**€ —**	**€ —**	**Row 36 minus row 43**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**€ 12,982**	**€ 11,974**	**Sum of row 29 and row 44**	
Tier 2 ("T2") capital: Instruments					
46	Capital instruments and the related share premium accounts	€ 1,810	€ 1,875	62, 63	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	—	—	486 (4)	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	—	—		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	—	—		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	—	—	87, 88	
49	of which: instruments issued by subsidiaries subject to phase out	—	—	486 (4)	
50	Credit risk adjustments	—	—	62 (c) & (d)	
51	**Tier 2 (T2) capital before regulatory adjustments**	**€ 1,810**	**€ 1,875**		
Tier 2 capital: regulatory adjustments					
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	€ —	—	63 (b) (i), 66 (a), 67	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—	66 (b), 68	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—	66 (c), 69, 70, 79	
54a	Not Applicable	—			
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	—	—	66 (d), 69, 79	
56	Not Applicable	—			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	—	—		
EU-56b	Other regulatory adjustments to T2 capital	—	—		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**€ —**	**€ —**	**Sum of rows 52 to 56**	
58	**Tier 2 (T2) capital**	**€ 1,810**	**€ 1,875**	**Row 51 minus row 57**	
59	**Total capital (TC = T1 + T2)**	**€ 14,792**	**€ 13,849**	**Sum of row 45 and row 58**	
60	**Total risk-weighted assets**	**€ 54,462**	**€ 50,447**		
Capital ratios and requirements including buffers					
61	Common Equity Tier 1 capital	23.84 %	23.74 %	92 (2) (a)	
62	Tier 1 capital	23.84 %	23.74 %	92 (2) (b)	
63	Total capital	27.16 %	27.45 %	92 (2) (c)	
64	Institution CET1 overall capital requirements	9.87 %	9.33 %	CRD 128, 129, 130, 131, 133	
65	of which: capital conservation buffer requirement	2.50 %	2.50 %		
66	of which: countercyclical capital buffer requirement	0.88 %	0.34 %		
67	of which: systemic risk buffer requirement	0.00 %	0.00 %		
EU-67a	of which: Global Systemically Important Institution ("G-SII") or Other Systemically Important Institution ("O-SII") buffer requirement	0.75 %	0.75 %		
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.24 %	1.24 %		
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	16.19 %	13.54 %	CRD 128	
69	Not Applicable				
70	Not Applicable				

	Common Equity Tier 1 (CET1) Capital: Instruments and Reserves	Q4 2023	Q4 2022	Regulation (EU) No 575/2013 Article Reference	Reference
71	Not Applicable				
Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	€ —	€ —	36 (1) (h), 46, 45, 56 (c), 59, 60, 66 (c), 69, 70	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	—	—	36 (1) (i), 45, 48	
74	Not Applicable				
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	69	15		
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	€ —	€ —	62	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	490	501	62	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	—	—	62	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	—	—	62	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)					
80	Current cap on CET1 instruments subject to phase out arrangements	€ —	€ —	484 (3), 486 (2) & (5)	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	—	484 (3), 486 (2) & (5)	
82	Current cap on AT1 instruments subject to phase out arrangements	—	—	484 (4), 486 (3) & (5)	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—	484 (4), 486 (3) & (5)	
84	Current cap on T2 instruments subject to phase out arrangements	—	—	484 (5), 486 (4) & (5)	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—	484 (5), 486 (4) & (5)	

Note: In line with Section 4 paragraph 17 of the EBA Guidelines, row 27a has been added to disclose additional deductions of CET1 Capital due to vintage deductions for non-performing loans.

Total capital as at 4th Quarter 2023 amounted to €14.8 billion, consisting of CET1 capital of €13.0 billion and Tier 2 capital of € 1.8billion. The increase in Total capital from €13.8 billion in 4th Quarter 2022 of €1.0 billion is driven by an increase in Profit.

5.7. Leverage

5.7.1. Leverage Approach

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under the CRR rules.

The leverage ratio is monitored in line with regulatory requirements. Exposure is typically managed through a combination of mechanisms including risk appetite limits, collateralisation, and netting arrangements.

Table 5.7.2.T1 - EU LR1 presents the reconciliation of Total exposure measure to the Total assets as per published financial statements.

The leverage ratio exposure increased by €5.9 billion to €94.9 billion in 4th Quarter 2023 from €89.0 billion in 4th Quarter 2022 driven by an increase in Derivative Financial Instruments, SFTs, and off-balance sheet exposures.

BofA Europe's leverage ratio of 13.68% (4th Quarter 2022: 13.45%), takes into account a fully loaded Tier 1 capital of €13.0 billion over an applicable leverage exposure measure of €94.9 billion as at 4th Quarter 2023 (€12.0 billion and €89.0 billion as at 4th Quarter 2022 respectively).

5.7.2. Additional Detail on Leverage Ratio

Table 5.7.2.T1. – EU LR1 - LRSum: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures (€ millions)

		Q4 2023 Applicable Amount	Q4 2022 Applicable Amount
1	Total assets as per published financial statements	€ 68,704	€ 67,620
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	—	7
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	—	—
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	—	—
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—
7	Adjustment for eligible cash pooling transactions	—	—
8	Adjustment for derivative financial instruments	1,401	709
9	Adjustment for securities financing transactions (SFTs)	655	395
10	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	22,392	20,601
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	—	—
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—	—
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	—	—
12	Other adjustments	1,718	(341)
13	**Total exposure measure**	**€ 94,870**	**€ 88,991**

Table 5.7.2.T2. presents a detailed breakdown of different components of Leverage Ratio, along with the Regulatory minimum leverage ratio and buffer requirements.

