BofA SECURITIES

BofA Securities Europe SA

Pillar 3 Disclosure

As at 31 December 2023

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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 to the capital adequacy and risk management framework of BofA Securities Europe SA ("BofASE" or the "Company").

This document provides details on BofASE's capital resources ("Capital Resources"), regulatory defined Pillar 1 Capital Requirement ("Minimum Capital Requirement") and Total Supervisory Review and Evaluation Process ("SREP") Capital Requirement ("TSCR"). The Pillar 3 disclosures demonstrate that BofASE has Capital Resources in excess of this requirement and maintains robust risk management and controls.

To further increase transparency, this document also includes information on BofASE's liquidity position and information on the capital requirements in respect of the Countercyclical Capital Buffer ("CCyB"). BofASE has not omitted any information on the basis that it 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. BofASE

BofASE is owned by NB Holdings Corporation (which holds 99.9% of BofASE) and Merrill Lynch Group Holdings I, L.L.C. (which holds 0.1% of BofASE), and its ultimate parent is Bank of America Corporation ("BAC" or "BAC Group"). BofASE's activities form part of BAC's Global Banking and Markets operations in Europe, Middle East, and Africa ("EMEA"), and serves as Bank of America's primary broker-dealer for clients in the European Economic Area ("EEA").

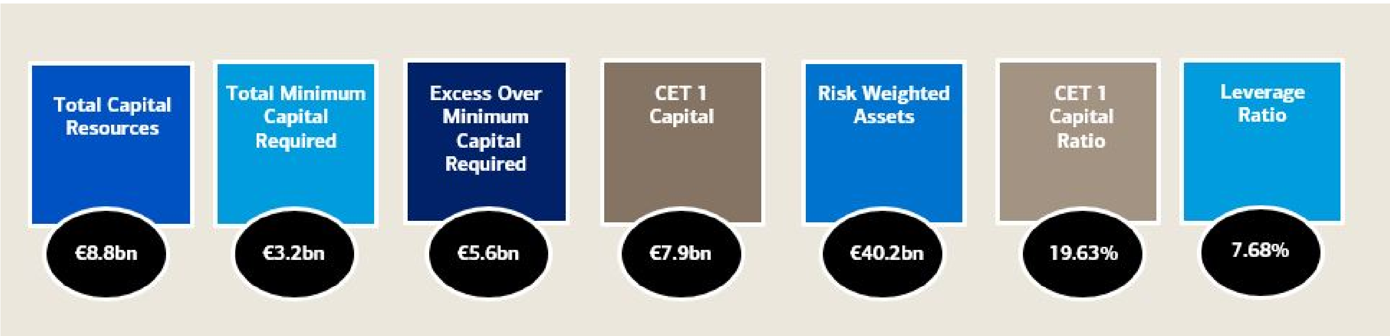
BofASE is a credit and investment institution domiciled in France and headquartered in Paris. BofASE is authorised and supervised by the European Central Bank ("ECB") and the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and is regulated by the ACPR and the Autorité des Marchés Financiers ("AMF"). BofASE has the ability to trade throughout the EEA. BofASE's Legal Entity Identifier ("LEI") is 549300FH0WJAPEHTIQ77.

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

1.1.2. BofASE's Capital Position at 31 December 2023

BofASE's Capital Resources consist of €7.90 billion Common Equity Tier 1 ("CET1") and €0.92 billion of Tier 2 capital. As at 31 December 2023, BofASE's CET1 ratio was 19.63% which significantly exceeds the Pillar 1 CET1 requirement of 4.5%, and the reported Leverage ratio of 7.68% is in excess of the 3.00% regulatory requirement.

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



1.2. Basis of Preparation

The Basel Capital Accords provide a series of international standards for bank regulation commonly known as Basel I, Basel II, and, most recently, Basel III. Basel III was implemented in the EU through the Capital Requirements Directive ("CRD") and the Capital Requirements Regulation ("CRR"), as amended by the Capital Requirements Regulation 2 ("CRR 2"), (collectively known as the Capital Requirements Directive IV ("CRD IV") as amended by Capital Requirements Directive V ("CRD V")). The CRD IV requirements took effect from 1 January 2014. The CRR 2 entered into force in June 2019 (with most provisions effective from 28 June 2021), while CRD V was transposed into French law in line with the EU transposition deadline of 29 December 2020. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR 2.

This legislation consists of three pillars. Pillar 1 is defined as "Minimum Capital Requirement,"Pillar 2 "Supervisory Review Process," and Pillar 3 "Market Discipline." The aim of Pillar 3 is to encourage market discipline by allowing market participants to access key pieces of information regarding the capital adequacy of institutions through a prescribed set of disclosure requirements.

The information contained in this Pillar 3 disclosure has been prepared in accordance with Part Eight of the CRR, as amended by CRR 2, and with additional guidance provided by the ACPR notice "Modalités de calcul et de publication des ratios prudentiels dans le cadre de la CRDIV et exigence de MREL," on an individual basis. These disclosures are updated annually in line with the accounting year end as at 31 December 2023, unless otherwise stated. All tables are as at 31 December 2023, with prior year comparatives as at 31 December 2022. In accordance with Article 433 of the amended CRR, BofASE also produces quarterly disclosures updated on a quarterly basis, with prior period comparatives. All disclosures are made in EUR, unless otherwise stated.

BofASE statutory accounts are prepared in accordance with French Companies Law and Generally Accepted Accounting Principles, with prudential reporting prepared under International Financial Reporting Standards ("IFRS").

Therefore, the information contained in these Pillar 3 disclosures may not be directly comparable with the BofASE Annual Report and BofASE Financial Statements, and the disclosures are not required to be audited by external auditors. In addition, certain components of the disclosure contain forward looking assumptions. Forward-looking assumptions 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 beyond BofASE's control. 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 consideration should be given to the uncertainties and risks discussed in other publicly available disclosures of BAC.

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.

These Pillar 3 disclosures are published on the Investor Relations section of BAC's corporate website: [http://investor.bankofamerica.com.](http://investor.bankofamerica.com)

Environmental, Social and Governance

BofASE 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".

Please refer to 4.12.3. Climate and Environmental Risk for details on BofASE's approach to climate risk

1.2.1. Mapping of Financial Statement Categories with Regulatory Risk Categories

Table 1.2.1..T1. shows BofASE'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. BofASE is subject to the

requirements of Part Eight of the CRR, as amended by CRR2, 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)

		b	c	d	e	f	g
			Carrying values of items				
		Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR 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 at bank and in hand	€ 5,298	€ 5,298	€ —	€ —	€ —	€ —
	Financial assets at fair value through profit or loss						
2	Securities	14,010	243	—	—	13,767	—
3	Loans and repurchase agreements	28,198	—	28,198	—	28,198	—
4	Derivative financial instruments	46,613	—	46,613	—	46,613	—
	Financial assets at fair value through OCI						
5	Debt securities	511	511	—	—	—	—
	Financial assets at amortised cost						
6	Loans and repurchase agreements	3,060	23	3,038	—	3,038	—
7	Current and deferred tax assets	42	42	—	—	—	—
8	Other assets	17,413	200	14,985	—	—	2,228
9	Tangible and intangible assets						
10	**Total assets**	**€ 115,146**	**€ 6,316**	**€ 92,835**	**€ —**	**€ 91,616**	**€ 2,228**
	Breakdown by liability classes according to the balance sheet in the published financial statements						
1	Deposits from central banks	€ —	€ —	€ —	€ —	€ —	€ —
	Financial liabilities at fair value through profit or loss						
2	Securities	10,117	—	—	—	10,045	72
3	Deposits and repurchase agreements	23,847	—	23,847	—	23,847	—
4	Derivative financial instruments	50,691	—	50,691	—	50,691	—
5	Derivatives used for hedging purposes						
	Financial liabilities at amortised cost						
6	Deposits and repurchase agreements	7,386	—	1,560	—	1,560	5,825
7	Subordinated debt	3,317	—	—	—	—	3,317
8	Other financial liabilities	355	—	153	—	—	202
9	Current and deferred tax liabilities	2	—	—	—	—	2
10	Other liabilities	11,260	—	9,011	—	—	2,250

		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 the CCR 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
11	Provisions for contingencies and charges	61	—	—	—	—	61
12	**TOTAL LIABILITIES**	**€ 107,035**	**€ —**	**€ 85,262**	**€ —**	**€ 86,143**	**€ 11,728**

The sum of amounts disclosed in columns (c) to (g) may not equal the amounts disclosed in column (b), as some items are subject to capital requirements for more than one risk framework listed in Part Three of CRR.

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

EU LI2 discloses differences between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes. The purpose of the following table is to provide information on the main sources of difference between the financial statements' carrying value amounts 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)

		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)	€112,918	€ 6,316	€ —	€ 92,835	€ 91,616
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	€ 95,307	€ —	€ —	€ 85,262	€ 86,143
3	Total net amount under the scope of prudential consolidation	€ 17,610	€ 6,316	€ —	€ 7,573	€ 5,473
4	Off-balance-sheet amounts	€140,562	€ 550	€ 4	€ 140,007	
5	Differences in valuations	€ (188)	€ —	€ —	€ (188)	
6	Differences due to different netting rules, other than those already included in row 2	135,386	75	—	135,311	
7	Differences due to consideration of provisions	—	—	—	—	
8	Differences due to the use of credit risk mitigation techniques	(268,297)	(451)	—	(267,845)	
9	Differences due to credit conversion factors	(73)	(73)	—	—	
10	Differences due to Securitisation with risk transfer	—	—	—	—	
11	Other differences	28,328	3	—	28,324	
12	**Exposure amounts considered for regulatory purposes**	**€ 53,327**	**€ 6,420**	**€ 4**	**€ 43,181**	**€ 5,473**

Explanations of Differences between Accounting and Regulatory Exposure Amounts

Included below is a summary of the key types of difference between the accounting and regulatory exposure amounts as shown in the reconciliation above.

Off-Balance Sheet Amounts

- Instruments not on the balance sheet, such as guarantees and commitments, are considered as exposures for the calculation of regulatory capital requirements
- Collateral provided in the form of securities (debt and equity instruments) are not shown on the balance sheet, but are used in the calculation of regulatory exposure amounts

Differences Due to Netting Rules

- Under the accounting framework, financial assets and liabilities are offset, and the net amount is reported on the balance sheet where BofASE 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 typically means that more netting is recognised under the regulatory framework than under the accounting framework

Differences Due to the Use of Credit Risk Mitigation Techniques

- In counterparty credit risk (“CCR”), differences arise between accounting carrying values and regulatory exposure as a result of the application of credit risk mitigation, relating to financial collateral received in derivative and securities financing transactions (“SFTs”)

Differences Due to Credit Conversion Factors

- Off-balance sheet exposures are multiplied by a credit conversion factor as defined in the CRR, as amended by CRR 2, in order to determine the regulatory exposure value

Other Differences

- Under the standardised approach for counterparty credit risk an add-on for potential future credit exposure (“PFE”) is applied for derivative exposures, and an additional alpha factor of 1.4 is applied in determining the regulatory exposure value

1.2.2.1. Prudential Valuation Adjustment

Prudential valuation adjustment is deducted from BofASE’s Tier 1 Capital Resources. There is an established valuation control policy 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 the CRR and related interpretive guidance.

The following table shows a breakdown of the amounts of the constituent elements of the prudent valuation adjustment as at 31 December 2023 for BofASE.

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

Category level AVA		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
		Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
1	Market price uncertainty	€ 96	€ 53	€ 3	€ 14	€ 2	€ 12	€ 10	€ 95	€ 86	€ 9
2	Not applicable										
3	Close-out cost	31	27	1	11	2	1	—	36	36	—
4	Concentrated positions	10	13	—	—				23	23	
5	Early termination										
6	Model risk	12	18	—			11		21	15	6
7	Operational risk	6	5	—	2	—			13	12	1
8	Not applicable										
9	Not applicable										
10	Future administrative costs										
11	Not applicable										
12	**Total Additional Valuation Adjustments (AVAs)**								**€ 188**	**€ 172**	**€ 17**

1.3. Disclosure Policy

In accordance with Article 431(3) of the CRR, as amended by CRR 2, BofASE has adopted a formal policy to comply with the disclosure requirements included in Part Eight of the CRR. The BofA Securities Europe SA 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 BofASE’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 BofASE 2023 year-end Pillar 3 disclosure have been prepared in accordance with the internal processes, systems and controls detailed in the BofASE Pillar 3 Disclosure Policy, which has been approved by the BofASE Board."

The BofASE Pillar 3 Disclosures have been attested by:

BofASE Chief Financial Officer

Geoffrey Huson

BofASE Chief Risk Officer

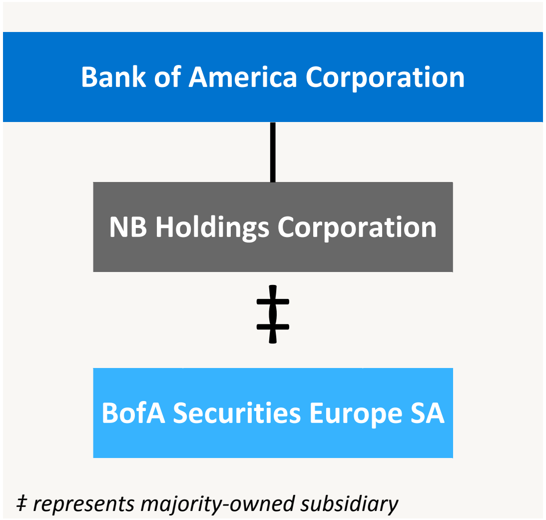
Hubert Dhers

1.4. Operation, Structure, and Organisation

BofASE is BAC's primary broker-dealer for clients in the EEA. BofASE is headquartered in Paris, France and has the ability to trade throughout Europe and conduct business with international clients.

The principal activities of BofASE are to provide a wide range of financial services for business originated in EEA, to act as a broker and dealer in financial instruments and to provide corporate finance advisory services. BofASE also provides a number of post trade related services including settlement and clearing services to third-party clients.

Figure 1.4.F1. – High-Level Ownership Chart



BofA Securities Europe SA
Pillar 3 Disclosure

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 CET1 and Additional Tier 1 ("AT1"). CET1 is the highest quality of capital and typically represents equity and audited reserves; AT1 usually represents contingent convertible bonds, and Tier 2 capital typically consists of subordinated debt and hybrid debt capital instruments.

On 6 December 2023, BofASE converted €2,377 million of parent borrowings to eligible liabilities. This was in advance of Intermediate Parent Undertaking requirements coming into effect from 30 December 2023, which brought BofASE into the scope of CRR requirement for own funds and eligible liabilities for non-EU Global Systemically Important Institutions ("G-SIIs").

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

BofASE's Capital Resources of €8.82 billion (2022: €8.72 billion) consist of €7.90 billion Tier 1 and €0.92 billion Tier 2 capital. All of BofASE's Tier 1 capital is made up of CET1.

2.1.2. Key Movements in 2023

The following table shows a summary of BofASE's key capital, leverage and liquidity metrics as at 31 December 2023.

Table 2.1.2.T1. – 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	€ 7,898	€ 7,797	€ 7,803
2	Tier 1 capital	7,898	7,797	7,803
3	Total capital	8,818	8,717	8,723
	Risk-weighted exposure amounts			
4	Total risk exposure amount ("TREA")	€ 40,232	€ 39,442	€ 35,549
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	19.63 %	19.77 %	21.95 %
6	Tier 1 ratio (%)	19.63 %	19.77 %	21.95 %
7	Total capital ratio (%)	21.92 %	22.10 %	24.54 %
	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 (%)	3.69 %	3.69 %	3.69 %
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.08 %	2.08 %	2.08 %
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.77 %	2.77 %	2.77 %
EU 7d	Total SREP own funds requirements (%)	11.69 %	11.69 %	11.69 %
	Combined buffer and overall capital 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 (%)	— %	— %	— %
9	Institution specific countercyclical capital buffer (%)	0.74 %	0.55 %	0.22 %
EU 9a	Systemic risk buffer (%)	— %	— %	— %
10	Global Systemically Important Institution ("G-SII") buffer (%)	— %	— %	— %

		a	c	e
		Q4 2023	Q2 2023	Q4 2022
EU 10a	Other Systemically Important Institution buffer (%)	— %	— %	— %
11	Combined buffer requirement (%)	3.24 %	3.05 %	2.72 %
EU 11a	Overall capital requirements (%)	14.93 %	14.74 %	14.41 %
12	CET1 available after meeting the total SREP own funds requirements (%)	10.23 %	10.41 %	12.85 %
	Leverage ratio			
13	Total exposure measure	€ 102,779	€ 112,796	€ 87,836
14	Leverage ratio (%)	7.68 %	6.91 %	8.88 %
	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 requirement (%)	3.00 %	3.00 %	3.00 %
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets ("HQLA") (Weighted value -average)	€ 7,980	€ 8,041	€ 7,165
EU 16a	Cash outflows - Total weighted value	11,574	9,874	7,591
EU 16b	Cash inflows - Total weighted value	8,289	6,478	4,023
16	Total net cash outflows (adjusted value)	3,484	3,543	3,568
17	Liquidity coverage ratio (%)	237.65 %	233.30 %	208.05 %
	Net Stable Funding Ratio			
18	Total available stable funding	€ 19,449	€ 18,879	€ 15,086
19	Total required stable funding	14,564	12,380	11,375
20	NSFR ratio (%)	133.54 %	152.49 %	132.63 %

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.

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.

Credit and counterparty credit risk 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.

Credit Valuation Adjustment (“CVA”) is the capital requirement that covers the risk of mark-to-market losses on the counterparty risk of over-the-counter (“OTC”) derivatives. CVA is calculated using standardised approaches.

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 a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched. Payments in the transaction or scheme 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 are comprised of capital associated with the Internal Modelling Approaches ("IMA") approved by the ACPR and those associated with the Standardised Approach.

Operational risk refers to the risk of loss, or of damage to reputation, resulting from inadequate or failed internal processes or systems, people or external events. Capital requirements for operational risk are calculated under the Standardised Approach.

Amounts below the thresholds for deduction correspond to items not deducted from Own Funds, as they are below the applicable thresholds for deduction, in accordance with the CRR.

Figure 2.2.1.F1. summarises RWAs and Minimum Capital Requirements for BofASE by risk type. BofASE calculates Minimum Capital Requirements as 8% of RWAs in accordance with CRR.

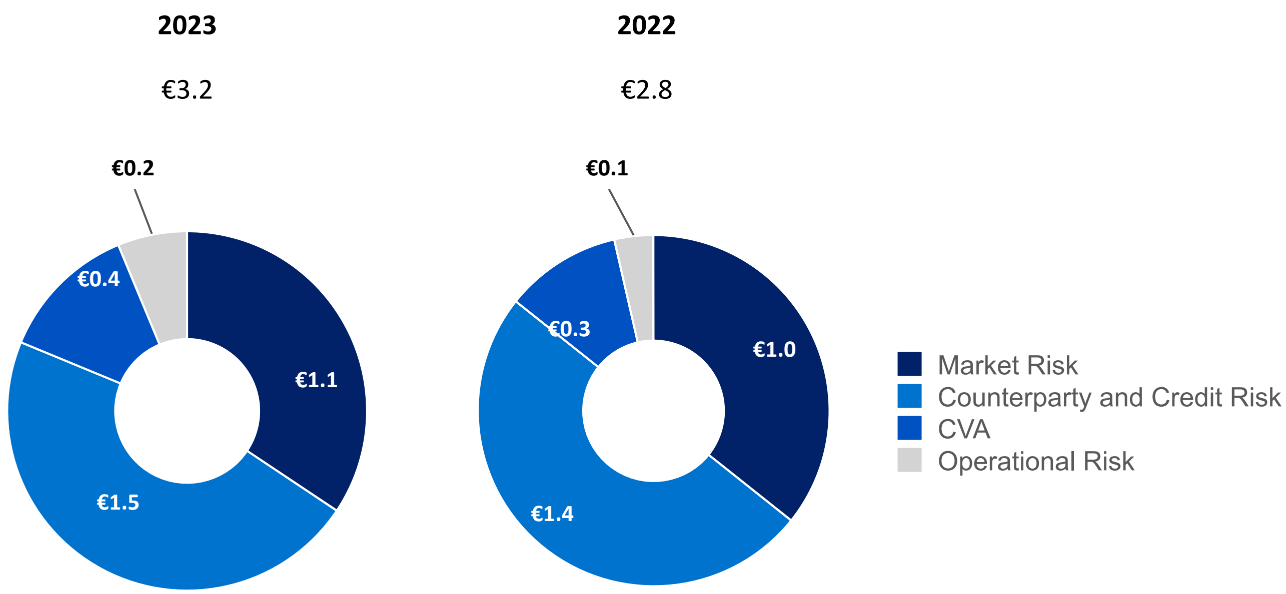
BofASE is subject to a Minimum Capital Requirement as set out in CRR. BofASE is also required to hold capital in addition to the Minimum Capital Requirements to meet ACPR obligations and CRD buffers.

The Minimum Capital Requirements principally comprises of credit risk, market Risk, and operational Risk requirements. At 31 December 2023, BofASE had a Minimum Capital Requirement of €3.2 billion (2022: €2.8 billion) comprising of the risk requirements outlined in Figure 2.2.1.F1.

Figure 2.2.1.F1. – Summary of BofASE's Minimum Capital Requirement

Minimum Capital Requirement

(€ billions)



2.2.1.1. Use of the Standardised Approach (EU CRD)

BofASE has adopted the standardised approach for calculating counterparty credit risk, credit risk, and operational risk capital requirements. BofASE's approach for market risk is a combination of models approved by the ACPR, including Value at Risk ("VaR"), and the Standardised Approach. In order to adhere to the standardised rules set out in the CRR, BofASE uses ratings from External Credit Assessment Institutions ("ECAIs") such as Moody's Investors Service, Inc. ("Moody's"), S&P, and Fitch. BofASE complies with the standard association for mapping of external ratings of each nominated ECAI with the credit quality steps ("CQSs"), which is published by the European Banking Authority ("EBA").

ECAI ratings are used for all relevant exposure classes. BofASE does not use Export Credit Agencies ("ECAs"). There have been no changes relating to the use of ECAIs or ECAs during the reporting period. BofASE does not transfer issuer and issue credit assessments onto items not included in the trading book.

2.2.2. Key Movements in 2023

BofASE's Minimum Capital Requirement increased to €3.2 billion in 2023 from €2.8 billion in 2022. This was mainly driven by an increase in capital requirements for market risk and counterparty credit risk in the year.

Table 2.2.2.T1. discloses a breakdown of the RWAs and Minimum Capital Requirement of BofASE, broken down by risk types and calculation approaches.

Table 2.2.2.T1. – EU OV1 Overview of Total Risk Exposure Amounts (€ millions)

		Total risk exposure amounts		Total own funds requirements
		a	b	c
		Q4 2023	Q4 2022	Q4 2023
1	Credit risk (excluding CCR)	€ 570	€ 632	€ 46
2	Of which the standardised approach	570	632	46
3	Of which the Foundation IRB ("F-IRB") approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk-weighted approach			
5	Of which the Advanced IRB ("A-IRB") approach			
6	Counterparty credit risk - CCR	23,732	21,381	1,899
7	Of which the standardised approach	12,406	12,692	992
8	Of which internal model method ("IMM")			
EU 8a	Of which exposures to a CCP	239	177	19
EU 8b	Of which credit valuation adjustment - CVA	5,368	4,202	429
9	Of which other CCR	5,719	4,311	458
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	403	188	32
16	Securitisation exposures in the non-trading book (after the cap)	4	—	—

		Total risk exposure amounts		Total own funds requirements
		a	b	c
		Q4 2023	Q4 2022	Q4 2023
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including Internal Assessment Approach ("IAA"))	—		—
19	Of which SEC-SA approach	4	—	—
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	13,549	12,071	1,084
21	Of which the standardised approach	1,787	2,336	143
22	Of which IMA	11,761	9,735	941
EU 22a	Large exposures			
23	Operational risk	1,974	1,277	158
EU 23a	Of which basic indicator approach ("BIA")			
EU 23b	Of which standardised approach	1,974	1,277	158
EU 23c	Of which advanced measurement approach ("AMA")			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	95	91	8
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**€ 40,232**	**€ 35,549**	**€ 3,219**

2.3. Capital Summary

2.3.1. Capital Position and Capital Ratio

BofASE's Capital Resources in excess of its Minimum Capital Requirements at 31 December 2023 was €5.6 billion (2022: €5.9 billion).

Table 2.3.1.T1. shows a summary of BofASE Capital position, BofASE is adequately capitalised with capital resources significantly in excess of the Minimum Capital Requirement.

BofASE capital position is monitored and analysed on a daily basis. BofASE maintained capital surplus over its Minimum Capital Requirement throughout the period.

An entity's Tier 1 ratio is the ratio of the Tier 1 Capital to RWAs. BofASE's RWAs increased in 2023, while Tier 1 resources remained broadly flat in the year. BofASE's Tier 1 ratio at 31 December 2023 was 19.63% (2022:21.95%).

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

	BofASE	
	2023	2022
Total Capital Resources	€ 8,818	€ 8,723
Total Pillar 1 Minimum Capital Requirement	3,219	2,844
Surplus over Requirement	**€ 5,599**	**€ 5,879**
Tier 1 Capital Resources	€ 7,898	€ 7,803
Risk-Weighted Assets	40,232	35,549
Tier 1 Capital Ratio	**19.63 %**	**21.95 %**

2.4. Capital Management (EU OVC)

BofASE 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. BofASE 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 BofASE meets all regulatory capital requirements, and so that BofASE'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

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

- Is designed to ensure the risks to which BofASE 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 BofASE maintains a capital position in line with pre-stress and post-stress goals

The ICAAP is also aligned to the Recovery Plan that prepares BofASE 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, the market, and prevent a potential resolution event. The Recovery Plan includes a wide range of counter measures that are designed to mitigate different types of stress scenarios that could threaten BofASE's capital position. In addition, the recovery plan outlines clear pre-defined 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 BofASE ICAAP also assesses Pillar 2R at least annually. Pillar 2R is an additional amount of capital that BofASE 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 ACPR and ECB, reviews the ICAAP as part of the SREP and sets a TSCR. The TSCR is the sum of the Minimum Capital Requirement (8% of RWAs) and the Pillar 2R capital requirement (3.69% of RWAs). As of 1 January 2024, BofASE's Pillar 2R capital requirement decreased to 2.75%.

As at 31 December 2023, BofASE's TSCR was set at 11.69% of RWAs.

2.5. Leverage Ratio

2.5.1. Summary

BofASE has a minimum leverage ratio requirement of 3.00%. BofASE's leverage ratio at 31 December 2023 was in excess of the minimum requirement at 7.68%.

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

Table 2.5.1.T1. – Leverage Ratio

	BofASE	
	2023	2022
Leverage Ratio	7.68 %	8.88 %

2.5.2. Key Movements in 2023 (EU LRA)

BofASE's leverage ratio decreased from 8.88% at the end of 2022 to 7.68% at the end of 2023.

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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.

Encumbered on-balance sheet assets in BofASE consist of debt trading securities which are delivered as collateral into secured funding transactions such as repurchase agreements, stock lending and collateral swaps, or as margin under derivatives agreements. BofASE also holds encumbered cash, reported within “Other Assets”, which is pledged as margin under derivatives agreements.

The majority of BofASE’s assets in this disclosure relate to derivatives and reverse repo transactions, shown as “Other Assets”, which are reported as cash and are therefore not subject to encumbrance. In most instances, BofASE has rehypothecation rights over the securities received in these transactions and therefore this collateral is generally onwards encumbered in secured funding transactions or pledged as margin under derivatives agreements. These securities form the majority of “Collateral received by the reporting institution” within Table 3.1.T2. – EU AE2 Collateral Received and Own Debt Securities Issued and are shown as encumbered, demonstrating that asset encumbrance is an integral part of BofASE’s business model. As a result there are robust collateral management strategies and systems in place to manage asset encumbrance on a business as usual (“BAU”) and stress basis and the profile is controlled through its risk limits and metrics framework.

The values contained within this disclosure represent the median of BofASE’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 applicable accounting standards.

Table 3.1.T1. outlines the carrying amount and fair value of certain assets of BofASE 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]**	**€ 22,840**	**€ 9,293**			**€ 105,409**	**€ 5,703**		
030	Equity instruments	2,544	1,094	2,544	1,094	4,417	42	4,417	42
040	Debt securities	8,804	8,123	8,804	8,123	736	470	736	470
050	of which: covered bonds	—	—	—	—	—	—	—	—
060	of which: securitisations	—	—	—	—	—	—	—	—
070	of which: issued by general governments	7,958	7,849	7,958	7,849	700	453	700	453
080	of which: issued by financial corporations	811	108	811	108	33	—	33	—
090	of which: issued by non-financial corporations	118	44	118	44	6	—	6	—
120	Other assets [2]	11,248	—			101,631	5,134		

		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]**	**€ 21,616**	**€ 7,655**			**€ 98,231**	**€ 3,889**		
030	Equity instruments	2,108	987	2,108	987	1,972	44	1,972	44
040	Debt securities	7,394	6,660	7,394	6,660	537	393	537	393
050	of which: covered bonds	—	—	—	—	—	—	—	—
060	of which: securitisations	—	—	—	—	—	—	—	—
070	of which: issued by general governments	6,500	6,474	6,500	6,474	472	387	472	387
080	of which: issued by financial corporations	667	93	667	93	43	—	43	—
090	of which: issued by non-financial corporations	147	91	147	91	22	4	22	4
120	Other assets [2]	12,634	—			96,649	3,468		

(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 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 collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		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]**	€ 148,585	€ 141,769	€ 12,698	€ 3,530	€ 113,443	€ 107,565	€ 13,427	€ 4,481
140	Loans on demand	—	—	—	—	—	—	—	—
150	Equity Instruments	4,940	2,066	670	296	4,895	1,774	619	201
160	Debt Securities	143,646	139,703	3,002	2,968	108,676	105,690	4,497	4,320
170	of which: Covered Bonds	830	—	—	—	191	—	—	—
180	of which: Securitisations	504	—	766	765	71	—	1,843	1,843
190	of which: Issued by General Governments	138,788	138,044	1,977	1,973	105,656	105,072	3,212	3,181
200	of which: Issued by Financial Corporations	3,122	1,377	25	—	2,427	566	52	12
210	of which: Issued by Non-Financial Corporations	775	129	18	—	895	212	75	20
220	Loans and Advances Other Than Loans on Demand	—	—	8,446	—	—	—	9,390	—
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**	€ 172,873	€ 152,155			€ 135,059	€ 114,997		

(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.

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 ABSs Encumbered	Matching Liabilities, Contingent Liabilities or Securities Lent	Assets, Collateral Received and Own Debt Securities Issued other than Covered Bonds and ABSs Encumbered
		010	030	010	030
010	Carrying Amount of Selected Financial Liabilities	€ 140,512	€ 142,111	€ 102,819	€ 103,604

BofA SECURITIES

BofA Securities Europe SA
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 risks facing BAC and its subsidiaries (including BofASE). BAC adopted the 2024 Risk Framework in December 2023.

BofASE 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 BofASE Board adopted the BAC 2024 Risk Framework in March 2024.

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

A culture of managing risk well is fundamental to BofASE's core values and its purpose, and how it drives responsible growth. A culture of managing risk well requires a 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 BofASE's risk appetite. Sustaining a culture of managing risk well throughout the organisation is critical to the success of BofASE and is a clear expectation of BofASE's Executive Management Team and BofASE Board.

The following principles form the foundation of BofASE's culture of managing risk well:

1. Managing risk well protects BofASE and its reputation and enables BofASE to deliver on its purpose and strategy
2. BofASE treats customers fairly and acts with integrity to support the long-term interests of its employees and customers. BofASE understands that improper conduct, behaviour, or practices by BofASE, its employees, or representatives could harm BofASE, the customers, or damage the integrity of the financial markets
3. As BofASE 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 BofASE employs models and methods to assess risk and better inform BofASE's decisions, proactive debate and a thorough challenge process lead to the best outcomes
6. Lines of business ("LOBs") and other Front Line Units ("FLUs") are first and foremost responsible for managing all aspects of their businesses, including all types of risk
7. GRM provides independent oversight and effective challenge, while Corporate Audit provides independent assessment and validation
8. BofASE 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 BofASE Board, which succinctly describes BofASE's overall risk profile associated with the business strategy.

BofASE's primary business lines include Equity Sales and Trading, Fixed-Income, Currencies and Commodities ("FICC") Sales and Trading, and Capital Markets.

As at 31 December 2023, BofASE had regulatory Capital Resources of €8.82 billion, consisting of CET1 capital of €7.90 billion and an additional €0.92 billion of Tier 2 Capital. BofASE had a Tier 1 capital ratio of 19.63%. As at 31 December 2023, BofASE's leverage ratio was 7.68% and 12-month average Liquidity Coverage Ratio ("LCR") was 237.65%.

BofASE enters into transactions with affiliated companies within BAC, primarily as a result of its own risk management purposes and receives intercompany loans for general liquidity management purposes. At 31 December 2023, BofASE had 25% of balances with affiliated companies (15% with Merrill Lynch International ("MLI"), 8% Bank of America, National Association ("BANA"), 1% with BofA Securities Inc.).

Market risk for the entity is generated by the activities in the interest rate, foreign exchange ("FX"), credit, equity, and commodities markets. In addition, the values of asset and liabilities could change due to market liquidity, correlations across markets, and expectations of market volatility. Average VaR for regulatory capital calculations ("Regulatory VaR") for BofASE during 2023 was €35.5 million.

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

The BofASE Risk Appetite Statement ("RAS") indicates the amount of capital, earnings, or liquidity BofASE 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 below section.

Risk Appetite

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

BofASE'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: BofASE's overall capacity to take risk is limited; therefore, BofASE prioritises the risks it takes. Risk capacity informs risk appetite, which is the level and types of risk BofASE is willing to take to achieve its business objectives
- Financial strength to absorb adverse outcomes: BofASE 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 BofASE to continue to operate in a safe and sound manner at all times, including during periods of stress
- Risk-reward evaluation: BofASE considers all types of risk including those that are difficult to quantify. Risks taken must fit BofASE's risk appetite and offer acceptable risk-adjusted returns for shareholders
- Skills and capabilities: BofASE seeks to assume only those risks it has the skills and capabilities to Identify, Measure, Monitor, and Control ("IMMC")

Risk appetite is aligned with BofASE's strategic, capital, and financial operating plans to ensure consistency with its strategy and financial resources. Line of business 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 LOBs, as appropriate. Risk appetite is also considered within the Recovery Plan, Product Risk Management - 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 BofASE'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 RAS.

Risk Appetite Metrics

BofASE's RAS quantitative framework consists of BofASE Board and BofASE Management Risk Committee ("BofASE MRC") approved metrics which are designed to manage the amount of risk BofASE is willing to take to meet its strategic objectives. The calibration of the metrics reflect the level of BofASE'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 LOBs or risk types as part of ongoing efforts to ensure concentrations are effectively identified, measured, monitored, and controlled.

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

Risk Appetite Monitoring, Reporting, and Escalation

Robust monitoring and reporting processes for BofASE Board-owned and BofASE MRC-owned limits 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 BofASE risk appetite is reviewed on a regular basis by the BofASE MRC and on a quarterly basis by the BofASE Board Risk Committee ("BofASE BRC"). Limits and tripwires are monitored by FLUs and risk management on a more frequent basis. BofASE Management, BofASE MRC, BofASE BRC, and the BofASE Board take action as necessary to proactively and effectively manage risk.

The BofASE Chief Risk Officer ("CRO") is the executive sponsor of the BofASE 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 BofASE MRC, BofASE BRC, and the BofASE Board.

BofASE is committed to communicating a clear, 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)

BAC's risk governance principles serve as the cornerstone of the risk governance framework. The Code of Conduct, Risk Framework, BofASE RAS, and strategic plans are overarching documents that firmly embed BofASE'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 BofASE defines and manages risk. The BofASE RAS clearly indicates the risks BofASE is willing to accept. The strategic plans, for both BAC and BofASE, document strategies for the next three-year period.

Three Lines of Defence

BofASE has clear ownership and accountability for managing risk across three lines of defence: FLUs, Global Risk Management ("GRM"), and Corporate Audit. BofASE also has CFs outside of FLUs and GRM (e.g., the Legal Department and Global Human Resources), that provide guidance and subject matter expertise in support of managing risks facing BofASE.

FLUs	Own and proactively manage all risks in business activities
Global Risk Management	Oversee risk-taking activities within the FLUs and across the BAC Group, 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 BofASE'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 ("CFs") 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 BofASE's key risks and risk management processes (inclusive of risk appetite).

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

Corporate Audit maintains independence from the BofASE's LOBs and governance and CFs by reporting directly to the BofASE Audit Committee of the BofASE Board.

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 BofASE 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 BofASE's reputation, each of which may adversely impact BofASE and its ability to execute its business strategy. Managing risk well is fundamental to delivering on BAC's responsible growth approach to business.

The Risk Framework applies to all employees and explains BofASE'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 BofASE. The Risk Framework sets forth roles and responsibilities for the management of risk by FLUs, GRM, other CFs, and Corporate Audit.

The following are the five components of BofASE’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 BofASE's businesses, namely: strategic, credit, market, liquidity, operational, compliance, and reputational risks.

The BofASE Board, supported by the BofASE BRC, confirms that the risk management arrangements outlined are adequate to facilitate the management of risk in the context of BofASE'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 BofASE 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 BofASE
- 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 BofASE management bodies 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 BofASE 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 BofASE are given below.