Table 5.7.2.T2. – EU LR2 - LRCom: Leverage Ratio Common Disclosure (€ millions)

		CRR Leverage Ratio Exposures	
		a	b
		Q4 2023	Q4 2022
On-Balance Sheet Exposures (excluding derivatives and SFTs)			
1	On-balance sheet Items (excluding derivatives, SFTs, but including collateral)	€ 60,656	€ 57,016
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1,119)	(541)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—
5	(General credit risk adjustments to on-balance sheet items)	—	—
6	(Asset amounts deducted in determining Tier 1 capital)	(118)	(236)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**€ 59,419**	**€ 56,239**
Derivative Exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e., net of eligible cash variation margin)	€ 2,248	€ 2,020
EU-8a	Derogation for derivatives: Replacement costs ("RC") contribution under the simplified standardised approach	—	—
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1,464	1,234
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	—	—
EU-9b	Exposure determined under Original Exposure Method	—	—
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	—	—
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	—	—
11	Adjusted effective notional amount of written credit derivatives	294	242
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(271)**	**(242)**
13	**Total derivatives exposures**	**€ 3,735**	**€ 3,254**
Securities Financing Transaction Exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	€ 8,897	€ 8,737
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(227)	(235)
16	Counterparty credit risk exposure for SFT assets	655	395
EU-16a	Derogation For SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	—	—
17	Agent transaction exposures	—	—
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	—	—
18	**Total securities financing transaction exposures**	**€ 9,324**	**€ 8,897**
Other Off-Balance Sheet Exposures			
19	Off-balance sheet exposures at gross notional amount	€ 45,456	€ 42,819
20	(Adjustments for conversion to credit equivalent amounts)	(23,064)	(22,218)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	—	—
22	**Off-balance sheet exposures**	**€ 22,392**	**€ 20,601**
Exempted Exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—	—
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on- and off-balance sheet))	—	—
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	—	—

		CRR Leverage Ratio Exposures	
		a	b
		Q4 2023	Q4 2022
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans) • Promotional loans granted by a public development credit institution • Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State • Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution	—	—
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)) • Promotional loans granted by a public development credit institution • Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State • Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution	—	—
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	—	—
EU-22g	(Excluded excess collateral deposited at triparty agents)	—	—
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	—	—
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	—	—
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	—	—
EU-22k	**(Total exempted exposures)**	—	—
Capital and Total Exposure Measure			
23	Tier 1 capital	€ 12,982	€ 11,974
24	**Total exposure measure**	**€ 94,870**	**€ 88,991**
Leverage Ratio			
25	Leverage ratio (%)	13.68 %	13.45 %
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	13.68 %	13.45 %
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	13.68 %	13.45 %
26	Regulatory minimum leverage ratio requirement (%)	3.00 %	3.00 %
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	— %	— %
EU-26b	Of which: to be made up of CET1 capital	— %	— %
27	Leverage ratio buffer requirement (%)	— %	— %
EU-27a	**Overall leverage ratio requirement (%)**	3.00 %	3.00 %
Choice on Transitional Arrangements and Relevant Exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in	Fully phased-in
Disclosure of Mean Values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	€ 9,203	€ 8,567
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	8,670	8,502
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	95,403	89,056
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	95,403	89,056
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.61 %	13.45 %
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.61 %	13.45 %

Table 5.7.2.T3. presents details of On Balance Sheet Exposures, excluding derivatives, SFTs and other exempted exposures.

Table 5.7.2.T3. – EU LR3 - LRSpl: Split-Up of On Balance Sheet Exposures (excluding derivatives, SFTs and exempted exposures) (€ millions)

		CRR Leverage Ratio Exposures	
		Q4 2023	Q4 2022
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**€ 59,537**	**€ 56,475**
EU-2	Trading book exposures	€ 1,535	€ 284
EU-3	Banking book exposures, of which:	58,002	56,191
EU-4	Covered bonds	—	—
EU-5	Exposures treated as sovereigns	17,702	18,585
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	16	—
EU-7	Institutions	6,399	6,169
EU-8	Secured by mortgages of immovable properties	2,897	2,615
EU-9	Retail exposures	—	—
EU-10	Corporates	16,369	16,266
EU-11	Exposures in default	288	938
EU-12	Other exposures (e.g., equity, securitisations, and other non-credit obligation assets)	14,330	11,617

5.7.3. Management of Risk of Excessive Leverage (EU LRA)

The risk of excessive leverage is the risk resulting from an institution's vulnerability due to leverage or contingent leverage that may require the addition of unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets. BofA Europe sets a leverage ratio risk appetite limit at an appropriate level to manage this risk. Leverage ratio metrics are monitored and reviewed for consistency with the strategic plan and RAS, as well as being reviewed quarterly by the BofA Europe BRC. This will include the actual reported leverage ratio, compared against the BofA Europe Board's risk appetite limit, which is set in excess of the minimum leverage requirement of 3%. The leverage ratio requirements reinforce risk based requirements and limit the build up of excessive leverage.

Comprehensive risk management of excessive leverage is achieved through the risk appetite framework and quarterly BofA Europe Board oversight. A breach of a limit will trigger protocols as set out in the BofA Europe Capital Management Policy, where specific governance, escalation, and management actions are set out at various trigger levels that align to the BofA Europe Board risk appetite and recovery plan indicators. BofA Europe does not currently assess that there is a risk of excessive leverage for the entity.

Bank of America Europe Designated Activity Company Pillar 3 Disclosure

6. Additional Information on Remuneration Disclosure

As at 31 December 2023

6.1. Remuneration Disclosure

The BofA Europe remuneration disclosure, providing qualitative information on relevant remuneration policies and practices, in addition to quantitative remuneration information on Material Risk Takers, made in accordance with Article 450 of the Capital Requirements Regulation (EU) No. 575/2013, as amended by Regulation (EU) 2019/876, and related EBA guidance, is separately published on BAC's corporate website (http://investor.bankofamerica.com) and should be deemed part of the Pillar 3 Disclosure for BofA Europe.

Bank of America Europe Designated Activity Company Pillar 3 Disclosure

7. Appendices

As at 31 December 2023

Appendix 1 - Supplementary Disclosure Templates

Table A.1.T1. discloses exposures split by risk weight, broken down by regulatory exposure classes for credit risk exposures. “Unrated” includes all exposures for which a credit assessment by a nominated ECAI is not available.

Table A.1.T1. – EU CR5 Standardised Approach (€ millions)

	Exposure classes	Q4 2023																
		Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	€ 17,529	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ 102	€ —	€ 69	€ —	€ —	€ —	€17,700	€ —
2	Regional government or local authorities	—	—	—	—	—	—	16	—	—	—	—	—	—	—	—	16	—
3	Public sector entities	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	—
4	Multilateral development banks	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	—
5	International organisations	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	—
6	Institutions	—	—	—	—	1,008	—	931	—	—	395	—	—	—	—	—	2,334	111
7	Corporates	—	—	—	—	1,850	—	5,116	—	—	27,001	647	—	—	—	—	34,615	14,478
8	Retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	—	—	—	—	3,037	—	—	—	—	—	3,037	3,037
10	Exposures in default	—	—	—	—	—	—	—	—	—	112	213	—	—	—	—	325	—
11	Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	1,429	—	176	—	—	174	6	—	—	—	—	1,785	—
14	Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity exposures	—	—	—	—	—	—	—	—	—	42	—	—	—	—	—	42	—
16	Other items	48	—	—	—	—	—	—	—	—	233	53	—	—	—	—	335	212
17	**TOTAL**	**€ 17,579**	**€ —**	**€ —**	**€ —**	**€ 4,288**	**€ —**	**€ 6,239**	**€ —**	**€ —**	**€ 31,097**	**€ 919**	**€ 69**	**€ —**	**€ —**	**€ —**	**€60,191**	**€ 17,838**

Table A.1.T2. – EU CR5 Prior Standardised Approach (€ millions)

Exposure classes		Q4 2022																
		Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	€ 18,011	€ —	€ —	€ —	€ 422	€ —	€ —	€ —	€ —	€ 129	€ —	€ 15	€ —	€ —	€ —	€18,577	—
2	Regional government or local authorities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Public sector entities	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3	—
4	Multilateral development banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	International organisations	6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6	—
6	Institutions	—	—	—	—	318	—	1,365	—	—	947	—	—	—	—	—	2,630	—
7	Corporates	—	—	—	—	960	—	5,469	—	—	27,882	423	—	—	—	—	34,734	—
8	Retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	—	—	—	—	2,705	—	—	—	—	—	2,705	—
10	Exposures in default	—	—	—	—	—	—	—	—	—	243	743	—	—	—	—	986	—
11	Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	1,492	—	141	—	—	108	3	—	—	—	—	1,745	—
14	Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	Other items	—	—	—	—	—	—	—	—	—	286	50	—	—	—	—	336	—
17	**TOTAL**	**€ 18,020**	**€ —**	**€ —**	**€ —**	**€ 3,192**	**€ —**	**€ 6,975**	**€ —**	**€ —**	**€ 32,300**	**€ 1,219**	**€ 15**	**€ —**	**€ —**	**€ —**	**€61,721**	**—**

Standardised Credit Risk exposures Pre-CCF and CRM decreased by €1.5 billion to €60.2 billion principally driven by decreased loan commitments to Central Governments within the 0% risk weight categories.

Table A.1.T3. – EU CR4 Standardised Approach Credit Risk Exposure and CRM Effects

Credit Risk RWA density decreased by 1.1% from 4th Quarter 2022 to 60.8% in 4th Quarter 2023.

	Exposure Classes	Q4 2023					
		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	€ 17,700	€ —	€ 17,700	€ —	€ 275	1.6 %
2	Regional government or local authorities	16	—	16	—	8	50.0
3	Public sector entities	0	—	0	—	—	—
4	Multilateral development banks	0	—	0	—	—	—
5	International organisations	2	—	2	—	—	—
6	Institutions	1,246	883	1,638	696	1,062	45.5
7	Corporates	16,369	41,109	16,022	18,592	30,900	89.3
8	Retail	—	—	—	—	—	—
9	Secured by mortgages on immovable property	2,897	280	2,897	140	3,037	100.0
10	Exposures in default	288	172	265	59	431	132.8
11	Exposures associated with particularly high risk	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—
13	Institutions and corporates with a short-term credit assessment	1,367	856	1,344	441	557	31.2
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	42	—	42	—	42	100.0
16	Other items	116	219	116	219	313	93.5
17	**TOTAL**	**€ 40,043**	**€ 43,519**	**€ 40,043**	**€ 20,148**	**€ 36,626**	**60.8 %**

Table A.1.T4. – EU CR4 Prior Standardised Approach Credit Risk Exposure and CRM Effects