(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 BofASE, thereby ensuring risks are appropriately considered, evaluated, and responded to in a timely manner.

BofASE'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
- BofASE encourages a thorough challenge process and maintains processes to identify, escalate, and debate risks

- BofASE utilises timely and effective escalation mechanisms for risk limit breaches

The FLUs have primary responsibility for managing risks inherent in their businesses. BofASE employs an effective 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. – BofASE Directors Board Membership and Experience (EU OVB)

		No. of Directorships	
		Total	Excluding non-commercial and counting group appointments as one
Fiona Frick **Director**	Fiona is a highly accomplished professional in the financial Industry Investment Specialist with over three decades of hands-on experience in the Financial Industry as a practitioner, Board Member and CEO. Fiona began her career in 1990 at Unigestion, an international asset manager, as a fundamental analyst and then investment manager in high yield and convertible bonds. In 2023, Fiona created her own consulting company, Circe Invest, around the themes of asset allocation and sustainability. Fiona is also a respected speaker on economics, financial markets, investment allocation and the rise of sustainable finance.	4	2
Jérôme Morisseau **Director**	Jérôme started his career at Morgan Stanley in London in 1994, before moving to Paris where he was promoted Managing Director in 2006. He joined Citi as Managing Director in Paris in 2006 until 2015 and then joined Bank of America in 2015. Jerôme was promoted to Co-Head of Investment Banking France in 2020. In addition, he is a Board member of BofA Securities Europe SA (BofASE) (BoA broker dealer for Continental Europe) and Deputy France Country Executive.	1	1
Bernard Mensah **Director**	Bernard is President of International for Bank of America and a member of BAC's Executive Management Team. He is the 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. Bernard joined BAC 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
Vanessa Holtz **Director and CEO**	Vanessa is Chief Executive Officer of Bank of America's principal EU broker-dealer, BofASE, and France country executive. Vanessa is also a member of Bank of America's EMEA executive committee. Vanessa has been based in Paris since 2019 and was formerly head of EU FICC Trading. She was instrumental in Bank of America's pre-Brexit preparations and played a critical role in growing Bank of America's European presence. As CEO of BofASE and France country executive, her strategic focus is to drive sustainable growth across the business and the European region while continuing to expand and deepen Bank of America's relationships with clients. Vanessa has over 25 years of experience in the financial markets and prior to joining Bank of America held several key positions leading and managing foreign exchange trading desks including BNP Paribas, JP Morgan and Barclays Capital.	4	1
Pierre de Weck **Director and Chair**	Independent director of Bank of America Corporation; Bank of America California, National Association; Bank of America, National Association; and Chair of the Board of directors of Merrill Lynch International and BofA Securities Europe SA. Mr. de Weck served as the Chair and Global Head of Private Wealth Management and as a member of the Group Executive Committee of Deutsche Bank AG from 2002 to May 2012. Prior to joining Deutsche Bank, Mr. de Weck served on the Management Board of UBS AG from 1994 to 2001, as Head of Institutional Banking from 1994 to 1997, as Chief Credit Officer and Head of Private Equity from 1998 to 1999, and as Head of Private Equity from 2000 to 2001. Previously held various senior management positions at Union Bank of Switzerland, a predecessor firm of UBS, from 1985 to 1994.	12	4

		No. of Directorships	
		Total	Excluding non-commercial and counting group appointments as one
Pierre Fleuriot **Director**	Appointed in August 2019 as a non-executive director of the BofASE Board. He also serves on the Board of Directors of Renault S.A. Nissan Motor Co. Ltd, the Casablanca Stock Exchange and is the Chair of the Board of the Cercle de l'Orchestre de Paris and the Foundation Le Cercle de L'Orchestre de Paris. Previously served as the CEO of Credit Suisse for France, Belgium and Luxembourg from 2009 to 2016 and prior to that he held roles as the CEO for France and Belgium for Royal Bank of Scotland from 2008 to 2009, the CEO for ABM-AMRO France from 2000 to 2008, and as the CEO of the Commissions des Operations de Bourse from 1991 to 1997.	7	4
Marie-Hélène Sartorius **Director**	Marie-Hélène Sartorius was appointed in October 2020 as a non-executive director of the BofASE Board. She also serves on the Board of Directors of Milleis Banque, Orano SA and BNPP Cardif SA. Ms. Sartorius is an experienced financial services practitioner, advisor, independent, and executive board member. She has in-depth experience in investment banking, insurance, and risk. Ms. Sartorius was a senior partner at PricewaterhouseCoopers where she spent 15 years, providing consulting services across banking, capital markets, insurance, asset management and private banking industries. Prior to that she held different roles at BNP Paribas (formerly Banque Paribas) from 1982 to 2001 in Global Markets and Corporate Finance.	5	4

Note: The table outlines the directors who served at 31 December 2023.

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

BofASE Director Selection and BofASE Board Diversity Policy

In accordance with the BofASE Corporate Governance Guidelines, the Board should be of adequate size and composition and possess the appropriate skills with regard to the nature, scale and complexity of activities and organisation of the Company. The BofASE Nominations Committee ("BofASE NOMCO"), in consultation with the Chair, identifies and evaluates individual candidates for their qualifications to become directors and recommends qualified candidates to the Board. The Board will then recommend and propose to the Company's shareholders director appointments to fill vacancies or appoint further directors, as the need arises.

In identifying and evaluating individual nominees for directors, the BofASE NOMCO and the Board will consider (i) requirements of French law regarding Board composition, and (ii) the overall composition of the Board (including, but not limited to, the 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.

Before any appointment is made by the BofASE Board, the BofASE NOMCO is responsible for evaluating the balance of skills, knowledge, experience, and diversity on the BofASE Board, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the BofASE NOMCO 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 Board, including, but not limited to, gender.

The quantitative target for the underrepresented gender is set in accordance with article L225-18-1 of the French Commercial code and therefore the gap between the number of directors of each gender must not be more than 2 when the Board is composed on up to 8 directors.

General

All appointments to the BofASE Board are made in compliance with BAC's 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. In addition, directors and board and committee chairs appointed to the BofASE Board require regulatory approval in line with ECB and ACPR's requirements under the Appointment of Members of a Supervisory Body Regime.

BofASE Board member experience is detailed within individual director biographies in Table 4.1 T1 - BofASE Directors Board Membership and Experience (EU OVB).

The independent risk management functions led by the BofASE CRO have operational responsibility for risk management of BofASE and ensuring appropriate reporting and escalation to the BofASE Board.

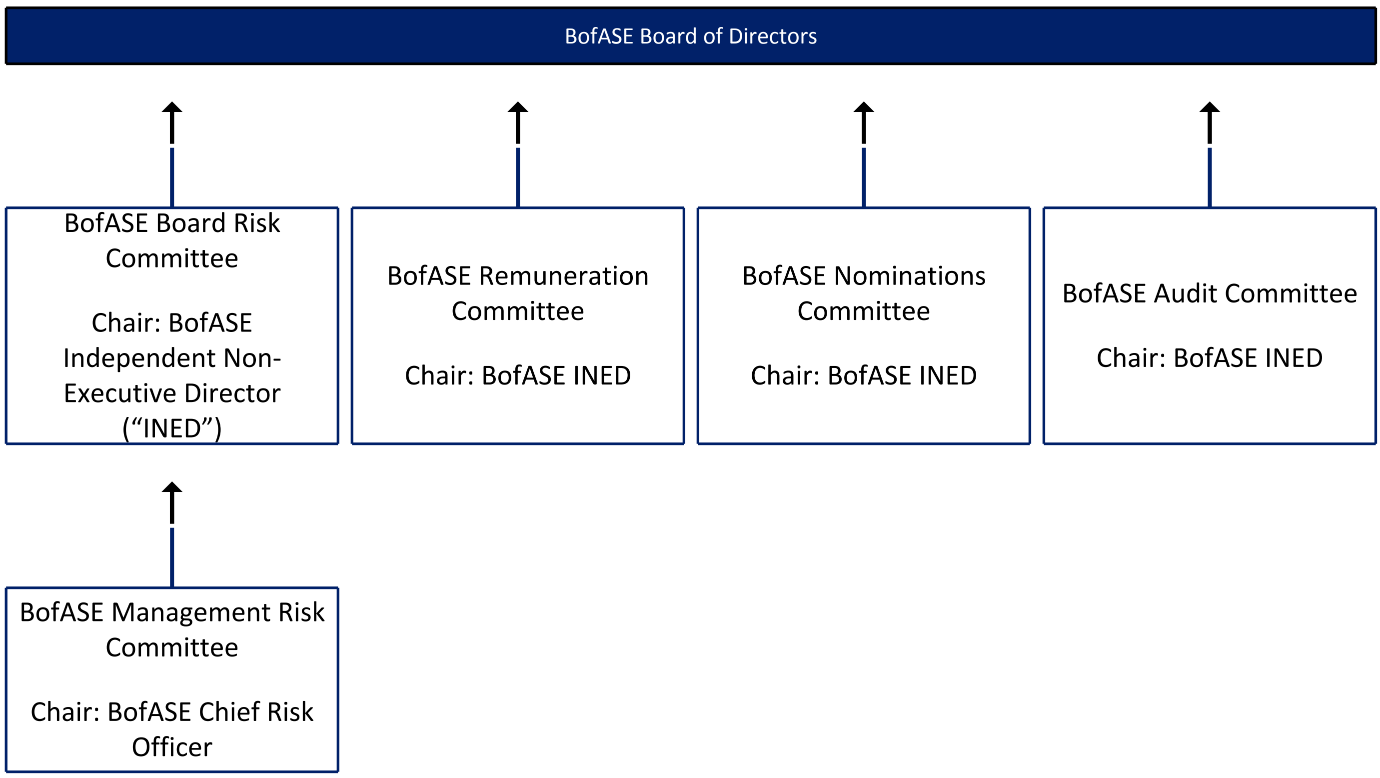
(d) Detail on the Group's risk committee and frequency of meetings (Point (d) of Article 435(2) CRR) and (e) The information flow on risk to the management body (Point (e) Article 435(2) CRR)

Risk Governance Structure

The BofASE Board ensures suitable risk management and controls through the BofASE BRC, BofASE Audit Committee, BofASE Remuneration Committee ("BofASE REMCO"), BofASE NOMCO, and the BofASE MRC. The BofASE MRC conducts periodic reviews of risk reporting and remediation plans; escalates reporting to the BofASE BRC, the BofASE Board, or other committees, as appropriate; and reviews risk management strategies to assess their continuing effectiveness.

The BofASE Board fulfils its oversight responsibilities relating to BofASE's internal financial controls, prepares the annual report and financial statements, and maintains the relationship with its external auditor through the Audit Committee. The BofASE Board met ten times during 2023.

Figure 4.1.F1. – BofASE Risk Governance Structure



The BofASE BRC assists the BofASE Board in fulfilling its oversight responsibility relating to senior management's responsibilities regarding the identification of, management of, and planning for, the following key risks of BofASE: strategic risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, and reputational risk. The BofASE BRC met five times during 2023.

The BofASE MRC reports to the BofASE BRC and is responsible for providing management oversight and approval of (or reviewing and recommending to the BofASE BRC) strategic risk, market risk, credit risk, liquidity risk, operational risk (including Legal and Information Technology ("IT") risks), compliance risk, reputational risk, balance sheet, capital, liquidity management and stress testing activities. In particular, the BofASE MRC reviews and recommends BofASE's RAS and Risk Governance Framework to the BofASE BRC prior to their presentation to the BofASE Board for approval. The BofASE MRC met twelve times during 2023.

The BofASE Audit Committee assists the BofASE Board in fulfilling its oversight responsibility relating to (i) the preparation and integrity of BofASE's Financial Statements, the Directors' Compliance Statement and oversight of related disclosure matters; (ii) qualifications, independence and performance of, and BofASE's relationship with, the external auditors and reviewing the scope and engagement terms of the external auditors; and (iii) the performance BofASE's Corporate Audit function. The Audit Committee met five times during 2023.

The BofASE REMCO assists the Board in fulfilling its oversight responsibility relating to the development and implementation of the firm's remuneration policies and practices, in particular the policies and practices which have an impact on the risk profile and risk management of the Company. The BofASE REMCO met nine times during 2023.

The BofASE NOMCO assists the Board in fulfilling its oversight responsibility relating to the governance of the Board of Directors of the Company relating to nominations to the Board, reviewing and reporting to the Board on matters of corporate governance principles applicable to the Company, reviewing and reporting on Board succession planning, and 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. The BofASE NOMCO met seven times during 2023.

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.

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

BofASE primarily funds its balance sheet through wholesale secured funding, equity, subordinated debt and intercompany unsecured debt.

These funding sources are used to support BofASE's trading and capital market activities 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 BofASE Liquidity Risk Policy (“LRP”) defines the approach to managing and mitigating BofASE’s liquidity risk, aligned to BAC processes and tailored to meet BofASE’s business mix, strategy, activity profile, risk appetite, and regulatory requirements and is approved by the BofASE Board. The BofASE MRC reviews and recommends risk appetite limits to the BofASE BRC, which in turn reviews and recommends to the BofASE Board for approval.

The primary objective of liquidity risk management is to ensure that BofASE 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 BofASE’s liquidity risk management objectives include:

1. Clear accountability residing with FLUs for the liquidity risk inherent in their activities
2. Management of BofASE’s liquidity and funding activities by Treasury
3. Independent oversight of front line unit activities by GRM
4. Maintaining sufficient liquidity buffers which are readily convertible to cash for use by BofASE if necessary during periods of significant liquidity stress
5. Ensuring appropriate diversification of funding tenors and sources considering BofASE’s asset profile and legal entity structure
6. Transferring the economic costs and benefits of liquidity risk to the appropriate LOBs through the Funds Transfer Pricing (“FTP”) process
7. Maintaining a contingent funding plan that allows BofASE to react across all market and economic conditions

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

The BofASE MRC reviews and recommends risk appetite limits to the BofASE BRC, which in turn reviews and recommends to the BofASE Board for approval.

Limits are monitored and reported daily, and a clear escalation path to senior management, the BofASE MRC, the BofASE BRC, and the BofASE 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 BofASE liquidity risk appetite by establishing appropriate processes to identify, measure, monitor, and control the risks associated with their activities. GRM provides independent oversight and supervision of FLU activities, an independent view of the liquidity risk of FLU activities, and assesses the effectiveness of BofASE's liquidity risk management processes.

The BofASE Liquidity risk appetite is defined by the following:

- Internal Liquidity Stress Test ("ILST") - 30 day = Pre-positioned liquidity sources divided by the net peak outflows over a 30-day combined stress period
- ILST - 90 day = Available liquidity sources (including committed line with NB Holdings Corporation) 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
- Net Stable Funding Ratio = Available Stable Funding divided by Required Stable Funding

GRM works with Treasury and the businesses to monitor actual and forecasted 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 BofASE 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 BofASE 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:

- BofASE Board-owned risk appetite
- BofASE MRC-owned management level appetite limits
- Non-risk appetite limits

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

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

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

BofASE has in place a number of internal and external contingency funding options to raise cash during a liquidity stress. Treasury, in conjunction with business stakeholders, would exercise the appropriate options. As a general rule, actions that are quicker to execute, raise more cash, and have fewer detrimental franchise, capital, or tax consequences would be prioritised.

(g) An explanation of how stress testing is used

The BofASE 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.

(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 BofASE Liquidity Adequacy Statement ("LAS") has been documented as a statement of the BofASE Board's consideration of the ILAAP and prepared with reference to relevant ECB guidance. The ILAAP demonstrates BofASE 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 BofASE 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 BofASE LAS has been documented as a statement of the BofASE Board's consideration of the ILAAP and prepared with reference to relevant ECB guidance. The ILAAP demonstrates BofASE 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 BofASE 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 BofASE.

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

		a	b	c	d	e	f	g	h
		Total unweighted value				Total weighted value			
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**
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)					€ 7,612	€ 8,041	€ 7,910	€ 7,980
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
3	Stable deposits	—	—	—	—	—	—	—	—
4	Less stable deposits	—	—	—	—	—	—	—	—
5	Unsecured wholesale funding	117	94	73	64	117	94	73	64
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—	—	—	—	—
7	Non-operational deposits (all counterparties)	117	94	73	64	117	94	73	64
8	Unsecured debt	—	—	—	—	—	—	—	—
9	Secured wholesale funding					2,912	2,884	2,724	2,897
10	Additional requirements	2,958	2,964	2,728	2,534	2,832	2,815	2,580	2,429
11	Outflows related to derivative exposures and other collateral requirements	2,958	2,964	2,728	2,534	2,832	2,815	2,580	2,429
12	Outflows related to loss of funding on debt products	—	—	—	—	—	—	—	—
13	Credit and liquidity facilities	—	—	—	—	—	—	—	—
14	Other contractual funding obligations	10,805	12,025	13,250	14,096	2,416	3,991	5,126	6,146
15	Other contingent funding obligations	242	187	135	136	144	90	39	39
16	**TOTAL CASH OUTFLOWS**					**€ 8,421**	**€ 9,874**	**€ 10,542**	**€ 11,574**
CASH-INFLOWS									
17	Secured lending (e.g., reverse repos)	€ 93,763	€ 104,777	€ 113,430	€ 117,204	€ 1,912	€ 1,992	€ 1,965	€ 2,019
18	Inflows from fully performing exposures	331	280	172	135	306	280	172	135
19	Other cash inflows	2,801	4,206	5,313	6,135	2,801	4,206	5,313	6,135
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**	**€ 96,896**	**€ 109,263**	**€ 118,915**	**€ 123,475**	**€ 5,019**	**€ 6,478**	**€ 7,450**	**€ 8,289**
EU-20a	Fully exempt inflows	€ —	€ —	€ —	€ —	€ —	€ —	€ —	€ —
EU-20b	Inflows Subject to 90% Cap	—	—	—	—	—	—	—	—
EU-20c	Inflows Subject to 75% Cap	85,352	97,732	107,646	112,840	5,019	6,478	7,450	8,289
TOTAL ADJUSTED VALUE									
21	**LIQUIDITY BUFFER**					**€ 7,612**	**€ 8,041**	**€ 7,910**	**€ 7,980**
22	**TOTAL NET CASH OUTFLOWS**					**€ 3,455**	**€ 3,543**	**€ 3,292**	**€ 3,484**
23	**LIQUIDITY COVERAGE RATIO (%)**					**226.44 %**	**233.30 %**	**246.91 %**	**237.65 %**

[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)

BofASE is subject to the LCR, which requires BofASE 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. BofASE 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 disclosure, is prepared in accordance with the requirements of Article 451a of CRR. The objective of the LCR disclosure requirements is to provide market participants with information to assess in scope EU firm's liquidity positions and risk management.

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

BofASE's cash flows are modelled in accordance with the Delegated Act. Cash outflows include, but are not limited to, secured wholesale funding activity and derivatives related requirements.