	Exposure Classes	Q4 2022					
		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	€ 18,577	€ —	€ 18,577	€ —	€ 250	1.3 %
2	Regional governments or local authorities	—	—	—	—	—	—
3	Public sector entities	3	—	3	—	—	—
4	Multilateral development banks	0	—	0	—	—	—
5	International organisations	6	—	6	—	—	—
6	Institutions	2,280	852	2,280	350	1,693	64.4
7	Corporates	16,266	39,971	16,266	18,469	31,443	90.5
8	Retail	—	—	—	—	—	—
9	Secured by mortgages on immovable property	2,615	293	2,615	90	2,705	100.0
10	Exposures in default	938	102	938	47	1,357	137.7
11	Exposures associated with particularly high risk	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—
13	Institutions and corporates with a short-term credit assessment	1,632	288	1,632	113	482	27.6
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	—	—	—	—	—	—
16	Other items	139	197	139	197	361	107.4
17	**Total**	**€ 42,455**	**€ 41,702**	**€ 42,455**	**€ 19,266**	**€ 38,291**	**62.0 %**

Appendix 2 - Index

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
431	Disclosure requirements and policies	431(1)	For Information	Requirement to publish Pillar 3 disclosures	Section 1.2. Basis of Preparation	11
		431(2)		Firms with permission to use specific operational risk methodologies must disclose operational risk information	Section 4.8.1. EU ORA – Qualitative information on operational risk (Not Applicable - BofA Europe uses Standardised Approach for Operational Risk as referenced in this section.)	107
		431(3)		Institutions shall adopt a formal policy to comply with the disclosure requirements in Part Eight of CRR	Section 1.3. Disclosure Policy	18
		431(4)		Quantitative disclosures accompanied by qualitative narrative/ other supplementary information necessary for users to understand the quantitative disclosures, noting any significant change in any given disclosure compared to previous disclosures	Throughout document	N/A
		431(5)		Explanation of ratings decision upon request	N/A	N/A
432	Non-material, proprietary or confidential information	432(1)		Institutions may omit information that is not material if certain conditions are respected	Section 4.12.2. Equities Exposures in the Non-Trading Book	115
		432(2)		Institutions may omit information that is proprietary or confidential if certain conditions are respected	Section 1.1. Overview and Purpose of Document (Not Applicable - BofA Europe has not omitted any information which is proprietary or confidential.)	10
		432(3)		Where 432(2) applies this must be stated in the disclosures, and more general information must be disclosed		
433	Frequency and scope of disclosures	433		Disclosures must be published once a year at a minimum, and more frequently if necessary Annual disclosures shall be published on the same date as the date on which institutions publish their financial statements or as soon as possible thereafter. Semi-annual and quarterly disclosures shall be published on the same date as the date on which the institutions publish their financial reports for the corresponding period where applicable or as soon as possible thereafter	Section 1.2. Basis of Preparation	11
433a	Disclosures by large institutions	433a(1)		Large institutions shall disclose required information with the outlined frequency	N/A - BofA Europe subject to 433a(2)	N/A
		433a(2)		By way of derogation from 433a(1), large institutions other than G-SIIs that are non-listed institutions shall disclose the required information with the outlined frequency	Section 1.2. Basis of Preparation	11
		433a(3)		Large institutions that are subject to Article 92a or 92b shall disclose required information with outlined frequency	Section 5.2. Additional Detail on Minimum Requirements for Own Funds and Eligible Liabilities	118
433b	Disclosures by small and non-complex institutions	433b(1)		Small and non-complex institutions shall disclose required information with the outlined frequency	Not Applicable - BofA Europe subject to 433a(2)	N/A
		433b(2)		By way of derogation from 433b(1), small and non-complex institutions that are non-listed institutions shall disclose the required information with the outlined frequency	Not Applicable - BofA Europe subject to 433a(2)	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
433c	Disclosures by other institutions	433c(1)	For Information	Institutions not subject 433a or 433b shall disclose required information with the outlined frequency	Not Applicable - BofA Europe subject to 433a(2)	N/A
		433c(2)		By way of derogation from 433c(1), other institutions that are non-listed institutions shall disclose the required information with the outlined frequency	Not Applicable - BofA Europe subject to 433a(2)	N/A
434	Means of disclosures	434(1)		To include all disclosures in one appropriate medium, or provide clear cross-references	1.2. Basis of Preparation 1.3. Disclosure Policy Climate Change disclosure is published separately and is signposted in 4.12.3. Climate Change Remuneration disclosure is published separately and is signposted in 6. Additional Information on Remuneration Disclosure of this document.	11, 18, 115, 138
		434(2)		Institutions shall make available on their website an archive of the information required to be disclosed. That archive shall be kept accessible for a period no less than the storage period set by national law for information included in the institutions' financial reports	1.2. Basis of Preparation	11
434a	Uniform disclosure formats	434a		EBA shall develop draft implementing technical standards specifying uniform disclosure formats	Not applicable - information only, no disclosure requirement	N/A
435	Disclosure of risk management objectives and policies	435(1)(a)-(d)	EU OVA; EU OVB; EU LIQA; EU CRA; EU MRA; EU ORA	Objectives and policies for each separate category of risk	4.1. Disclosure of Risk Management Objectives and Policies (EU OVA, EU OVB)	35
		435(1)(e)		Risk declaration		
		435(1)(f)		Risk statement		
		435(2)(a)	EU OVA; EU OVB	Number of directorships held by Directors	Table 4.1.T1. – BofA Europe Directors Board Membership and Experience (EU OVB)	41
		435(2)(b)		Directors' knowledge, skills and experience		
		435(2)(b)-(c)		Board recruitment and diversity policy	4.1. Disclosure of Risk Management Objectives and Policies (EU OVA, EU OVB)	35
		435(2)(d)-(e)		Risk committees and risk information		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
436	Disclosure of the scope of application	436(a)	N/A	Name of institution	1.1. Overview and Purpose of Document	10
		436(b)	EU LI1; EU LI3; EU LIA	Reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation	1.2. Basis of Preparation (not applicable as requirements of part eight are applied on an individual basis and BofA Europe has no subs) EU LI3 is out of scope for BofA Europe	11
		436(c)	EU LI1; EU LI3	Breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation broken down by type of risks	Table 1.2.1.T1. – EU LI1 Differences between Accounting and Regulatory Scopes of Consolidation and the Mapping of Financial Statement Categories with Regulatory Risk Categories EU LI3 is out of scope for BofA Europe	13
		436(d)	EU LI2; EU LIA	Reconciliation identifying sources of differences between amounts in the financial statements under the regulatory scope of consolidation, and exposure amount used for regulatory purposes; reconciliation shall be supplemented by qualitative information on differences	1.2.2. Differences between the Financial Statements' Carrying Value Amounts and the Exposure Amounts used for Regulatory Purposes (EU LIA)	15