Cash inflows include, but are not limited to, secured wholesale funding activity, derivatives exposures and unsecured lending to affiliates.

For the year ending 31 December 2023 the 12-month average LCR was 237.65%.

(b) Changes in the LCR over time

As at 31 December 2023, BofASE 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

BofASE aims to achieve sufficient diversification of funding instruments, counterparties and tenors to ensure assets are adequately funded. BofASE's primary sources of funding are equity, unsecured debt from affiliates and secured wholesale funding. Funding concentration risk is managed in accordance with internal policies and risk appetite.

(d) Composition of the Group's liquidity buffer

BofASE largely holds HQLA in the form of both Level 1 qualifying securities (predominantly government bonds) and withdrawable cash held at the ECB.

(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.

BofASE undertakes derivative exposures both with clients or to hedge client activity. Risks in relation to this are monitored and measured through internal and regulatory liquidity stress testing and metrics.

(f) Currency mismatch in the LCR

BofASE'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, BofASE monitors and aims to ensure sufficient liquidity resources are available to mitigate currency mismatches. BofASE's separately reportable currency exposures in line with CRR are EUR and USD.

(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 BofASE.

4.2.4. EU LIQ2 – Net Stable Funding ratio

BofASE is also subject to the Net Stable Funding Ratio ("NSFR") which requires BofASE 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.

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

BofASE's NSFR required stable funding is primarily driven by securities, secured funding and derivatives activity. Available stable funding consists primarily of equity and unsecured affiliate debt.

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 BofASE.

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	€ 8,109	€ —	€ —	€ 920	€ 9,029
2	*Own Funds*	8,109	—	—	920	9,029
3	*Other Capital Instruments*		—	—	—	—
4	Retail Deposits		—	—	—	—
5	*Stable Deposits*		—	—	—	—
6	*Less Stable Deposits*		—	—	—	—
7	Wholesale Funding		27,595	2,152	8,068	10,420
8	*Operational Deposits*		—	—	—	—
9	*Other Wholesale Funding*		27,595	2,152	8,068	10,420
10	Interdependent Liabilities		5,585	—	—	—
11	Other Liabilities	901	13,607	—	—	—
12	*NSFR Derivative Liabilities*	901				
13	*All Other Liabilities and Capital Instruments Not Including in the Above Categories*		13,607	—	—	—
14	**Total Available Stable Funding**					**€ 19,449**
Required Stable Funding ("RSF") Items						
15	Total High-Quality Liquid Assets					€ 935
EU-15a	Assets Encumbered for a Residual Maturity of One Year or More in a Cover Pool		—	—	—	—
16	Deposits Held at other Financial Institutions for Operational Purposes		—	—	—	—
17	Performing Loans and Securities		32,124	3,251	8,707	9,951
18	*Performing Securities Financing Transactions with Financial Customers Collateralised by Level 1 HQLA Subject to 0% Haircut*		21,871	1,790	—	1,037

		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	
19	*Performing Securities Financing Transactions with Financial Customer Collateralised by Other Assets and Loans and Advances to Financial Institutions*		10,188	1,291	394	1,676
20	*Performing Loans to Non-Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, and PSEs, of which*		5	—	—	3
21	*With a Risk Weight of Less Than or Equal To 35% Under the Basel II Standardised Approach for Credit Risk*		—	—	—	—
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 Quality as HQLA, Including Exchange-Traded Equities and Trade Finance On-Balance Sheet Products*		60	169	8,314	7,235
25	Interdependent Assets		5,585	—	—	—
26	Other Assets	—	15,059	—	3,042	3,674
27	*Physical Traded Commodities*				—	—
28	*Assets Posted as Initial Margin ("IM") for Derivative Contracts and Contributions to Default Funds of CCPs*		487	—	2,615	2,637
29	*NSFR Derivative Assets*		—			—
30	*NSFR Derivative Liabilities Before Deduction of Variation Margin ("VM") Posted*		12,162			608
31	*All Other Assets Not Included in the Above Categories*		2,410	—	427	429
32	Off-Balance Sheet Items		72	—	—	4
33	**Total RSF**					**€ 14,564**
34	**Net Stable Funding Ratio (%)**					**133.54 %**

		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 Items						
1	Capital Items and Instruments	€ 8,009	€ —	€ —	€ 920	€ 8,929
2	*Own Funds*	8,009	—	—	920	8,929
3	*Other Capital Instruments*		—	—	—	—
4	Retail Deposits		—	—	—	—
5	*Stable Deposits*		—	—	—	—
6	*Less Stable Deposits*		—	—	—	—
7	Wholesale Funding		32,024	975	11,783	14,010
8	*Operational Deposits*		—	—	—	—
9	*Other Wholesale Funding*		32,024	975	11,783	14,010
10	Interdependent Liabilities		5,272	—	—	—
11	Other Liabilities	69	26,335	—	—	—
12	*NSFR Derivative Liabilities*	69				
13	*All Other Liabilities and Capital Instruments Not Including in the Above Categories*		26,335	—	—	—
14	**Total Available Stable Funding**					**€ 22,939**
Required Stable Funding Items						
15	Total High-Quality Liquid Assets					€ 706
EU-15a	Assets Encumbered for a Residual Maturity of One Year or More in a Cover Pool		—	—	—	—
16	Deposits Held at other Financial Institutions for Operational Purposes		—	—	—	—

		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	
17	Performing Loans and Securities		35,896	4,703	10,410	13,050
18	*Performing Securities Financing Transactions with Financial Customers Collateralised by Level 1 HQLA Subject to 0% Haircut*		25,582	2,001	2	1,316
19	*Performing Securities Financing Transactions with Financial Customer Collateralised by Other Assets and Loans and Advances to Financial Institutions*		9,753	2,671	3,139	5,252
20	*Performing Loans to Non-Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, and PSEs, of which*		292	—	—	148
21	*With a Risk Weight of Less Than or Equal To 35% Under the Basel II Standardised Approach for Credit Risk*		—	—	—	—
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 Quality as HQLA, Including Exchange-Traded Equities and Trade Finance On-Balance Sheet Products*		269	31	7,269	6,334
25	Interdependent Assets		5,272	—	—	—
26	Other Assets	—	24,553	—	3,203	4,110
27	*Physical Traded Commodities*				—	—
28	*Assets Posted as Initial Margin for Derivative Contracts and Contributions to Default Funds of CCPs*		753	—	2,693	2,929
29	*NSFR Derivative Assets*		—			—
30	*NSFR Derivative Liabilities Before Deduction of Variation Margin Posted*		13,323			666
31	*All Other Assets Not Included in the Above Categories*		10,476	—	510	515
32	Off-Balance Sheet Items		76	—	—	4
33	**Total RSF**					€ **17,871**
34	**Net Stable Funding Ratio (%)**					**128.36 %**

		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 Items						
1	Capital Items and Instruments	€ 8,009	€ —	€ —	€ 920	€ 8,929
2	*Own Funds*	8,009	—	—	920	8,929
3	*Other Capital Instruments*		—	—	—	—
4	Retail Deposits		—	—	—	—
5	*Stable Deposits*		—	—	—	—
6	*Less Stable Deposits*		—	—	—	—
7	Wholesale Funding		35,304	245	8,496	9,950
8	*Operational Deposits*		—	—	—	—
9	*Other Wholesale Funding*		35,304	245	8,496	9,950
10	Interdependent Liabilities		5,020	—	—	—
11	Other Liabilities	325	19,949	—	—	—
12	*NSFR Derivative Liabilities*	325				
13	*All Other Liabilities and Capital Instruments Not Including in the Above Categories*		19,949	—	—	—
14	**Total Available Stable Funding**					€ **18,879**
Required Stable Funding Items						
15	Total High-Quality Liquid Assets					€ 1,064

		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	
EU-15a	Assets Encumbered for a Residual Maturity of One Year or More in a Cover Pool		—	—	—	—
16	Deposits Held at other Financial Institutions for Operational Purposes		—	—	—	—
17	Performing Loans and Securities		36,939	2,913	5,978	7,380
18	*Performing Securities Financing Transactions with Financial Customers Collateralised by Level 1 HQLA Subject to 0% Haircut*		26,897	983	—	495
19	*Performing Securities Financing Transactions with Financial Customer Collateralised by Other Assets and Loans and Advances to Financial Institutions*		9,963	1,767	439	2,055
20	*Performing Loans to Non-Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, and PSEs, of which*		19	—	—	9
21	*With a Risk Weight of Less Than or Equal To 35% Under the Basel II Standardised Approach for Credit Risk*		—	—	—	—
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 Quality as HQLA, Including Exchange-Traded Equities and Trade Finance On-Balance Sheet Products*		60	163	5,539	4,821
25	Interdependent Assets		5,020	—	—	—
26	Other Assets	—	21,951	—	2,718	3,933
27	*Physical Traded Commodities*				—	—
28	*Assets Posted as Initial Margin for Derivative Contracts and Contributions to Default Funds of CCPs*		1,052	—	2,347	2,889
29	*NSFR Derivative Assets*		—			—
30	*NSFR Derivative Liabilities Before Deduction of Variation Margin Posted*		13,323			666
31	*All Other Assets Not Included in the Above Categories*		7,576	—	372	378
32	Off-Balance Sheet Items		73	—	—	4
33	**Total RSF**					**€ 12,380**
34	**Net Stable Funding Ratio (%)**					**152.49 %**

		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 Items						
1	Capital Items and Instruments	€ 8,009	€ —	€ —	€ 920	€ 8,929
2	*Own Funds*	8,009	—	—	920	8,929
3	*Other Capital Instruments*		—	—	—	—
4	Retail Deposits		—	—	—	—
5	*Stable Deposits*		—	—	—	—
6	*Less Stable Deposits*		—	—	—	—
7	Wholesale Funding		35,390	162	8,081	9,293
8	*Operational Deposits*		—	—	—	—
9	*Other Wholesale Funding*		35,390	162	8,081	9,293
10	Interdependent Liabilities		6,043	—	—	—
11	Other Liabilities	109	24,043	—	—	—
12	*NSFR Derivative Liabilities*	109				

		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	
13	*All Other Liabilities and Capital Instruments Not Including in the Above Categories*		24,043	—	—	—
14	**Total Available Stable Funding**					**€ 18,222**
Required Stable Funding Items						
15	Total High-Quality Liquid Assets					€ 423
EU-15a	Assets Encumbered for a Residual Maturity of One Year or More in a Cover Pool		€ —	€ —	€ —	—
16	Deposits Held at other Financial Institutions for Operational Purposes		—	—	—	—
17	Performing Loans and Securities		37,706	1,577	7,103	8,041
18	*Performing Securities Financing Transactions with Financial Customers Collateralised by Level 1 HQLA Subject to 0% Haircut*		26,497	1,139	—	573
19	*Performing Securities Financing Transactions with Financial Customer Collateralised by Other Assets and Loans and Advances to Financial Institutions*		10,885	84	1,662	2,500
20	*Performing Loans to Non-Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, and PSEs, of which*		255	—	—	128
21	*With a Risk Weight of Less Than or Equal To 35% Under the Basel II Standardised Approach for Credit Risk*		—	—	—	—
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 Quality as HQLA, Including Exchange-Traded Equities and Trade Finance On-Balance Sheet Products*		69	354	5,441	4,840
25	Interdependent Assets		6,043	—	—	—
26	Other Assets	—	22,981	—	2,589	3,677
27	*Physical Traded Commodities*				—	—
28	*Assets Posted as Initial Margin for Derivative Contracts and Contributions to Default Funds of CCPs*		919	—	2,128	2,590
29	*NSFR Derivative Assets*		—			—
30	*NSFR Derivative Liabilities Before Deduction of Variation Margin Posted*		12,480			624
31	*All Other Assets Not Included in the Above Categories*		9,582	—	460	463
32	Off-Balance Sheet Items		74	—	—	4
33	**Total RSF**					**€ 12,144**
34	**Net Stable Funding Ratio (%)**					**150.05 %**

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 BofASE commits to, or enters, an agreement with a borrower or counterparty.

BofASE defines credit exposure to a borrower or counterparty as the loss potential arising from loans, leases, derivatives, and other extensions of credit.

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

BofASE's credit strategy and origination is focused on its trading, securities, and derivatives activities which account for the majority of its credit exposure. BofASE's credit processes align with BAC's credit policies and credit risk appetite across FLUs and are aligned to applicable laws, rules, and regulations. Credit risk management oversees decisions about the amount of credit to extend to borrowers consistent with BofASE's credit risk appetite.

Counterparties' credit risk profiles are assessed through risk modelling, underwriting, and asset analysis, while considering current and forward-looking views on economic, industry, and counterparty outlooks to help ensure portfolio asset quality within FLUs remains within approved credit risk limits. New products and credit terms and conditions are also differentiated based on risk, within the limits of risk appetite.

BofASE manages counterparty credit risk with specific policies, limits and controls. Based on counterparty creditworthiness, limits on exposures and tenors are set for individual counterparties. BofASE has a clearly established process in place for onboarding new counterparties, as well as for managing existing counterparties. Policies and processes for assuming credit risk are well documented without undue reliance on external credit assessments.

The principal 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") and expected exposure ("EE") are also measured. Applicable collateral is included in the exposure calculations.

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

BofASE manages credit risk to a borrower or counterparty based on their 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 borrowers or counterparties. Underwriting, credit management, and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes.

BofASE 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 assets officers.

Credit risk management includes the following processes:

- Credit origination
- Portfolio management
- Loss mitigation activities

These processes create a comprehensive and consolidated view of the BofASE's credit risks, thus providing senior management with the information required to guide or redirect FLUs and certain legal entity strategic plans, if necessary.

BofASE 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

BofASE Credit Risk is integrated into the BAC's and BofASE's governance structure. BofASE has established a robust credit risk governance structure that provides an escalation path for the three lines of defence, with oversight from the BofASE Board and its committees.

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

a. Align day-to-day employee decision making with BAC's Risk Framework, risk appetite, and risk management objectives

b. Foster understanding and compliance with all relevant laws, rule, regulations, and regulatory guidance

c. Describe standards for underwriting and management of credit risk exposures

d. Define approval authorities, including authorities for exceptions to policy and higher risk or specialised transactions

Core credit 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 the credit risk management and governance processes in accordance with BofASE'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 boards of directors.

Transparency is critical to effective risk management. To ensure appropriate transparency and escalation across FLUs, BofASE management, comprehensive and actionable credit risk reporting containing the required granularity of content for each level of seniority is produced.

Exposure under BofASE's RAS credit risk limits is reported on an ongoing basis and monitored by Enterprise Credit Risk. BofASE MRC receives a monthly risk appetite limits monitoring report and the BofASE Board receives quarterly reporting.

BofASE's Weekly Risk Update is shared with BofASE's France Country Executive.

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

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. 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 re-structuring of a loan or advance by BofASE on terms that BofASE would not consider otherwise
- It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation
- The disappearance of an active market for a security because of financial difficulties

A loan or advance that has been re-negotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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

As at 31 December 2023, the Company did not have any third party credit exposures that were more than 90 days past due but were not considered to be credit impaired.

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

Under IFRS 9, the Company recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at fair value through profit and loss:

- Financial assets that are debt instruments
- Financial guarantee contracts issued
- Loan commitments issued

Loss allowances are recognised at an amount equal to 12-month ECL for financial instruments on which credit risk has not increased significantly since their initial recognition. Loss allowances for financial instruments where there has been a significant increase in credit risk are measured at lifetime ECL. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. The ECL amount assessed on the Company's exposures is not considered to be significant.

For regulatory purposes, a default shall be considered to have occurred with regard to a particular borrower 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

As at 31 December 2023, BofASE did not recognise any specific or general credit risk adjustments.

(d) Definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014

Not applicable. BofASE does not apply point (d) of Article 178(3) of CRR as BofASE does not use the IRB approach.

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

The following table shows the total amount of performing and non-performing exposures and related provisions as at 31 December 2023 for BofASE.

		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			
5	Cash balances at central banks and other demand deposits	€ 5,298	€ 5,298													
10	**Loans and advances**	**3,060**	**3,060**												**3,060**	
20	Central banks															
30	General governments															
40	Credit institutions	2,780	2,780												2,780	
50	Other financial corporations	281	281												280	
60	Non-financial corporations															
70	Of which SMEs															
80	Households															
90	**Debt securities**	**693**	**511**													
100	Central banks															
110	General governments	693	511													
120	Credit institutions															
130	Other financial corporations															
140	Non-financial corporations															
150	**Off-balance-sheet exposures**	**45,657**	**45,657**												**45,657**	
160	Central banks	407	407												407	
170	General governments	20	20												20	
180	Credit institutions	97	97												97	
190	Other financial corporations	45,133	45,133												45,133	
200	Non-financial corporations															
210	Households															
220	**Total**	**€ 54,707**	**€ 54,525**												**€ 48,716**	

EU CR1-A – Maturity of exposures

Table 4.3.2.T2. – EU CR1-A: Maturity of Exposures (€ millions)

Table 4.3.2.T2 splits BofASE's Credit Risk exposure values at the end of the year by residual maturity.

		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		€ 3,060				€ 3,060
2	Debt securities		587	106			693
3	**Total**		**€ 3,647**	**€ 106**			**€ 3,753**

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

This template has not been disclosed as BofASE has no relevant exposures to report.

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

BofASE does not have any exposures classified as non-performing. Therefore in accordance with the EBA's Implementing Technical Standards ("ITS") on public disclosure, this template is not required to be disclosed

EU CQ1 – Credit quality of forborne exposures

This template has not been disclosed as BofASE has no relevant exposures to report.

EU CQ2 – Quality of forbearance

BofASE does not have any exposures classified as non-performing. Therefore in accordance with the EBA's ITS on public disclosure, this template is not required to be disclosed

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

The following table shows a breakdown of performing and non-performing exposures by past due days as at 31 December 2023 for BofASE.

Table 4.3.2.T3. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days (€ millions)

		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
5	**Cash balances at central banks and other demand deposits**	**€ 5,298**	**€ 5,298**										
10	**Loans and advances**	**3,060**	**3,060**										
20	Central banks												
30	General governments												
40	Credit institutions	2,780	2,780										
50	Other financial corporations	281	281										
60	Non-financial corporations												
70	Of which SMEs												
80	Households												
90	**Debt securities**	**693**	**693**										
100	Central banks												
110	General governments	693	693										
120	Credit institutions												
130	Other financial corporations												
140	Non-financial corporations												
150	**Off-balance-sheet exposures**	**45,657**											
160	Central banks	407											
170	General governments	20											
180	Credit institutions	97											
190	Other financial corporations	45,133											
200	Non-financial corporations												
210	Households												
220	***Total***	**€ 54,707**	**€ 9,050**										

EU CQ4 – Quality of non-performing exposures by geography

Table 4.3.2.T4. shows further analysis of the geographical distribution of BofASE's credit risk exposure values.

The geographical distribution is reported by analysing where the counterparty is based. The majority of BofASE's exposure sits within the EMEA region.

Table 4.3.2.T4. – EU CQ4: Quality of Non-performing Exposures by Geography (€ millions)

		a	b	c	d	e	f	g
		Gross carrying / nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
10	**On-balance-sheet exposures**	**€ 3,753**			**€ 3,571**			
20	AUSTRALIA	—			—			
	DENMARK	4			4			
	FINLAND	2			2			
	FRANCE	366			366			
	GERMANY	53			53			
	INDIA	182						
	ITALY	11			11			
	JAPAN	—			—			
	LUXEMBOURG	123			123			
	NIGERIA	—			—			
	NORWAY	6			6			
	SPAIN	1			1			
	SWEDEN	22			22			
	UNITED KINGDOM	312			312			
	UNITED STATES	2,671			2,671			
80	**Off-balance-sheet exposures**	**45,657**						
90	CAYMAN ISLANDS	1,600						
	CZECH REPUBLIC	133						
	DENMARK	452						
	FRANCE	28,710						
	GERMANY	1,790						
	HUNGARY	1						
	ITALY	96						
	JAPAN	—						
	UNITED ARAB EMIRATES	20						
	UNITED KINGDOM	12,721						
	UNITED STATES	132						
150	**Total**	**€ 49,409**			**€ 3,571**			

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

Table 4.3.2.T5. sets out BofASE's credit risk exposures to non-financial corporations by industry distribution.

Table 4.3.2.T5. – EU CQ5: Credit Quality of Loans and Advances to Non-financial Corporations by Industry (€ millions)

		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	€ —	€ —	€ —	€ —	€ —	€ —
20	Mining and quarrying	—	—	—	—	—	—
30	Manufacturing	—	—	—	—	—	—
40	Electricity, gas, steam and air conditioning supply	—	—	—	—	—	—
50	Water supply	—	—	—	—	—	—
60	Construction	—	—	—	—	—	—
70	Wholesale and retail trade	—	—	—	—	—	—
80	Transport and storage	—	—	—	—	—	—
90	Accommodation and food service activities	—	—	—	—	—	—
100	Information and communication	—	—	—	—	—	—
110	Financial and insurance activities	—	—	—	—	—	—
120	Real estate activities	—	—	—	—	—	—
130	Professional, scientific and technical activities	—	—	—	—	—	—
140	Administrative and support service activities	—	—	—	—	—	—
150	Public administration and defence, compulsory social security	—	—	—	—	—	—
160	Education	—	—	—	—	—	—
170	Human health services and social work activities	—	—	—	—	—	—
180	Arts, entertainment and recreation	—	—	—	—	—	—
190	Other services	—	—	—	—	—	—
200	**Total**	€ —	€ —	€ —	€ —	€ —	€ —

EU CQ6 – Collateral valuation – loans and advances

BofASE does not have any exposures classified as non-performing. Therefore in accordance with the EBA’s ITS on public disclosure, this template is not required to be disclosed

EU CQ7 – Collateral obtained by taking possession and execution processes

This template has not been disclosed as BofASE has no relevant exposures to report.

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

BofASE does not have any exposures classified as non-performing. Therefore in accordance with the EBA's ITS on public disclosure, this template is not required to be disclosed.

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)

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.

BofASE 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:

1. The enforceability of close-out netting under a Master Agreement; and
2. 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:

1. The enforceability of collateral arrangements in respect of BofASE, the counterparty and the custodian including in the event of bankruptcy, insolvency or other similar proceeding; and
2. 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)

The collateral eligible for exchange is subject to BAC’s collateral policies and relevant regulatory requirements. 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 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.

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 reports and escalates collateral disputes and fails through established routines.

Derivative exposures are increasingly routed through Central Counterparties in response to regulation changes.

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

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

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

BofASE employs a range of techniques to actively mitigate counterparty credit risks. As a broker-dealer, BofASE's main technique is accepting collateral that is permitted by documentation such as a CSA to an International Swaps and Derivatives Association ("ISDA") Master Agreement.

Generally, collateral is accepted in the form of cash and high grade government securities.

The standard type of collateral that BofASE accepts for its Global Markets business consists of EUR and USD Cash and Government bonds from G7 countries. Non-cash collateral taken in respect of trading exposures will be subject to a "haircut," which is negotiated at the time of signing the collateral agreement. A haircut is the valuation percentage applicable to each type of collateral and will be largely based on liquidity and price volatility of the underlying security. Where applicable, regulations in certain jurisdictions may specify minimum haircuts on eligible collateral. In the situation where an ISDA / CSA is subject to UMRs of multiple regulatory regimes, the accepted haircuts are floored by the most conservative of the regulatory minimums, while more conservative haircuts may be negotiated. Where haircuts are not required by regulations, haircuts associated with acceptable forms of collateral are standard haircuts recommended by Counterparty Credit Risk Portfolio Management. Any deviation from these standard haircut recommendations is subject to approval following the "Agreements and Documentation Escalation Grid guidelines."

(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 providers 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.

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

Credit risk mitigation taken by BofASE 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.

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

The following table shows the extent of the use of CRM techniques as at 31 December 2023 for BofASE.

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

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	€ 5,298	€ 3,060	€ 3,060		
2	Debt securities	693				
3	**Total**	**€ 5,991**	**€ 3,060**	**€ 3,060**		
4	Of which non-performing exposures					
EU-5	Of which defaulted					

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)

BofASE has exposure to counterparty credit risk arising from exposures to counterparties in derivative and securities financing transactions. BofASE calculates counterparty credit risk of derivative exposures using the Standardised Approach for Counterparty Credit Risk ("SA-CCR"). For securities financing transactions, BofASE used the financial collateral comprehensive method.

Once a credit limit has been extended, processes are in place to monitor BofASE 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. BofASE credit risk may be hedged to mitigate exposure and remain within BofASE credit risk appetite.

Regular portfolio monitoring and 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 counterparty level, 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 baseline and 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 portfolio. In addition, targeted and portfolio stress testing and scenario analysis are performed and reviewed.

Counterparty Stress Testing is an important element of counterparty exposure monitoring carried out by Global Markets Risk.

Stress Testing gives transparency into the types and magnitudes of CCR the firm undertakes and provides conservative but plausible views on CCR stressed market conditions.

With increasing collateral coverage under UMR a BAU stress framework compliments the CE and PE metrics to ensure prudent risk management.

Stress Testing in BofASE covers a wide variety of scenarios (including historical, hypothetical, point of weakness and single factor scenarios) to help identify exposure concentrations and the impact of potential changes in market conditions on credit exposures. This ensures BofASE counterparty exposures are stressed appropriately and thoroughly.

Scope of stress testing portfolio includes Bilateral OTC Derivatives, Listed Futures & Options, Cleared OTC Derivatives (House and Client), Repo Style Transactions, Fixed Income Forwards and CSA Collateral.

(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.

BofASE employs a range of techniques to actively mitigate counterparty credit risks. As a broker-dealer, BofASE's main technique is accepting collateral that is permitted by documentation such as 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.

Non-cash collateral taken in respect of trading exposures will be subject to a "haircut," which is negotiated at the time of signing the collateral agreement. A haircut is the valuation percentage applicable to each type of collateral and will be largely based on liquidity and price volatility of the underlying security. Where applicable, regulations in certain jurisdictions may specify minimum haircuts on eligible collateral. In the situation where an ISDA / CSA is subject to UMRs of multiple regulatory regimes, the accepted haircuts are floored by regulatory minimums, while more conservative haircuts may be negotiated. Where haircuts are not required by regulations, haircuts associated with acceptable forms of collateral are standard haircuts recommended by Counterparty Credit Risk Portfolio Management. Any deviation from these standard haircut recommendations is subject to approval following the "Agreements and Documentation Escalation Grid guidelines."

(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 entity.

BofASE 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, limit frameworks, 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 Management 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 BofASE MRC.

(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 and loss mitigation activities 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 BofASE depends on numerous factors, including: (1) the type and severity of any downgrade; and (2) the reaction of counterparties, customers, and investors who face BofASE.

Based on the terms of various over-the-counter derivatives contracts and other trading agreements, a credit rating downgrade may result in BofASE posting additional collateral to counterparties or counterparties choosing to unwind or terminate specific transactions. In either case, BofASE 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 BofASE's internal liquidity stress testing and regulatory liquidity requirements. As at 31 December 2023, BofASE was in excess of both internal and regulatory liquidity requirements, with a one-notch and two-notch downgrade scenario resulting in nil and €29 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 BofASE's CCR exposures by approach.

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

		a	b	c	d	e	f	g	h
		Replacement Cost ("RC")	Potential Future Exposure	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	EU - Original Exposure Method (for derivatives)				1.4				
EU-2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	€ 3,112	€ 11,502		1.4	€ 64,109	€ 20,460	€ 20,460	€ 12,406
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)					214,863	16,338	16,338	5,723
5	VaR for SFTs								
6	**Total**					**€ 278,973**	**€ 36,798**	**€ 36,798**	**€ 18,129**

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

The following table shows the exposure value and risk-weighted exposure amount for CVA by approach as at 31 December 2023 for BofASE.

Table 4.5.T2. – EU CCR2 Transactions Subject to Own Funds Requirements for CVA Risk (€ millions)

		a	b
		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	€ 15,360	€ 5,368
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**	€ 15,360	€ 5,368

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

The following table shows a breakdown of CCR exposures under the standardised approach, by exposure class and risk weight as at 31 December 2023 for BofASE.

Table 4.5.T3. – CCR3 Standardised Approach – CCR Exposures by Regulatory Exposure Class and Risk Weights (€ in millions)

	Exposure classes	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	€6,662					€ 3			€ 157			€ 6,821
2	Regional government or local authorities	39											39
3	Public sector entities	550				11	284						845
4	Multilateral development banks	131											131
5	International organisations	2,070											2,070
6	Institutions		5,916			1,685	2,045			69			9,716
7	Corporates					884	2,608			11,278	6		14,777
8	Retail												
9	Institutions and corporates with a short-term credit assessment					2,741	5,021			512	37		8,311
10	Other items												
11	**Total exposure value**	**€9,452**	**€5,916**			**€5,321**	**€9,962**			**€12,016**	**€ 43**		**€ 42,710**

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

BofASE does not follow the Internal Ratings Based ("IRB") approach and does not have an Internal Model Method ("IMM") approval. Therefore no IRB or IMM related templates are disclosed.

EU CCR5 – Composition of collateral for CCR exposures

The following table shows the breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivative transactions or to SFTs as at 31 December 2023 for BofASE.

Table 4.5.T4. – EU CCR5 Composition of Collateral for CCR Exposures (€ millions)

		a	b	c	d	e	f	g	h
	Collateral type	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		€ 7,773		€ 9,440		€ 97,390		€ 111,378
2	Cash – other currencies		3,205		4,622		13,108		17,485
3	Domestic sovereign debt	407	1,732	280	599		18,940		22,220
4	Other sovereign debt	724	2,181	1,259	1,413		89,090		101,664
5	Government agency debt				116		2,485		1,139
6	Corporate bonds	66	8		1		3,853		5,319
7	Equity securities		51		13		2,880		5,287
8	Other collateral						227		666
9	**Total**	**€ 1,197**	**€ 14,950**	**€ 1,538**	**€ 16,203**		**€ 227,974**		**€ 265,158**

EU CCR6 – Credit derivatives exposures

The following table shows exposures to credit derivative transactions broken down between derivatives bought or sold as at 31 December 2023 for BofASE.

Table 4.5.T5. – EU CCR6 Credit Derivatives Exposures (€ millions)

		a	b
		Protection bought	**Protection sold**
Notionals			
1	Single-name credit default swaps	€ 11,617	€ 11,270
2	Index credit default swaps	57,097	56,502
3	Total return swaps	4,117	4,598
4	Credit options	9,495	10,891
5	Other credit derivatives	2,781	1,365
6	**Total notionals**	**€ 85,108**	**€ 84,625**
Fair values			
7	Positive fair value (asset)	€ 408	€ 2,268
8	Negative fair value (liability)	(2,285)	(419)

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

BofASE does not follow the IRB approach and does not have an IMM approval. Therefore no IRB or IMM related templates are disclosed.

EU CCR8 – Exposures to CCPs

The following table shows the breakdown of exposures to qualifying CCPs (“QCCPs”) and non-qualifying CCPs as at 31 December 2023 for BofASE.

Table 4.5.T6. – EU CCR8 Exposures to CCPs (€ millions)

		a	b
		Exposure value	**RWEA**
1	**Exposures to QCCPs (total)**		€ 239
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	€ 5,887	118
3	(i) OTC derivatives	1,805	36
4	(ii) Exchange-traded derivatives	1,559	31
5	(iii) SFTs	2,523	50
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin	30	1
9	Prefunded default fund contributions	471	121
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		

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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

(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)

Securitised products, in the form of Collateralised Loan Obligations (“CLOs”), Residential Mortgage-Backed Securities (“RMBS”), Commerical Mortgage-Backed Securities (“CMBS”) and Asset Backed Securities (“ABS”), are approved products for BofASE . The entity engaged in the trading of these products on an intermediation only basis during 2023, to facilitate market marking and primary issuance activity with facing European clients. VaR-based limits / modelling and stress testing procedures are in place to capture any end-of-day exposure to securitised products in BofASE .

(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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

(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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

(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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

(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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

(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)

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

EU-SEC2 - Securitisation exposures in the trading book

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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

As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations.

Based on materiality no further disclosures for exposure to securitisation positions are made in this document.

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)

BofASE is the primary customer-facing entity for EEA customers for securities and derivatives trading, providing a wide range of financial services to EEA clients in products originating in EMEA, APAC, and the Americas, and conducts a wide range of trading activities in the international markets.

Market risk is the risk that changes in market conditions may 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.

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

- Monitoring compliance with established market risk limits and reporting our 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.

Global Markets Risk ("GMR") produces risk measures and monitors 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 Front-Line Units. The metrics are available on the applications housed in the "Market Risk Suite", which can be accessed for further analyses. GMR also provides 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)

GMR, which is independent of the revenue-producing units and reports to BofASE'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 management and for calculation of capital requirement per Internal Models Approach 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 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 and their uses including in regulatory capital requirements.

GMR engages with senior management in BofASE, relevant LOBs and at BAC level through multiple committees such as the BofASE MRC, BofASE 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 BofASE Market Risk Policy.

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

Global Markets Risk produces risk measures and monitors 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 Front-Line Units. The metrics are available on the applications housed in the "Market Risk Suite", which can be access for further analyses. GMR also provides risk measures and analyses to various oversight and governance routines in the entity.

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 ("SEC") which is available at https://investor.bankofamerica.com/.

4.7.2. EU MR1 - Market risk under the standardised approach

Table 4.7.2.T1. presents a breakdown of BofASE's market risk under the Standardised Approach

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

	2023
	RWEAs
Outright products	
Interest rate risk (general and specific)	€ 573
Equity and Collective Investment Undertakings risk (general and specific)	816
Foreign exchange risk	106
Commodity risk	293
Options	
Simplified approach	
Delta-plus method	
Scenario approach	
Securitisation (specific risk)	
Total	**€ 1,787**

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

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)

BofASE has established a trading book policy which sets out the requirements, roles and responsibilities for the overall management of the trading book in accordance with trading book rules specified in CRR. The trading book policy defines the requirements and provides criteria for the FLUs to identify and classify transactions as either trading book or non-trading book under CRR and for risk management purposes. FLUs are required to identify all on- and off-balance positions to determine if they meet the criteria for trading book or non-trading book designation under the CRR. FLUs and appropriate CFs must meet the assessment, monitoring, and reporting requirements for trading book and non-trading book positions as outlined in this policy. FLUs and appropriate CFs are required to review all trading assets and trading liabilities to determine if the FLU's and appropriate CFs positions meet the criteria for designation as a trading book position under CRR rules.

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

Furthermore, valuation control processes are in place to help ensure that the valuation estimates are prudent and reliable, including completeness reconciliations, commentary, review, and presentation of valuation control metrics to front office, market risk, Model Risk Management, and Finance management.

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

a) **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); and**

b) **Scope of application of the VaR and SVaR models for which the competent authority has granted permission (Article 455(b) CRR)**

BofASE is subject to the Single Supervisory Mechanism ("SSM") implemented by the ECB. Regulatory oversight is provided by the JST of ECB and ACPR. Regulators have granted permission to use an Internal Model Approach for calculating regulatory capital for market risk exposure from "General Risk"(*or Price Risk*), "Foreign Exchange Risk" and "Commodity Risk" using the firm's VaR and Stressed VaR models. The permission has specified the list of products that are to be excluded from the VaR and sVaR calculations. Also, the permission specifies the Trading Desk locations whose positions can be included in the IMA calculations. The capital requirement for trading book positions that do not meet the conditions for inclusion within the approved IMA is calculated using standardized rules in accordance with Title IV of Part Three of CRR (Capital Requirements Regulation (EU) No. 575/2013). RWA for market risk are the sum of each of these measures multiplied by 12.5.

For both risk management purposes and regulatory capital calculations, the firm uses a single VaR model which captures risks, including those related to interest rates, equity prices, foreign exchange rates and commodity prices. As such, VaR facilitates comparison across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the entity level.

c) **Characteristics of the models used (Point (i) of Article 455(a) CRR)**

VaR is a statistical measure of potential portfolio market value loss resulting from changes in market variables, during a given holding period, measured at a specified confidence level. A single model is used consistently across the trading portfolios.

BofASE uses a historical simulation approach to calculate VaR and SVaR. A hypothetical Profit and Loss ("P&L") distribution is generated for the current portfolio using time series of historical risk factor changes via Risk Grids / Scenarios. For the VaR model to reflect current market conditions, the historical data is updated on a weekly basis, or more frequently during periods of market stress. Depending on the risk factor, the historical scenarios can represent either absolute or relative shocks, or a mixture of both as deemed most appropriate. Regulatory VaR is equivalent to a 99% confidence level, has a ten-day holding period (1 day scaled up by square root of 10), and uses three years of historic data.

Stressed VaR for regulatory capital calculations is equivalent to a 99% confidence interval, has a ten-day holding period, and uses a historical window that is calibrated to a continuous 12-month period that maximizes the resulting VaR calculation for BofASE. The window used to calculate Regulatory SVaR is reviewed at least quarterly using various performance indicators. Performance indicators based on historic data, recent trading activity and changes in portfolio composition are considered as inputs for forecasting the window for a given current quarter.

Key differences between the model parameters used for regulatory capital and for internal management purposes are listed in the table below.