		436(e)	EU PV1	For exposures from the trading book and the non-trading book adjusted in accordance with Art 34 and Art 105, breakdown of amounts of the constituent elements of an institution's prudent valuation adjustment	1.2.2.1. Prudential Valuation Adjustment	18
		436(f)	EU LIB	Impediments to transfer of own funds between parent and subsidiaries	2.1.3. Transferability of Capital within the BAC Group (EU LIB)	21
		436(g)		Aggregate amount by which actual own funds are less than required in all subsidiaries that are not included in the consolidation	1.2. Basis of Preparation (Not applicable as requirements of part eight are applied on an individual basis and BofA Europe has no subs)	11
		436 (h)		Use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries	1.2. Basis of Preparation (Not applicable as derogations not used)	11
437	Disclosure of own funds	437(a)	EU CC1; EU CC2	Reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds with the balance sheet in the audited financial statements	5.6. Capital Resources	125
		437(b)	EU CCA	Description of the main features of Capital Instruments issued		
		437(c)		Full terms and conditions of Capital Instruments issued		
		437(d)-(e)	EU CC1; EU CC2	Disclosure of prudential filters, deductions, and any restrictions applied to the calculation of own funds		
		437(f)		Where institutions disclose capital ratios calculated using elements of own funds determined on a different basis	Not Applicable - BofA Europe does not disclose capital ratios calculated using elements of own funds on a different basis	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
437a	Disclosure of own funds and eligible liabilities	437a(a)	EU TLAC1 (for resolution entities); EU ILAC (for non-resolution entities); EU CCA (both)	Institutions that are subject to Article 92a or 92b shall disclose (a) the composition of their own funds and eligible liabilities, their maturity and their main features	EU TLAC1 and EU TLAC3 not applicable - BofA Europe is not a resolution entity. Table 5.2.T1. – EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs Table 5.2.T3. – EU TLAC2a Creditor Ranking: Entity That is Not a Resolution Entity	118
		437a(b)	EU TLAC3 (for resolution entities); EU TLAC2 (for non-resolution entities)	Institutions that are subject to Article 92a or 92b shall disclose (b) the ranking of eligible liabilities in the creditor hierarchy		
		437a(c)	EU TLAC1 (for resolution entities); EU ILAC (for non-resolution entities)	Institutions that are subject to Article 92a or 92b shall disclose (c) the total amount of each issuance of eligible liabilities instruments referred to in Article 72b and the amount of those issuances that is included in eligible liabilities items within the limits specified in Article 72b(3) and (4)		
		437a(d)	EU TLAC1 (for resolution entities); EU ILAC (for non-resolution entities)	Institutions that are subject to Article 92a or 92b shall disclose (d) the total amount of excluded liabilities referred to in Article 72a(2).		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
438	Disclosure of own funds requirements and risk-weighted exposure amounts	438(a)	EU OVC	Approach to assessing adequacy of capital levels	2.4. Capital Management (EU OVC)	26
		438(b)	EU OVC; EU KM1	amount of the additional own funds requirements based on the supervisory review process and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments	2.4. Capital Management (EU OVC)Table 2.3.1.T2. – EU KM1 Key Metrics Template	26
		438(c)	EU OVC	Result of ICAAP on demand from authorities.	Not applicable - No demand has been made by the competent authority for BofA Europe to include ICAAP results in the Pillar 3 disclosure	N/A
		438(d)	EU OV1; EU OR1	Total risk-weighted exposure amount and the corresponding total own funds requirement, to be broken down by the different risk categories	Table 2.2.2.T1. – EU OV1 Overview of total risk exposure amounts Table 4.8.2.T1. – EU OR1 – Operational Risk Own Funds Requirements and Risk-Weighted Exposure Amounts	24, 109
		438(e)	EU CR10	On- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending and on- and off-balance-sheet exposures and risk-weighted exposure amounts for the categories of equity exposures	Not Applicable - BofA Europe does not have exposures to specialised lending and equity exposures under the simple risk weight approach	N/A
		438(f)	EU INS1; EU INS2	Exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds	Not applicable - BofA Europe does not hold any instruments in insurance or reinsurance undertakings	N/A
		438(g)		Supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate	Not applicable - BofA Europe is not a financial conglomerate	N/A
		438(h)	EU CR8; EU CCR7; EU MR2-B	Variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models	Not Applicable - BofA Europe does not use internal models in the calculation of market risk capital requirements	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
439	Disclosure of exposures to counterparty credit risk	439(a)	EU CCRA	Discussion of process to assign internal capital and credit limits to counterparty credit exposures	4.5. Disclosure of Exposures to Counterparty Credit Risk (EU CCRA)	83
		439(b)		Discussion of process to secure collateral and establishing reserves		
		439(c)		Discussion of management of wrong-way exposures		
		439(d)		Discussion of collateral to be provided in the event of a ratings downgrade		
		439(e)	EU CCR5	Amount of segregated and unsegregated collateral received and posted per type of collateral	Table 4.5.T6. – EU CCR5 Composition of Collateral for CCR Exposures	88
		439 (f)	EU CCR1	For derivative transactions, the exposure values before and after the effect of the credit risk mitigation and the associated risk exposure amounts broken down by applicable method	Table 4.5.T1. – EU CCR1 Analysis of CCR Exposure by Approach	85
		439(g)		For securities financing transactions, the exposure values before and after the effect of the credit risk mitigation and associated risk exposure amounts broken down by applicable method		
		439(h)	EU CCR2; EU CCR7	Exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment	Table 4.5.T3. – EU CCR2 Transactions Subject to Own Funds Requirements for CVA Risk	87
		439(i)	EU CCR8	Exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties	Table 4.5.T10. – EU CCR8 Exposure to CCPs	91
		439(j)	EU CCR6	Notional amounts and fair value of credit derivative transactions	Table 4.5.T8. – EU CCR6 Credit Derivatives Exposure	89
		439(k)	EU CCR1	Estimate of alpha, if applicable	Table 4.5.T1. – EU CCR1 Analysis of CCR Exposure by Approach	85
		439(l)	EU CCR3; EU CCR4	Disclosures included in point (e) of Article 444 (exposure values and the exposure values after credit risk mitigation associated with each credit quality step) and point (g) of Article 452 (IRB)	Table 4.5.T4. – EU CCR3 Standardised Approach – CCR Exposures by Regulatory Exposure Class and Risk Weights	87
		439(m)	EU CCR1	For institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business	Table 4.5.T1. – EU CCR1 Analysis of CCR Exposure by Approach	85
440	Disclosure of countercyclical capital buffers	440 (a)	EU CCyB1	The geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer	Section 5.5. Capital Buffer Requirements	123
		440 (b)	EU CCyB2	Amount of their institution-specific countercyclical capital buffer		
441	Disclosure of indicators of global systemic importance	441	N/A	Disclosure of the indicators of global systemic importance	Not Applicable - BofA Europe has not been identified as being of global systemic importance, BofA Europe is an O-SII	n/a