Table 4.7.3.T1. – Differences between the VaR for Regulatory and Management Reporting Purposes

Parameter	BofASE Regulatory VaR	BofASE Stressed VaR	BofASE Management VaR
Scope	Trading Book exposures from approved products and trading locations	Trading Book exposures from approved products and trading locations	Covered and non-covered positions
Liquidity horizon (holding period)	10 days (scaled)	10 days (scaled)	1 day
Historical Window	3 years	Continuous 12-month period with significant stress to the entity's portfolio, selected from Market data since 15th January 2007	3 years and 1 year

As defined in Chapter 7 (Market Risk Section) of the ECB Guide on Internal Models, BofASE identifies and assesses any risks that are not adequately captured by its models on at least a quarterly basis and holds additional own funds against those risks. Risks Not in VaR ("RNiV") (*part of Risks Not in Model Engine RNIME*) are identified and assessed for capital purposes at least quarterly, with the majority of RNiVs being calculated on a monthly basis. These risks are capitalized through its RNiV Framework.

d) 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)

BofASE uses a historical simulation approach to calculate VaR and SVaR.Stress testing and scenario analysis are performed to capture the potential risk that may arise in severe but plausible events. These stress tests may be hypothetical, (e.g., climate stress scenario), or historical, (e.g., credit crisis scenario), and applied to individual instruments or the aggregate BofASE portfolio. Ad-hoc scenarios are implemented in response or anticipation of material geopolitical / macroeconomic / market events, and analysis of stress impacts from these scenarios are provided by GMR to facilitate the Market Risk management efforts in the entity and across the Firm. Stress test scenarios form part of daily market risk routines within the entity.

e) 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)

The effectiveness of the VaR methodology is evaluated and monitored through back-testing, which compares the daily VaR results, utilizing a one-day holding period, against actual and hypothetical changes in portfolio value as defined in CRR Article 366. A back-testing overshoot occurs when a trading loss exceeds the VaR for the corresponding day. These overshoots are evaluated to understand the positions and market moves that produced the trading loss in order to ensure that the VaR methodology accurately represents those losses. Exceptions are documented and reported to the JST, as appropriate, as part of regulatory reporting processes. Additionally, Specific Risk Portfolio Backtesting is performed to assess capture of specific risk. Credit specific risk is primarily driven by single-name credit spread exposures and equity specific risk is primarily driven by Equity Price and Volatility risk of individual securities.

The models discussed above, which are used to determine Regulatory VaR and SVaR are independently reviewed, validated and approved by MRM, per the Enterprise Model Risk Policy.

These models are regularly reviewed and enhanced in order to better reflect the market risk exposure from changes in the composition of positions included in market risk measures, as well as variations in market conditions. Prior to implementing significant changes to models, MRM performs model validations. For more information on Model Validation, Governance and Ongoing Monitoring, please see the Enterprise Model Risk Policy

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):

a) 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) ; and

b) Scope of application of the IRC model for which the competent authority has granted permission (Article 455(b) CRR)

Regulators have granted permission to use an IMA for calculating regulatory capital for market risk exposure from "Specific Risk" from incremental default and migration risk using the firm's IRC (Incremental Risk Charge) model. The permission has specified the list of products that are to be included in IRC calculations. Also, the permission specifies the Trading Desk locations whose positions can be included in the IMA calculations. The capital requirement for "Specific Risk" exposures which do not meet the conditions for inclusion within the approved IMA is calculated using standardized rules in accordance with Title IV of Part Three of CRR (Capital Requirements Regulation (EU) No. 575/2013). RWA for market risk are the sum of each of these measures multiplied by 12.5.

c) Methodology used for internal models for incremental default and migration risk (Point (ii) of Article 455(a) CRR);

d) Approach used to determine liquidity horizons; and

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

IRC estimates the potential losses, at a 99.9% confidence level, that non-securitised credit products in the trading portfolio might experience over a one-year period of financial stress from defaults, ratings migration and significant basis risk factors.

The IRC model utilizes a Monte-Carlo framework to simulate transitions and defaults. Additional risk factors include recovery rates, bond-credit default swap ("CDS") basis, index-single name basis, index option volatility, and FX.

The IRC model captures issuer and market concentrations through the multi-factor framework of the model and the fact that the market data is evolved for all issuers. The asset correlation for each pair of issuers is defined at the sector / region level. The model also captures the negative correlation between default rate and recovery.

The IRC model assumes a constant position, so the liquidity horizon is the same as the capital horizon of one year. The transition matrix is sourced from published rating agency data.

f) Approach used in the validation of the models

The model used to determine Incremental Risk Charge is independently reviewed, validated and approved by MRM, per the Enterprise Model Risk Policy.

These models is regularly reviewed and enhanced in order to better reflect the market risk exposure from changes in the composition of positions included in market risk measures, as well as variations in market conditions. Prior to implementing significant changes to models, MRM performs model validations. More information on Model Validation, Governance and Ongoing Monitoring, is included in the Enterprise Model Risk Policy.

g) 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)

Sensitivity analysis is applied to assess performance of the IRC model; stress testing is applied to the underlying portfolio value.

h) 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)

The IRC model is subject to ongoing monitoring to assesses model performance in line with Enterprise Model Risk Policy requirements.

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)

a) 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); and

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

Regulators have granted permission to use an IMA for calculating regulatory capital for market risk exposure from "Specific Risk" from correlation trading portfolio using the firm’s CRM (Comprehensive Risk Measure) model. The permission has specified the list of products that are to be included in CRM calculations. Also, the permission specifies the Trading Desk locations whose positions can be included in the IMA calculations. The capital requirement for “Specific Risk” exposures which do not meet the conditions for inclusion within the approved IMA is calculated using standardized rules in accordance with Title IV of Part Three of CRR (Capital Requirements Regulation (EU) No. 575/2013). RWA for market risk are the sum of each of these measures multiplied by 12.5.

c) Methodology used for correlation trading (Point (ii) of Article 455(a) CRR);

d) Approach used to determine liquidity horizons; and

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

CRM estimates the potential losses, at a 99.9% confidence level, that the correlation trading portfolio (primarily tranches on credit index, with their corresponding hedges) might experience over a one-year period of financial stress.

CRM is comprised of a modelled component and a surcharge for the eligible positions in the correlation trading portfolio. The modelled component of CRM utilizes the same Monte Carlo simulation framework as the IRC model, with the inclusion of additional risk factors that materially impact the value of the positions within the correlation trading portfolio. The model captures the complexity of these positions, including the non-linear nature of the trade valuations, particularly during periods of market stress, as well as the impact of the joint evolution of the risk factors. Like IRC, the CRM calculation uses a full-revaluation approach.

The CRM and IRC models share the usage of the rating migration / default risk factor, with CRM employing an additional risk factor for credit spread diffusion. Here the combined migration / default and credit spread risk factors act as a jump-diffusion process. In this model, credits are organized into sectors and regions to take into account the correlated moves across industries or markets. To capture the correlation between names and the economy, the model uses an economy-wide factor that drives the evolution of all names and has factors specific to each sector and region. The jump component is also correlated to the diffusion component through these factors. This allows for the simulation of widening credit environments, while also capturing the increase in default rates that would be observed in these scenarios.

The base correlation data used in CRM is sourced from front office data, which uses a stochastic recovery Collateralized Debt Obligation ("CDO") model. The CRM model applies an instantaneous shock to the portfolio as of the calculation date. The modelled component of the CRM, like the IRC model, assumes a constant position and a liquidity horizon of one year. Stress scenario tests are run weekly on the correlation trading portfolio, which capture changes in default rates, recovery rates, and credit spreads; correlations of underlying exposures; and correlations of a correlation trading position and its hedge.

f) Approach used in the validation of the models

The model used to determine Comprehensive Risk Measure is independently reviewed, validated and approved by MRM, per the Enterprise Model Risk Policy.

The model is regularly reviewed and enhanced in order to better reflect the market risk exposure from changes in the composition of positions included in market risk measures, as well as variations in market conditions. Prior to implementing significant changes to models, MRM performs model validations. More information on Model Validation, Governance and Ongoing Monitoring, is included in the Enterprise Model Risk Policy.

g) 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)

Per the requirements defined in CRR Article 377 (5), stress scenarios are run weekly on the correlation trading portfolio, which capture changes in default rates, recovery rates, and credit spreads; correlations of underlying exposures; and correlations of a correlation trading position and its hedge. For each risk factor, the stress testing process comprises of 7 scenarios, each of which exists in 3 versions (multiplicative, inverse and additive).

h) 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)

The CRM model is subject to ongoing monitoring to assess model performance in line with Enterprise Model Risk Policy requirements.

i) 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)

The model assumes a constant position, so the liquidity horizon is the same as the capital horizon of one year

EU MR2-A - Market risk under the IMA

Table 5.2.T2. presents a breakdown of BofASE's market risk under the IMA.

Table 4.7.3.T2. – EU MR2-A Market Risk under the IMA (€ millions)

	2023	
	RWEAs	Own Funds Requirements
VaR	**€ 2,062**	**€ 165**
Previous day's VaR (Article 365(1) of the CRR (VaRt-1))		€ 26
Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR		165
SVaR	**€ 3,448**	**€ 276**
Latest SVaR (Article 365(2) of the CRR (SVaRt-1))		€ 40
Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR)		276
IRC	**€ 3,437**	**€ 275**
Most recent IRC value (incremental default and migration risks calculated in accordance with Article 370 and Article 371 of the CRR)		€ 274
Average of the IRC number over the preceding 12 weeks		275
Comprehensive risk measure	**€ 567**	**€ 45**
Most recent risk number for the correlation trading portfolio (Article 377 of the CRR)		€ 43
Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		45
8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio (Article 338(4) of the CRR)		31
Other	**€ 2,247**	**€ 180**
Total	**€ 11,761**	**€ 941**

Table 4.7.3.T3. – EU MR2-B - RWA flow statements of market risk exposures under the IMA (€ in millions)

	VaR	SVaR	IRC	CRM	Other	Total RWEAs	Total own funds requirements
RWEAs at previous quarter end	€ 1,736	€ 2,393	€ 1,758	€ 847	€ 3,001	€ 9,735	€ 779
Regulatory adjustment[1]	(1,325)	(1,707)	—	—	—	(3,033)	(243)
RWEAs at the previous quarter-end (end of the day)	411	686	1,758	847	3,001	6,702	536
Movement in the risk levels	(89)	(187)	1,665	(314)	(754)	321	26
RWEAs at the end of the reporting period (end of the day)	322	499	3,423	532	2,247	7,024	562
Regulatory adjustment	1,740	2,949	14	35	—	4,737	379
RWEAs at the end of the reporting period	**€ 2,062**	**€ 3,448**	**€ 3,437**	**€ 567**	**€ 2,247**	**€ 11,761**	**€ 941**

(1) Regulatory adjustment accounts for the difference between the RWA calculated based on the end-of-day position, compared with the RWA calculated based on the 60-day average in the case of VaR / SVaR, and 12-week average measure or the floor measure in the case of IRC and CRM. The regulatory adjustments also account for the multiplication factors mc and ms, per Article 366 of the CRR, for the VaR, SVaR, and Other respectively.

Market risk capital requirements under the IMA increased during the year, driven by an increase in VaR, Stressed VaR, IRC, CRM, and RNiV add-ons due to an increase in risk levels.

EU MR3 - IMA values for trading portfolios

Table 4.7.3.T4 shows BofASE's maximum, minimum, average, and period-end values for regulatory VaR and Stressed VaR, and risk numbers for the IRC and CRM models for the 12 months to 31 December 2023. Both VaR and Stressed VaR include a price volatility cross risk add-on.

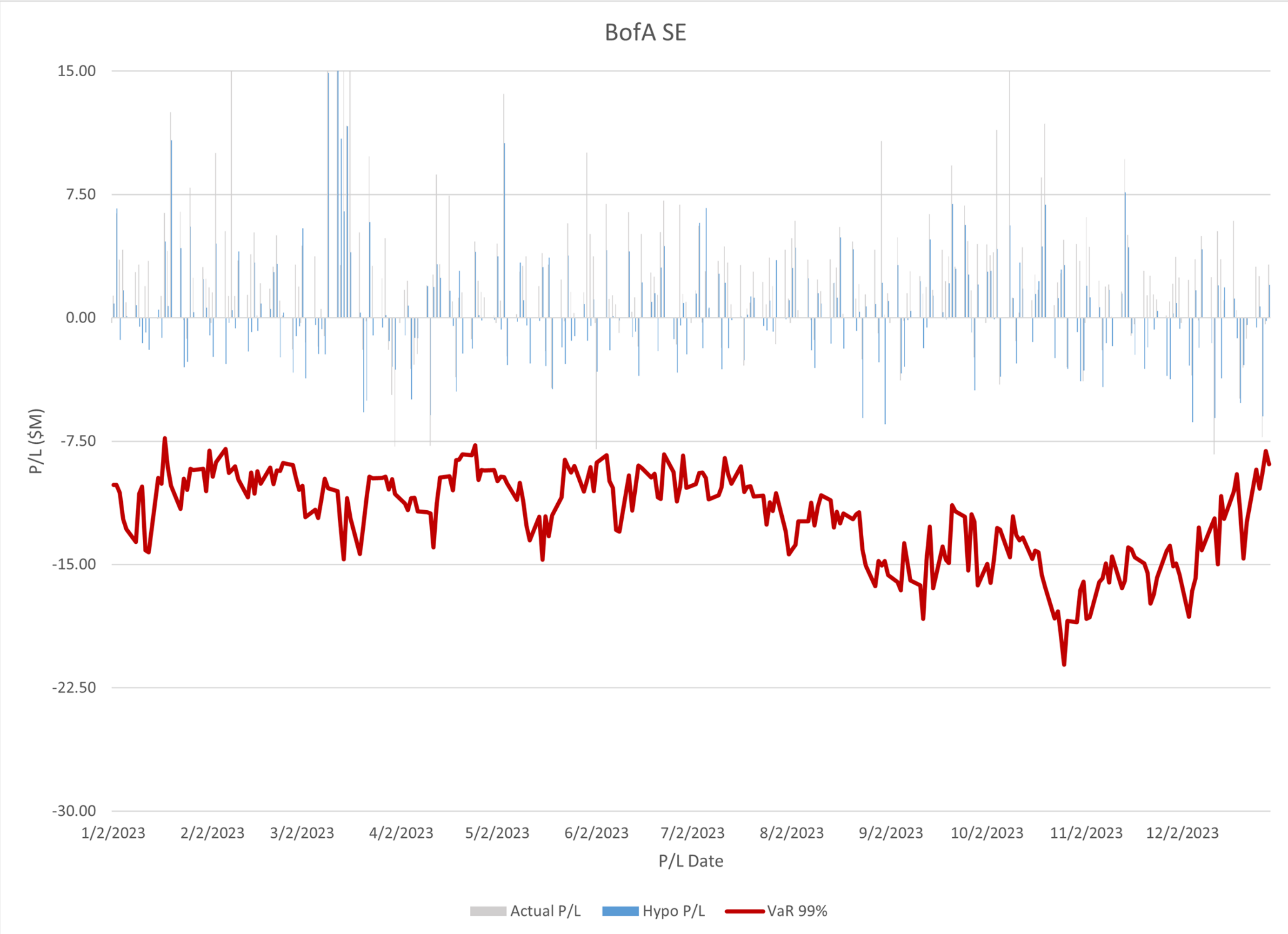
Table 4.7.3.T4. – EU MR3 IMA Values for Trading Portfolios (€ millions)

		2023
VaR (10 day 99%)		
Maximum value	€	63
Average value		35
Minimum value		22
Period end		26
SVaR (10 day 99%)		
Maximum value	€	103
Average value		64
Minimum value		36
Period end		40
IRC (99.9%)		
Maximum value	€	377
Average value		118
Minimum value		18
Period end		274
Comprehensive risk capital charge (99.9%)		
Maximum value	€	124
Average value		70
Minimum value		28
Period end		43

EU MR4 - Comparison of VaR estimates with gains/losses

In the twelve months ending 31 December 2023, BofASE trading losses as measured by Hypothetical P&L and Actual P&L did not exceed the prior day's VaR.

Figure 4.7.3.F1. – Actual and Hypothetical Back-testing Results



The actual and hypothetical P&L shown in the above figure is only for positions covered by the VaR model and not for the entirety of BofASE. The VaR measure shown is for regulatory VaR using a three-year look-back period and one-day holding period.

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 SEC, and which is available at https://investor.bankofamerica.com/.

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)

BofASE is subject to numerous laws, rules, and regulations that define the regulatory requirements it must satisfy across the jurisdictions in which it 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 BofASE's operational risk profile that must be anticipated and managed to mitigate adverse impacts to BofASE.

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, people, or from external events. BofASE have designed an operational risk management programme that seeks to anticipate and assess operational risks and respond to these risks effectively should they materialise. Operational risk includes legal risk, which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of BofASE to comply with laws and regulations, in any aspect of the BofASE's business, or to adequately anticipate and protect against legal claims against BofASE. Although operational risk excludes strategic and reputational risks, operational risk may impact or be impacted by these risks.

While operational risk exposure exists in business activities that may be outsourced to third parties, ownership of the risks related to outsourced functions remains within the Company.

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the BofASE arising from the failure of BofASE to comply with the requirements of applicable laws, rules, and regulations or internal policies and procedures (collectively, applicable laws, rules, and regulations).

Operational Risk and Compliance Risk Management

BofASE manages operational risk and compliance risk in an ever changing and complex regulatory environment, and with the evolving products, services and strategies offered by FLUs. BofASE 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 CFs are first and foremost responsible for managing all aspects of their businesses, including their operational risk and compliance risks. FLUs and CFs are required to understand their business processes and related risks and controls, including third-party dependencies, related regulatory requirements, and to 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 CFs must also adhere to Operational Risk Appetite limits and Compliance Risk Appetite limits to meet strategic, capital, and financial planning objectives. Finally, FLUs and CFs are responsible for the proactive identification, management, and escalation of operational risks and compliance risks across BofASE. When third-party capabilities are required to support BofASE's processes, products, and services, BofASE manages third-party risk with a similar level of accountability as if managed internally.

BofASE has combined the Operational Risk and Compliance Risk management CFs into a single integrated function under the leadership of the BofASE Chief Compliance and Operational Risk Officer. This combination allows BofASE 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 CFs, 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 CFs. The Operational Risk and Compliance Risk teams comprise subject matter experts who understand the front-to-back processes and controls by which BofASE 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 compliance and operational 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. Global Compliance and Operational Risk also collaborates with other CFs to provide additional support for certain issue remediation efforts and shares responsibility with the FLUs, other organisations within GRM and other CFs for mitigating certain risks, such as reputational risks and risks associated with improper conduct.

In addition, teams in Global Compliance and Operational Risk cover areas such as financial crimes, privacy, and information security / cybersecurity that affect multiple FLUs and CFs. These horizontal teams are responsible for, among other things, reviewing the FLUs and CFs' 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 BofASE's Operational Risk and Compliance Risk standards.

BofASE define operational resilience as its ability 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.

BofASE'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 BofASE's expectations for employee conduct as outlined in our Code of Conduct; (2) describe the infrastructure, program and practices we use 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.