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
442	Disclosure of exposures to credit risk and dilution risk	442(a)	EU CRB	Definitions of past due and impaired	4.3.2. EU CRB – Additional Disclosure Related to the Credit Quality of Assets	60
		442(b)		Approaches for calculating specific and general credit risk adjustments		
		442(c)	EU CR1; EU CR2a; EU CQ1; EU CQ2; EU CQ4; EU CQ5; EU CQ6; EU CQ7; EU CQ8	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures	Table 4.3.2.T1. – EU CR1 Performing and Non-performing Exposures and Related Provisions	62
					Table 4.3.2.T6. – EU CQ1 Credit Quality of Forborne Exposures	68
					Table 4.3.2.T10. – EU CQ4 Quality of Non-performing Exposures by Geography	73
					4.3.2. EU CRB – Additional Disclosure Related to the Credit Quality of Assets notes instances where CR and CQ templates are not disclosed as there are no qualifying exposures	60
					Table 4.3.2.T12. – EU CQ5 Credit Quality of Loans and Advances to Non-financial Corporations by Industry	77
					Table 4.3.2.T14. – EU CQ7 Collateral Obtained by Taking Possession and Execution Processes	79
		442(d)	EU CQ3	Ageing analysis of accounting past due exposures	Table 4.3.2.T8. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days	70
		442(e)	EU CR1; EU CQ1; EU CQ7; EU CQ4; EU CQ5	Gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off-balance-sheet exposures	4.3.2. EU CRB – Additional Disclosure Related to the Credit Quality of Assets	60
		442(f)	EU CR1; EU CR2; EU CR2a; EU CQ1; EU CQ2; EU CQ4; EU CQ5; EU CQ6; EU CQ7; EU CQ8	Any changes in the gross amount of defaulted on- and off-balance-sheet exposures	Please refer to Table 4.3.2.T8. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days for Any changes in the gross amount of defaulted on- and off-balance-sheet exposures	70
		442(g)	EU CR1-A	The breakdown of loans and debt securities by residual maturity	Table 4.3.2.T3. – EU CR1-A Maturity of Exposures	65
443	Disclosure of encumbered and unencumbered assets	443	EU AE1; EU AE2; EU AE3; EU AE4	Encumbered and unencumbered assets	3.1. Encumbered and Unencumbered Assets (EU AE4)	30

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
444	Disclosure of the use of the Standardised Approach	444(a)	EU CRD	Names of the ECAIs and ECAs used and reasons for any changes	2.2.1.1. Use of the Standardised Approach (EU CRD)	23
		444(b)		Exposure classes associated with each ECAI or ECA		
		444(c)		Description of the process used to transfer credit assessments to non-trading book items		
		444(d)		Mapping of external rating to CQS		
		444(e)	EU CR4; EU CR5; EU CC1	Exposure value pre and post-credit risk mitigation, by CQS	Table A.1.T3. – EU CR4 Standardised Approach Credit Risk Exposure and CRM Effects	143
					Table A.1.T1. – EU CR5 Standardised Approach	141
					Table 5.6.2.T1. – EU CC1 Composition of Regulatory Own Funds	130
445	Disclosure of exposure to market risk	445	EU MR1	Information on Interest Rate Risk (general and specific), Equity risk (general and specific), FX risk, Commodity risk, Options (Simplified, Delta Plus and Scenario approaches) and Securitisation (specific risk)	4.7.2. EU MR1 - Market risk under the standardised approach	104
446	Disclosure of operational risk management	446(a)	EU ORA; EU OR1	Institutions shall disclose the following information about their operational risk management: (a) the approaches for the assessment of own funds requirements for operation risk that the institution qualifies for;	4.8. Disclosure of operational risk (EU ORA)	106
		446(b)		(b) where the institution makes use of it, a description of the methodology set out in Article 312(2), which shall include a discussion of the relevant internal and external factors being considered in the institution's advanced measurement approach;	Not applicable - BofA Europe does not make use of this approach	N/A
		446(c)		(c) in the case of partial use, the scope and coverage of the different methodologies used.	Not applicable - BofA Europe does not make use of this approach	N/A
447	Disclosure of key metrics	447(a)	EU KM1	Composition of own funds requirements	Table 2.3.1.T2. – EU KM1 Key Metrics Template	25
		447(b)		Total risk exposure amount		
		447(c)		Additional own funds requirements based on SREP		
		447(d)		Combined capital buffer requirement		
		447(e)		Leverage ratio and the total exposure measure		
		447(f)		Information in relation to the liquidity coverage ratio		
		447(g)		Information in relation to the net stable funding requirement		
		447(h)	EU KM2 (for Resolution Entities) ; EU ILAC (for non-Resolution Entities)	Own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b, where applicable	EU KM2 not applicable - BofA Europe is not a resolution entity. Table 5.2.T1. – EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
448	Disclosure of exposures to Interest Rate Risk on positions not held in the trading book	448(1)(a)	EU IRRBB1	Changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5)	4.9. Disclosure of Interest Rate Risk in the Banking Book (IRRBB) (EU IRRBBA)	110
		448(1)(b)		Changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5)		
		448(1)(c)	EU IRRBBA	Description of key modelling and parametric assumptions used to calculate changes in EVE and net interest income under points (a) and (b)		
		448(1)(d)		explanation of the significance of the risk measures disclosed under points (a) and (b)		
		448(1)(e)		description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book		
		448(1)(f)		description of the overall risk management and mitigation strategies for those risks		
		448(1)(g)		average and longest repricing maturity assigned to non-maturity deposits		
		448(2)	For Information	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e) (iv) shall not apply to institutions that use the standardised methodology or the simplified standardised methodology	Not applicable - BofA Europe does not derogate from paragraph 1	N/A
449	Disclosure of exposures to securitisation positions	449(a)	EU SECA	Objectives in relation to securitisation and re-securitisation activities	4.6.1. EU SECA – Qualitative Disclosure Requirements Related to Securitisation Exposures	92
		449(b)		Type of risks they are exposed to in their securitisation and re-securitisation activities		
		449(c)		Approaches for calculating the risk-weighted exposure amounts applied to securitisation activities		
		449(d)		List of SSPEs, with a description of their types of exposures to those SSPEs		
		449(e)		List of any legal entities in relation to which the institutions have disclosed that they have provided support	N/A - BofA Europe has not provided support in accordance with Chapter 5 of Title II of Part Three	N/A
		449(f)		List of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions	N/A	N/A
		449(g)		Summary of their accounting policies for securitisation activity	4.6.1. EU SECA – Qualitative Disclosure Requirements Related to Securitisation Exposures	92
		449(h)		Names of the ECAIs used for securitisations and the types of exposure for which each agency is used		
		449(i)		Where applicable, a description of the Internal Assessment Approach used	N/A - BofA Europe does not use the Internal Assessment Approach	N/A
		449(j)	EU SEC1; EU SEC2	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures	4.6.2. EU-SEC1 - Securitisation Exposures in the Non-Trading Book	95
		449(k)	EU SEC3; EU SEC4	For the non-trading book activities, aggregate amount of securitisation positions and the associated risk-weighted assets and capital requirements where (a) institutions act as originator or sponsor and (b) where institutions act as investor		
		449(l)	EU SEC5	For exposures securitised by the institution, the amount of exposures in default		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
449a	Disclosure of environmental, social and governance risks (ESG risks)	449a	List of templates and tables per EBA/ ITS/2022/01	Large institutions which have issued securities that are admitted to a regulated market of any Member State, shall disclose information on ESG risks, including physical risks and transition risks	N/A - Art 449a does not apply to BofA Europe (as noted in 1.2. Basis of Preparation)	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
450	Disclosure of remuneration policy	450(1)	For Information	Institutions shall disclose the following information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk profile of the institutions:	6.1. Remuneration Disclosure	139
		450(1)(a)	EU REMA	information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;		
		450(1)(b)		information about the link between pay of the staff and their performance;		
		450(1)(c)		the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;		
		450(1)(d)		the ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive 2013/36/EU;		
		450(1)(e)		information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;		
		450(1)(f)		the main parameters and rationale for any variable component scheme and any other non-cash benefits;		
		450(1)(g)	EU REM4; EU REM5	aggregate quantitative information on remuneration, broken down by business area;		
		450(1)(h)	EU REM1; EU REM2; EU REM3	aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions,		
		450(1)(i)	EU REM4; EU REM5	the number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;		
		450(1)(j)	EU REMA	upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management;		
		450(1)(k)		information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU.		
		450(2)	For Information	For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members Institutions shall comply with the requirements set out in this Article in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
451	Disclosure of the leverage ratio	451(1)(a)	EU LR1; EU LR2; EU LR3	The leverage ratio, and whether any transitional provisions are applied	5.7.2. Additional Detail on Leverage Ratio	134
		451(1)(b)		Breakdown of leverage ratio exposure measure and reconciliation to financial statements		
		451(1)(c)		Where applicable, the amount of derecognised fiduciary items		
		451(1)(d)	EU LRA	Description of the processes used to manage the risk of excessive leverage	5.7.3. Management of Risk of Excessive Leverage (EU LRA)	137
		451(1)(e)		Factors that impacted the leverage ratio during the year	2.5.2. Key Movements in 2023 (EU LRA)	28
		451(2)	EU LR1; EU LR2; EU LR3	Public development credit institutions shall disclose the leverage ratio without the adjustment to the total exposure measure	N/A	N/A
		451(3)		large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) (Calculation of the leverage ratio)	5.7.2. Additional Detail on Leverage Ratio	134
451a	Disclosure of liquidity requirements	451a(1)	For Information	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management	N/A - information only	N/A
		451a(2)	EU LIQ1; EU LIQB	Institutions shall disclose the following information in relation to their liquidity coverage ratio	4.2.2. EU LIQ1 – Quantitative Information on LCR 4.2.3. EU LIQB – Qualitative information on LCR, which complements template EU LIQ1. (in accordance with Article 451a(2) CRR)	49, 51
		451a(2)(a)		average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period		
		451a(2)(b)		average or averages of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer and a description of the composition of that liquidity buffer		
		451a(2)(c)		averages of their liquidity outflows, inflows and net liquidity outflows and the description of their composition		
		451a(3)	EU LIQ2	Institutions shall disclose the following information in relation to their net stable funding ratio	4.2.4. EU LIQ2 – Net Stable Funding ratio	52
		451a(3)(a)		quarter-end figures of their net stable funding ratio for each quarter of the relevant disclosure period		
		451a(3)(b)		overview of the amount of available stable funding		
		451a(3)(c)		overview of the amount of required stable funding		
		451a(4)	EU LIQA	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk	4.2.1. EU LIQA – Liquidity Risk Management in Accordance with Article 451a(4) CRR	47