Operational Risk and Compliance Risk Governance

Global Compliance and Operational Risk employs a governance structure to escalate material risks and issues, as well as the changes to BofASE's operational risk and compliance risk policies and procedures. Global Compliance and Operational Risk reports to the BofASE MRC, where operational risk and compliance risk issues are reviewed, and sent to the BofASE Audit Committee, BofASE BRC, and BofASE 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 BofASE.

Operational Risk and Compliance Risk Identification and Reporting

Operational risks and Compliance risks which require heightened transparency and escalation to management and / or BofASE governance committees are referred to as identified risks. Identified risks which meet or exceed minimum materiality thresholds in the Risk Identification sub-section (under the BofASE Internal ICAAP) Risk Management Chapter, Section 4.4.5.3. Assessment Approach), will be designated material risks. All identified risks are documented in the BofASE Risk Identification Inventory ("Risk ID") and all material operational risks and compliance risks are further documented in the BofASE Risk Self-Assessment process.

Operational Risk and Compliance Risk reporting and escalation to senior management and the BofASE Board is critical to ensuring a clear understanding of current and emerging risks across BofASE, as well as whether BofASE is operating within its Operational Risk Appetite and Compliance Risk Appetite limits, so BofASE 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 within management routines and governance committees, significant operational risks and compliance risks and issues are escalated to management-level committees, board-level committees, and the BofASE Board, as applicable.

BofASE establishes and monitors compliance and operational risk appetite metrics.

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

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

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

N/A – BofASE 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 – BofASE 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 BofASE. 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)

		a	b	c	d	e
	Banking activities	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	€ 562	€ 864	€ 1,206	€ 158	€ 1,974
3	Subject to TSA:	562	864	1,206		
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)

BofASE 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 BofASE's Banking Book balance sheet. Interest rate sensitivity on BofASE's Banking Book balance sheet is driven by funding business activity, namely repo, reverse repo, stock loans / borrow and margin loans, in addition to the Treasury position including the HQLA portfolio.

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

BofASE'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 limit, and hedging actions are taken as necessary. The BofASE MRC approves the risk measurement methodology, limits, and hedging strategy.

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)

Forward-looking forecasts of NII + MVC are prepared. The baseline forecast takes into consideration expected future business growth, Asset and Liability Management ("ALM") positioning, and the direction of interest rate movements as implied by the market-based forward rate paths. BofASE then measures and evaluates the impact that alternative interest rate scenarios have on the baseline forecast 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. Thus, BofASE'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 BofASE'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.

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.

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, BofASE 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 BofASE MRC consistently receive updates on IRRBB metrics, trends, and details on various topics impacting IRRBB, facilitating timely decision making in response to any factor impacting BofASE'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 EaR measurement as opposed to the static balance sheet used for the measurement of Net Interest Income ("NII") populated in Table 4.3.3.1.T1.

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

BofASE'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, BofASE 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 4.3.3.1.T1 signify that BofASE 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	€ 5	€ 1	€ 156	€ 126
2	Parallel down	(6)	(2)	(150)	(130)
3	Steepener	1	—		
4	Flattener	—	—		
5	Short rates up	1	—		
6	Short rates down	(1)	—		

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 BofASE operates (e.g., competitor actions, changing customer preferences, product obsolescence, and technology developments).

Strategic Risk Management

BofASE proactively considers strategic risk in the strategic planning process which feeds into the capital, liquidity and financial planning processes throughout the year. BofASE 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 BofASE 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.

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

BofASE 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 BofASE Recovery Plan and the regular assessment of earnings and risk profile. Senior management provides the BofASE 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.

BofASE sets capital limits in the capital planning process. As part of the capital planning process, BofASE establishes capital management triggers to help ensure it maintains adequate capital, including during periods of stress. BofASE 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 BofASE 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 BofASE 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 BofASE 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 BofASE Board is also responsible for overseeing the capital planning process. Capital plans are reviewed and approved annually by the BofASE Board in consideration of the entity's overall strategic plans, financial operating plans and risk appetite.

GRM, Corporate Audit and other CFs provide input, challenge and oversight to front line unit strategic plans, initiatives and capital plans relating to BofASE.

Strategic Risk Reporting

Transparency around meeting the objectives of the BofASE strategic and capital plans by providing visibility to the strategic risks is critical to effective risk management. FLUs and CFs present updates to senior management and the BofASE 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 BofASE 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 BofASE may adversely impact profitability or operations.

Reputational risk can stem from many of BofASE'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, BAC evaluates the potential impact to its reputation within all of the risk types and throughout the risk management process.

Reputational Risk Management

BAC and its subsidiaries manage 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 BAC Enterprise Risk Committee (“BAC ERC”) and the BAC 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 BofASE are considered 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 LOBs.

Activities will be escalated to the Reputational Risk Committee for review and approval where elevated levels of risk are present. Examples of such activities could include:

- Business activities that present significant legal, regulatory, or headline risk
- Violations of, or deviations from, established 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 BofASE might have an undisclosed or significant conflict of interest
- Business activities from which BofASE 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 BofASE reputation or suggest the need for close scrutiny
- Business activities that present the risk of creating information or security breaches or consumer privacy issues
- Business activities that may present environmental or social risks due to actions by BofASE 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 BofASE or another firm that have caused reputational harm
- Any potential reputational risk associated with the introduction, modification, or discontinuation of products, services, LOBs, 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, BofASE, aligned with BAC, does not set quantitative limits to define its associated risk appetite. Through proactive risk management, BofASE seeks to minimise both the frequency and impact of reputational risk events.

Reputational Risk Governance

BAC, including its subsidiaries, have well established organisational and governance structure in place to ensure strong oversight at both the BAC Group and business levels.

The Reputational Risk Committee membership consists of executive representation from Global Markets, Global Corporate and Investment Banking, and CFs (i.e. Legal, 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 BofASE. The committee is co-chaired by the President - International, the BofASE Chief Executive Officer ("BofASE CEO") and the BofASE CRO. The Reputational Risk Committee charter requires that a majority of members must be present, including a co-chair and all CFs, in order for meetings to proceed.

The Reputational Risk Committee is a sub-committee of the Global Reputational Risk Committee. Items requiring increased attention may be escalated from the Reputational Risk Committee to the Global Reputational Risk Committee, as appropriate. The BofASE MRC and the BofASE BRC is informed of such matters through a BofASE-specific report.

Reputational Risk Reporting

The reporting of BofASE reputational risk issues is captured as part of management routines for the Reputational Risk Committee. 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, the reason for escalation, and the decision reached by the Reputational Risk Committee. In addition, any relevant updates from the Reputational Risk Committee are provided through the legal entity Management Risk Committee ("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.

4.12.3. Climate and Environmental Risk

Climate risk is the risk that climate change or actions taken to mitigate climate change expose the Company to economic, operational or reputational harm. Climate-related risks are divided into two major categories, both of which span across the seven key risk types:

- Physical Risk: Risks related to the physical impacts of climate change, driven by extreme weather events such as hurricanes and floods, as well as chronic longer-term shifts such as rising average global temperatures and sea levels, and

- Transition Risk: Risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technology and market changes.

Physical risks of climate change, such as more frequent and severe extreme weather events, can increase the Company's risks, including credit risk by diminishing counterparties' repayment capacity or collateral values, and operational risk by negatively impacting the Company's facilities, employees, or vendors.

Transition risks of climate change may amplify credit risks through the financial impacts of changes in policy, technology or the market on the Company or its counterparties. Unanticipated market changes can lead to sudden price adjustments and give rise to heightened market risk. Reputational risk can arise for the Company, if BAC does not meet its climate-related commitments and/or goals, or is perceived to be inadequately responsive to climate change.

The Company has adopted the BAC Risk Framework which establishes clear ownership and accountability for managing risk across the three lines of defence (i.e., LOBs, independent risk management and Internal Audit). Building off BAC's Risk Framework, an internal BAC Climate Risk Framework was created in 2023. The BAC Climate Risk Framework addresses how climate risk is identified, measured, monitored and controlled, and includes examples of how climate risk manifests across different risk types, as well as detailing the roles and responsibilities for climate risk management across the aforementioned three lines of defence. It is expected that the Climate Risk Framework will evolve over time as best practices in climate risk management continue to mature.

The EMEA Sustainability Risk and Regulatory Steering Group ("Steering Group") is a regional governance group responsible for providing management oversight of activities related to the financial risks from climate change and sustainability-related regulatory requirements impacting BAC's EMEA legal entities, including the Company. The Steering Group is attended by senior leaders from across the EMEA region. The Steering Group meets at least quarterly and is co-chaired by the Chief Risk Officer of the Company. In addition, the Company's Sustainability Steering Group, which is also co-chaired by the Chief Risk Officer, provides oversight of sustainability-related activities.

The Company's Board responsibilities include setting the risk strategy for the firm, and the Board has assigned oversight of the Company's management of climate and environmental risks to its Board Risk Committee. The Board and the committees that report to it regularly discuss climate-related and environmental topics. For example,

- The Board Risk Committee ("BRC") oversees climate and environmental risk. The Company BRC receives a quarterly climate risk report as well as briefings on the topic of climate and environmental risk.

Key topics covered with the Board or its committees during 2023 included updates on addressing sustainability risks and opportunities, compliance with ESG regulation, Key Performance Indicators, a framework to avoid actual or perceived misrepresentation of the climate-related benefits of products and services, and the continued enhancement and evolution of the climate-related and environmental risk management efforts.

BofASE MRC is responsible for providing management review and assessment of exposure to climate and environmental risk and overseeing the approach implemented to manage climate and environmental risk. The BofASE MRC receives updates on the progress being made to further embed climate into the risk management framework and to meet regulatory expectations. To support the BofASE Board and committees in overseeing the management of climate risk, BofASE developed and continues to enhance reporting capabilities, including regular reporting to the BofASE MRC and quarterly reporting to the BofASE BRC. This reporting includes a climate risk report that consolidates information on how climate risk manifests across the key risk types.

Risk Management

<u>Climate and Environmental Risk Management</u>

As climate and environmental risk spans across multiple risk types, BofASE has developed and continues to enhance processes to embed climate and environmental risk considerations into risk management programmes. Capabilities are being built out to further enhance processes related to environmental risk management.

Effective management of climate and environmental risk requires coordinated governance, clearly defined roles and responsibilities and well-developed processes aimed at climate and environmental risk identification, measurement and monitoring and related controls.

- Risk Identification – To be effectively managed, climate and environmental risk must be proactively identified and well understood. The Company’s risk identification is an ongoing process that incorporates input from stakeholders across LOBs and CFs with relevant expertise. It is designed to be forward-looking and to capture relevant risk factors to which the Company is or may be exposed. Risks are assessed and classified across short-term, medium-term or long-term time horizons. LOBs and CFs identify risks that are captured consistently in a risk inventory and reviewed quarterly.

- Risk Measurement – The Company's measurement of climate and environmental risk is conducted using a range of qualitative and quantitative methods across the LOBs and CFs using tools, such as industry, country and counterparty-level assessments as well as scenario analysis, to better understand the climate and environmental risks posed to the business, operations, clients and counterparties.

- Risk Monitoring – To monitor physical and transition risk exposure across all seven risk types, climate risk has been embedded into existing risk management processes and integrated into climate risk metrics and reporting. This includes the delivery of both detailed metrics at the individual risk level as well as an aggregated, cross-risk report which is provided to the Company’s BRC and management via established governance routines.

- Risk Controls – Climate and environmental risks are controlled using the risk identification, measurement, and monitoring tools to drive governance, policies, processes and testing efforts to manage and mitigate exposure to climate and environmental risk. Risk management policies have been updated to incorporate, where applicable, climate and environmental risk considerations to ensure appropriate controls across risk categories.

The Company continues to build out and enhance its climate-related and environmental risk management capabilities in a proportionate way and in line with the regulatory expectations.

Climate and Environmental Risk Management by Risk Type

Examples of how potential climate and environmental risks to the Company are managed are outlined below:

Credit Risk

An industry climate risk framework is used to classify the possible financial risks of climate change at the industry level. In 2023 these industry risk ratings were expanded from three to five categories. Additionally, potential risks faced and possible mitigations (such as emission reduction capabilities) to a 2030 time horizon were considered, in line with BAC's milestone 2030 Financing Activity Targets.

The industry risk ratings are reviewed annually and integrated into the credit risk management processes, including the Industry Risk Guidance documents, which are a tool for client selection, onboarding and underwriting. In addition, a framework has been developed to assess climate-related risks to countries in which the Company does business.

Given the complexities of assessing climate-related and environmental risk at a client level, a Center of Excellence has been created to steer the ongoing implementation of client level Climate and Environmental Risk Assessments (“CERAs"). The CERAs consider both industry physical and transition risk ratings and country climate risk classifications, where relevant, and provide additional insight into a counterparty’s response to climate and environmental risks, including the incorporation of mitigating factors such as insurance and management plans and expertise. CERA scores are then integrated into the underwriting and credit risk lifecycle.

Market and Liquidity Risk

Climate-related impacts to the Company’s Market and Liquidity Risk are measured and monitored at the issuer and portfolio level. Market risk sensitivities and price impacts are aggregated by sector and geographies across various asset classes to identify and monitor climate-sensitive concentrations which leverage both industry and country climate risk classifications.

In Market Risk, the Company deploys daily climate risk reporting that provides information on the concentration of exposure to higher risk industries and countries; a monthly dashboard that leverages a common enterprise taxonomy to consider the issuer’s industry and country to track Key Risk Indicators ("KRIs"); and a monthly stress run for the purpose of risk identification. Stress tests are used to understand the impact of climate risks on trading portfolios, with a particular focus on identifying concentrations of risk. Metrics continue to be developed to take advantage of improved industry data and modelling for the measurement of both transition and physical risks.

Liquidity Risk undertakes climate risk assessments for key drivers of the Company’s liquidity. Reporting includes metrics to track climate sensitive industry concentration in funding sources and uses.

Compliance and Operational Risk

For climate-related operational and compliance risk, a specialized team is in place to assess risk, monitor business activities and processes, and report on the state of the control environment based on Enterprise policies and standards established by GCOR.

The Company considers the risks posed by physical climate events and the chronic impacts of climate change in business continuity and resilience planning. GRM independently monitors business continuity controls in countries identified as having high climate risk and also provides independent oversight of certain other climate-related risks, such as reputational risks and risks associated with improper conduct.

Reputational and Strategic Risk

The Company proactively identifies and monitors reputational risk arising from climate and broader sustainability risks through regional and reputational risk committees.

Additionally, LOBs and CFs leverage BAC's Environmental and Social Risk Policy Framework, which provides clarity and transparency around how environmental and social risks are managed, to assess potential climate-related and environmental risks associated with transactions and business decisions more likely to result in reputational risk.

The Company's Strategic Plan is aligned with the capital, liquidity, and financial planning processes. It is also aligned with the Responsible Growth strategy and realisation of BAC's $1.5 trillion sustainable finance goal and so considers climate-related risks and opportunities identified by LOBs and CFs.

Assessing Climate-related Risk through Scenario Analysis

Scenario analysis is an important tool to understand how various risks and opportunities may manifest. The Company's scenario analysis considers both transition and physical risk, their impact on the Company's key risk types (such as market risk and operational risk) and across different time horizons.

The main climate risk for the Company is transition risk which primarily manifests through counterparty credit risk and market risk in the trading portfolio. The Company assessed climate-related risks through the development and implementation of a short-term scenario, reflecting unforeseen announcements of upcoming regulatory climate policies, such as punitive carbon taxes, to meet climate challenges. In the scenario, market participants re-priced expected future cash flows for both traditional and green businesses, as they expect a rapid and disorderly transition to a low-carbon economy. Market Risk managers used expert judgment to provide shocks by asset categories, informed by the Network for Greening the Financial System ("NGFS") Disorderly Delayed Transition Scenario. Counterparty risk was assessed with a series of defaults of counterparties in industries identified as having elevated climate risk. Targeted assessments were also conducted to assess liquidity impacts based on changes in derivative collateral requirements.

The climate scenario analysis to date has not highlighted any significant concentrations of highly climate sensitive exposures in the portfolio or vulnerabilities to the Company's current business model which would require any additional mitigating actions to be put in place. The Company expects to continue its scenario analysis efforts in the future through continuing to invest in people, data, models and methodologies as part of overall strong risk management practices.

4.12.4. Product Initiatives

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

BofASE 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

2023 was dominated by the direction of interest rates, as central banks raised policy rates in response to higher inflation. Data from BofA Research shows that 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. BofA Research expects inflation to gradually lower through 2024, allowing central banks to lower monetary policy rates as the inflationary pressure dissipates.

The 2023 market environment included turmoil in the banking system, as bank failures early in the year impacted both asset prices and volatility. The situation drove investor caution, and 2023 saw record annual inflows into money market funds and Treasuries. From a macroeconomic standpoint, the main global economic blocks gradually began to decouple in 2023, both in terms of growth and inflation, as their cycles normalised post-pandemic. There was a divergence in outlook as the US economy remained strong, growth in Europe stagnated, and weak growth in China proved to be a key concern for investors and corporates.

Geopolitical tensions 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 Company is subject to numerous geopolitical, economic, and other risks in the jurisdictions in which it operates. The Company does business throughout the world including emerging markets. Economic or geopolitical stress in one or more countries could have a negative global impact, resulting in reduced market activity and economic output. The Company's businesses and revenue are also at risk of losses from multiple factors: currency fluctuations, financial, social or judicial instability, electoral outcomes, changes in governmental policies or policies of central banks, price controls, high inflation, protectionist trade policies, continued trade tensions and changes in legislation. The businesses and revenue of the Company are also at risk of losses as tariffs continue to rise and other restrictive actions are taken that weigh heavily on regional trade volumes and domestic demand through falling business sentiment and lower consumer confidence. These risks are especially elevated in the emerging markets.

The macroeconomic and geopolitical environment suppressed deal activity in primary markets, where full year global Investment Banking ("IBK") market 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 remained below historical levels.

BofA Securities Europe SA
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

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

The majority of BofASE's counterparty and credit risk exposure is as a result of derivative exposures determined using SA-CCR, and securities financing exposures determined using the financial collateral comprehensive method. Further details can be found in Section 5.4. Counterparty and Credit Risk.

BofASE's market risk Capital Requirement is principally driven by BofASE's internal model based capital requirement and a standard rules charge on traded debt instruments. 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)

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 Total Loss Absorbing Capacity (“TLAC”) became effective for certain types of Investment Firms and Credit Institutions in June 2019. In the CRR this is referred to as Minimum Requirements for Own Funds & Eligible Liabilities (“MREL”).

Firms that are material subsidiaries of a non-EU G-SII per the CRR definition are required to hold a minimum amount of MREL. BAC is a non-EU G-SII and BofASE meets the definition of material subsidiary, and is therefore subject to this requirement.