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
452	Disclosure of the use of the IRB Approach to credit risk	452(a)	EU CRE; EU CR6-A	Permission for use of the IRB approach from the competent authority	Not applicable - BofA Europe uses the standardised approach for calculating Credit Risk exposures	N/A
		452(b)		for each exposure class, the percentage of the total exposure value of each exposure class subject to the Standardised Approach or to the IRB Approach		
		452(c)		the control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on:		
		452(c)(i)		the relationship between the risk management function and the internal audit function		
		452(c)(ii)		the rating system review		
		452(c)(iii)		the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models		
		452(c)(iv)		the procedure to ensure the accountability of the functions in charge of developing and reviewing the models		
		452(d)		the role of the functions involved in the development, approval and subsequent changes of the credit risk models		
		452(e)		scope and main content of the reporting related to credit risk models		
		452(f)		a description of the internal ratings process by exposure class, covering the definitions, methods and data for estimation and validation of PD, LGD and conversion factors		
		452(g)	EU CR6	the following information in relation to each exposure class-		
		452(g)(i)		gross on-balance-sheet exposure		
		452(g)(ii)		off-balance-sheet exposure values prior to the relevant conversion factor		
		452(g)(iii)		exposure after applying the relevant conversion factor and credit risk mitigation		
		452(g)(iv)		any model, parameter or input relevant for understanding of risk weighting and resulting risk exposure amounts disclosed across sufficient number of obligor grades (including default) to allow for meaningful differentiation of credit risk		
		452(g)(v)		separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission		
		452(h)	EU CR9; EU CR9.1	institutions' estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
453	Disclosure of the use of credit risk mitigation techniques	453(a)	EU CRC	Use of on and off-balance sheet netting	4.4.1. EU CRC – Qualitative disclosure requirements related to CRM techniques	79
		453(b)		Eligible collateral evaluation management		
		453(c)		Types of collateral used		
		453(d)		Main types of guarantor and credit derivative counterparty, and creditworthiness		
		453(e)		Market or credit risk concentrations within credit mitigation taken		
		453(f)	EU CR3	Exposure value covered and not covered by eligible credit protection	Table 4.4.2.T2. – EU CR3 Prior CRM Techniques Overview: Disclosure of the Use of Credit Risk Mitigation Techniques	82
		453(g)	EU CR4; EU CR7-A; EU CR7	Corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect	Table A.1.T3. – EU CR4 Standardised Approach Credit Risk Exposure and CRM Effects	143
		453(h)	EU CR4	On- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation		
		453(i)		Risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure, separately for each exposure class		
		453(j)	EU CR7-A; EU CR7	Institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission	Not applicable - BofA Europe does not use the IRB approach	N/A
454	Disclosure of the use of the Advanced Measurement Approaches to operational risk	454	EU ORA; EU OR1	For institutions using the Advanced Measurement Approaches to operational risk, a description of the use of insurance or other risk transfer mechanisms to mitigate operational risk	Not applicable - BofA Europe uses the standardised approach for calculating Operational Risk	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Number
455	Use of Internal Market Risk Models	455(a)(i)	EU MRB	Characteristics of the market risk models	N/A - BofA Europe calculates market risk requirements under the standardised approach, thus internal market models are not used	N/A
		455(a)(ii)		Methodologies used to measure incremental default and migration risk ("IRC") and comprehensive risk measure ("CRM")		
		455(a)(iii)		Stress testing applied to the portfolios		
		455(a)(iv)		Approaches used for back-testing and model validation		
		455(b)		Scope of the internal model permission		
		455(c)		Policies and procedures for determining trading book classification and compliance with prudential valuation requirements		
		455(d)	EU MR3	Highest, lowest and mean values over the year of VaR, SVaR, IRC and CRM		
		455(e)	EU MR2-A	Market risk internal model based own funds requirements		
		455(f)	EU MRB	Weighted average liquidity horizon for portfolios covered by internal models for IRC and CRM		
		455(g)	EU MR4	Comparison of end-of-day VaR measures compared with one day changes in the portfolio's value		

Page number references are based on the section which the tables, figures, and text are housed.