MREL resources are comprised of qualifying capital resources and eligible liabilities. In order for liabilities that are not capital resources to qualify as eligible, they must meet certain criteria such as having a minimum residual maturity of at least one year, and being subordinated to other operating liabilities.

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 for BofASE.

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)

		a	b	c
	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)			N
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			n/a
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)		€ 7,898	
EU-4	Eligible Additional Tier 1 capital			
EU-5	Eligible Tier 2 capital		920	
EU-6	Eligible own funds		8,818	
EU-7	Eligible liabilities		2,377	
EU-8	of which permitted guarantees			
EU-9a	(Adjustments)			
EU-9b	Own funds and eligible liabilities items after adjustments		11,195	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)		€ 40,232	
EU-11	Total exposure measure (TEM)		€ 102,779	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA		27.83 %	
EU-13	of which permitted guarantees			
EU-14	Own funds and eligible liabilities as a percentage of the TEM		10.89 %	
EU-15	of which permitted guarantees			
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements		11.63 %	
EU-17	Institution-specific combined buffer requirement		3.24 %	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	n/a	16.20 %	
EU-19	of which part of the requirement that may be met with a guarantee	n/a		
EU-20	Requirement expressed as percentage of the TEM	n/a	6.08 %	
EU-21	of which part of the requirement that may be met with a guarantee	n/a		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		€ 97,848	

Table 5.2.T2. 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.T2. – EU TLAC2a Creditor Ranking: Entity That is Not a Resolution Entity (€ millions)

Q4 2023		Insolvency ranking						Sum of 1 to n
		1	1	6	6	7	7	
		(most junior)	(most junior)			(most senior)	(most senior)	
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	
1	Empty set in the EU							
2	Description of insolvency rank (free text)	Equity	Equity	Subordinated creditors	Subordinated creditors	Senior non-preferred unsecured claims	Senior non-preferred unsecured claims	
3	Liabilities and own funds		€ 7,898		€ 920		€ 2,377	€ 11,195
4	of which excluded liabilities							
5	Liabilities and own funds less excluded liabilities		7,898		920		2,377	11,195
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of [choose as a appropriate: internal MREL/internal TLAC]		7,898		920		2,377	11,195
7	of which residual maturity ≥ 1 year < 2 years							
8	of which residual maturity ≥ 2 year < 5 years						2,377	2,377
9	of which residual maturity ≥ 5 years < 10 years				920			920
10	of which residual maturity ≥ 10 years, but excluding perpetual securities							
11	of which perpetual securities		7,898					7,898

5.3. Capital Requirement under Standardised Approaches

In BofASE, regulatory capital required is calculated on traded debt instruments that are not part of the scope of the internal models permission granted by the ACPR. The requirement is split into two components: General market risk and specific risk.

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

Equity Market Risk

Equity market risk is the regulatory capital requirement calculated on equity positions that are out of scope of the internal models permission granted by the ACPR to BofASE.

Commodity Market Risk

Commodity market risk is the regulatory capital requirement calculated on the global commodities investor product business in BofASE. The positions are grouped by maturity with a different weighting applied to each maturity band.

FX Market Risk

FX market risk requirement is the regulatory capital requirement calculated on the open net foreign currency position for exposures that are out of scope of the internal models permission granted by the ACPR to BofASE.

Option Market Risk Requirement

Option market risk requirement is the regulatory capital requirement calculated on options which are not in scope of the internal models permission granted by the ACPR. Option market risk requirement attracts a delta equivalent treatment, with additional regulatory capital requirement calculated for convexity risk (gamma risk) and volatility risk (vega risk).

5.4. Counterparty and Credit Risk

Counterparty and credit risk is the risk of loss arising from a borrower or counterparty failing to meet its financial obligations. Counterparty and credit risk capital requirements are derived from risk-weighted exposures, determined using the Standardised Approach. BofASE has counterparty and credit risk exposure as a result of derivative trades, securities financing transactions, and other trading and non-trading book exposures.

5.5. Capital Buffer Requirements

The CCyB was introduced through CRD IV, as amended by CRD V, and is defined as the amount of CET1 capital that BofASE must calculate in accordance with the CRD as implemented by the ACPR. The CCyB is equal to BofASE's total risk exposure amount multiplied by the weighted average of the CCyB rates that apply to exposures in the jurisdictions where BofASE'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 countercyclical buffer requirement, ranging from 0.0% to 2.5% of RWAs, may be put in place for specified jurisdictions.

Table 5.5.T1. outlines the components of relevant credit exposures used in the calculation of CCyB by country.

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

		General credit exposures		Relevant credit exposures – market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		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			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
	AUSTRALIA	€ 3		€ 3	€ 1		€ 7	€ —	€ 1		€ 1	€ 10	0.1 %	1.0 %
	AUSTRIA	16			4		20	1	1		2	26	0.1 %	— %
	BELGIUM	91		1	89		181	5	6		12	144	0.7 %	— %
	BERMUDA	65					65	4			4	44	0.2 %	— %

		General credit exposures		Relevant credit exposures – market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		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			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
	Breakdown by country:													
010	BRAZIL				€ 4		€ 4		€ 1		€ 1	€ 16	0.1 %	— %
	CANADA	86		2	2		91	4	8		12	148	0.7 %	— %
	CAYMAN ISLANDS	2,397					2,397	192			192	2,397	12.1 %	— %
	CHINA	6					6	—			—	3	— %	— %
	CURACAO	—					—	—			—	—	— %	— %
	CZECH REPUBLIC	1					1	—			—	1	— %	2.0 %
	DENMARK	303			5		308	24	1		25	311	1.6 %	2.5 %
	FINLAND	184			27		211	15	21		36	447	2.2 %	— %
	FRANCE	1,725		286	61		2,072	121	91		212	2,653	13.3 %	0.5 %
	GEORGIA	10					10	1			1	10	— %	— %
	GERMANY	2,137		35	86		2,259	145	21		167	2,081	10.5 %	0.8 %
	GIBRALTAR				2		2		2		2	28	0.1 %	— %
	GREECE	6			3		9	1	—		1	7	— %	— %
	GUERNSEY	10					10	1			1	10	0.1 %	— %
	HONG KONG	1		—	1		2	—	—		—	4	— %	1.0 %
	HUNGARY	—					—	—			—	—	— %	— %
	INDIA	611		—			611	49	—		49	611	3.1 %	— %
	IRELAND	173			15	—	188	14	1	—	15	184	0.9 %	1.0 %
	ISRAEL			—			—		—		—	—	— %	— %
	ITALY	172		—	93	4	269	14	48	—	62	781	3.9 %	— %
	JAPAN	68		2	20		90	4	8		12	153	0.8 %	— %

		General credit exposures		Relevant credit exposures – market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		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			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
	Breakdown by country:													
010	JERSEY	—					—	—			—	—	— %	— %
	KENYA	—					—	—			—	—	— %	— %
	KOREA, REPUBLIC OF	1					1	—			—	1	— %	— %
	LUXEMBOURG	2,892			32		2,924	189	9		198	2,475	12.4 %	0.5 %
	MALAYSIA	2					2	—			—	2	— %	— %
	MALTA												— %	— %
	MEXICO				4		4		4		4	45	0.2 %	— %
	MONACO	—					—	—			—	—	— %	— %
	NETHERLANDS	1,235		62	107		1,405	87	29		116	1,452	7.3 %	1.0 %
	NEW ZEALAND	—		2			2	—	—		—	2	— %	— %
	NIGERIA	—					—	—			—	—	— %	— %
	NORWAY	18		5	6		29	1	14		16	198	1.0 %	2.5 %
	Other Countries												— %	— %
	POLAND	1					1	—			—	1	— %	— %
	PORTUGAL	19			10		29	2	13		14	176	0.9 %	— %
	ROMANIA												— %	1.0 %
	RUSSIAN FEDERATION	1					1	—			—	1	— %	— %
	SINGAPORE	185		—			186	15	—		15	187	0.9 %	— %
	SPAIN	259		22	11		292	21	25		46	577	2.9 %	— %
	SWAZILAND				—		—		—		—	2	— %	— %
	SWEDEN	495		2	11		507	39	5		45	561	2.8 %	2.0 %
	SWITZERLAND	77		7	—		83	6	11		17	211	1.1 %	— %
	TAIWAN, PROVINCE OF CHINA												— %	— %
	TUNISIA												— %	— %
	UNITED ARAB EMIRATES	—					—	—			—	—	— %	— %
	UNITED KINGDOM	5,645		10	141		5,796	227	34		261	3,265	16.4 %	2.0 %

		General credit exposures		Relevant credit exposures – market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		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			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
	UNITED STATES	401		77	330		808	32	21		53	663	3.3 %	— %
	URUGUAY	—					—	—			—	—	— %	— %
	VIRGIN ISLANDS, BRITISH	1					1	—			—	1	— %	— %
20	**Total**	**€ 19,299**		**€ 517**	**€ 1,066**	**€ 4**	**€ 20,886**	**€ 1,212**	**€ 379**	**€ —**	**€ 1,591**	**19,890**	**100.0 %**	

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

	2023
Total risk exposure amount	€ 40,232
Institution specific countercyclical capital buffer rate	0.74 %
Institution specific countercyclical capital buffer requirement	€ 297

The increase in institution-specific CCyB requirement from €80 million in 4th Quarter 2022 to €297 million in 4th Quarter 2023 is driven mainly by an increase in the CCyB rate of UK from 1% to 2% in 2023.

5.6. Capital Resources

Table 5.6.T1. shows the accounting balance sheet, with references in column C to the balance sheet items included within the elements of BofASE’s own funds as reported in template EU CC1. Further details on the composition of BofASE's capital resources are shown in Tables 5.6.1.T1 and 5.6.2.T1. There are no restrictions applied to the calculation of own funds in accordance with CRR regulations.

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

		a	c
		Balance sheet as in published financial statements	**Reference in Table 5.6.2.T1 EU CC1 Composition of Regulatory Own Funds**
		As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash at bank and in hand	€ 5,298	
	Financial assets at fair value through profit or loss		
2	Securities	14,010	
3	Loans and repurchase agreements	28,198	
4	Derivative financial instruments	46,613	
	Financial assets at fair value through OCI		
5	Debt securities	511	
	Financial assets at amortised cost		
6	Loans and repurchase agreements	3,060	
7	Current and deferred tax assets	42	
8	Other assets	17,413	
9	Tangible and intangible assets	—	
10	**Total assets**	**€ 115,146**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1	Deposits from central banks	€ —	
	Financial liabilities at fair value through profit or loss		
2	Securities	10,117	
3	Deposits and repurchase agreements	23,847	
4	Derivative financial instruments	50,691	
	Of Which:		
4a	Fair value gains and losses arising from the institution´s own credit risk re-lated to derivative liabilities	(22)	27a
5	Derivatives used for hedging purposes	—	
	Financial liabilities at amortised cost		
6	Deposits and repurchase agreements	7,386	
7	Subordinated debt	3,317	
	Of Which:		
7a	Tier 2 Subordinated debt	920	46
7b	Eligible liabilities	2,377	
7c	Accrued interest	20	
8	Other financial liabilities	356	
9	Current and deferred tax liabilities	2	
10	Other liabilities	11,260	
11	Provisions for contingencies and charges	61	
12	**Total liabilities**	**€ 107,037**	

		a	c
		Balance sheet as in published financial statements	**Reference in Table 5.6.2.T1 EU CC1 Composition of Regulatory Own Funds**
		As at period end	
Shareholders' Equity			
1	Capital	€ 7,976	1
2	Retained earnings	42	2, 3
3	Net income	91	EU-5a
4	**Total equity**	**€ 8,109**	

5.6.1. Capital Resources (Landscape)

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

		BofASE			
Capital Instruments Main Features		**CET1**	**AT1**	**T2**	**Eligible Liabilities**
1	Issuer	BofA Securities Europe SA	N/A	BofA Securities Europe SA	BofA Securities Europe SA
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A
2a	Public or Private Placement	Private Placement	N/A	Private Placement	Private Placement
3	Governing law(s) of the instrument	French	N/A	French	French
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	Yes	Yes
Regulatory Treatment					
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1	N/A	T2	Eligible Liabilities
5	Post-transitional CRR rules	CET1	N/A	T2	Eligible Liabilities
6	Eligible at solo / (sub-)consolidated / solo and (sub-)consolidated	Solo	N/A	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares with full voting rights	N/A	Subordinated Loan T2	Senior Non-preferred Unsecured Loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 7,976M	N/A	EUR 920M	EUR 2,377M
9	Nominal amount of instrument	EUR 10.00	N/A	EUR 920M	EUR 2,377M
EU-9a	Issue price	EUR 10.00	N/A	EUR 920M	EUR 2,377M
EU-9b	Redemption price	N/A	N/A	EUR 920M	EUR 2,377M
10	Accounting classification	Shareholders equity	N/A	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	EUR 0.05M 25 September 2018 EUR 540M 19 November 2018 EUR 2,086M 14 January 2019 EUR 2,650M 19 July 2019 EUR 1,100M 21 June 2021 EUR 900M 12 May 2022 EUR 700M 18 November 2022	N/A	15 October 2021	6 December 2023
12	Perpetual or dated	Perpetual	N/A	Dated	Dated
13	Original maturity date	No maturity	N/A	31 March 2032	7 December 2026

		BofASE			
Capital Instruments Main Features		**CET1**	**AT1**	**T2**	**Eligible Liabilities**
14	Issuer call subject to prior supervisory approval	No	N/A	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A
Coupons / Dividends					
17	Fixed or floating dividend / coupon	N/A	N/A	Floating	Floating
18	Coupon rate and any related index	N/A	N/A	€STR + 102bps	€STR + 104bps
19	Existence of a dividend stopper	No	N/A	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/A	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	N/A	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	N/A	No	No
22	Non-cumulative or cumulative	Non-cumulative	N/A	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	N/A	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features	No	N/A	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1 - Equity	N/A	6 - Subordinated creditors	7 - Senior non-preferred unsecured claim
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities	N/A	Senior non-preferred unsecured liabilities	Senior Liabilities

		BofASE			
Capital Instruments Main Features		**CET1**	**AT1**	**T2**	**Eligible Liabilities**
36	Non-compliant transitioned features	No	N/A	No	No
37	If yes, specify non-compliant features	N/a	N/A	N/A	N/A
37a	Link to full terms and conditions of the instrument (signposting)	http://investor.bankofamerica.com	N/A	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. – EU CC1 - Composition of Regulatory Own Funds (€ millions)

		(a)	(b)
		Amounts	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserve			
1	Capital instruments and the related share premium accounts	€ 7,976	Shareholders' Equity - 1
	of which: Ordinary shares with full voting rights	7,976	
2	Retained earnings	41	Shareholders' Equity - 2
3	Accumulated other comprehensive income (and other reserves)	1	Shareholders' Equity - 2
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	91	Shareholders' Equity - 3
6	**Common Equity Tier 1 capital before regulatory adjustments**	**€ 8,109**	
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	€ (188)	
8	Intangible assets (net of related tax liability) (negative amount)		
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) CRR are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)		
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
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)		
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)		
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)		
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		
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		

		(a)	(b)
		Amounts	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		
23	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		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		
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)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments	(22)	Liabilities - 4a
28	**Total regulatory adjustments to Common Equity Tier 1**	€ (211)	
29	**Common Equity Tier 1 capital**	€ 7,898	
Additional Tier 1 capital: instruments			
30	Capital instruments and the related share premium accounts	€ —	
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) CRR and the related share premium accounts subject to phase out from AT1	—	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	—	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR 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	—	
35	of which: instruments issued by subsidiaries subject to phase out	—	
36	**Additional Tier 1 capital before regulatory adjustments**	—	
Additional Tier 1 capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	€ —	
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)	—	
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)	—	

		(a)		(b)
		Amounts		Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
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)		—	
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		—	
42a	Other regulatory adjustments to AT1 capital		—	
43	**Total regulatory adjustments to Additional Tier 1 capital**	€	—	
44	**Additional Tier 1 capital**	€	—	
45	**Tier 1 capital (T1 = CET1 + AT1)**	€	7,898	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	€	920	Liabilities - 7a
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			
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			
49	of which: instruments issued by subsidiaries subject to phase out			
50	Credit risk adjustments			
51	**Tier 2 (T2) capital before regulatory adjustments**	€	920	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	€	—	
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)		—	
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)		—	
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)		—	
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**	€	—	
58	**Tier 2 (T2) capital**	€	920	
59	**Total capital (TC = T1 + T2)**	€	8,818	
60	**Total Risk exposure amount**	€	40,232	

		(a)	(b)
		Amounts	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	19.63 %	
62	Tier 1 capital	19.63 %	
63	Total capital	21.92 %	
64	Institution CET1 overall capital requirements	9.81 %	
65	of which: capital conservation buffer requirement	2.50 %	
66	of which: countercyclical capital buffer requirement	0.74 %	
67	of which: systemic risk buffer requirement	— %	
EU-67a	of which: Global Systemically Important Institution or Other Systemically Important Institution ("O-SII") buffer requirement	— %	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.08 %	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	10.23 %	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
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)	€ 338	
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)		
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) CRR are met)	42	
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)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	235	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based ("IRB") approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	€ —	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	
82	Current cap on AT1 instruments subject to phase out arrangements	—	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	
84	Current cap on T2 instruments subject to phase out arrangements	—	

		(a)	(b)
		Amounts	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	

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.

The following tables disclose a breakdown of the total leverage ratio exposure measure, as well as a reconciliation of total exposure measure with the relevant information disclosed in published financial statements.

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)

		a
		Applicable amount
1	Total assets as per published financial statements	€ 115,146
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	—
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	(7,018)
9	Adjustment for securities financing transactions	5,912
10	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	234
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	(11,494)
13	**Total exposure measure**	**€ 102,779**

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

		CRR leverage ratio exposures	
		a	b
		2023	2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	€ 35,053	€ 34,871
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)	(9,608)	(12,049)

		CRR leverage ratio exposures	
		a	b
		2023	2022
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)	(189)	(177)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**€ 25,257**	**€ 22,645**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e., net of eligible cash variation margin)	€ 10,783	€ 12,586
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	—	—
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	20,729	17,341
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)	(4,158)	(2,096)
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	84,689	68,616
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(72,447)	(58,139)
13	**Total derivatives exposures**	**€ 39,596**	**€ 38,307**
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	€ 118,300	€ 102,428
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(86,519)	(78,627)
16	Counterparty credit risk exposure for SFT assets	5,912	2,817
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**	**€ 37,693**	**€ 26,617**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	€ 550	€ 500
20	(Adjustments for conversion to credit equivalent amounts)	(316)	(233)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	—	—
22	**Off-balance sheet exposures**	**€ 234**	**€ 267**
Excluded 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)	—	—
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	—	—
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	—	—
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	—	—
EU-22g	(Excluded excess collateral deposited at triparty agents)	—	—

		CRR leverage ratio exposures	
		a	b
		2023	2022
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**	**€ 7,898**	**€ 7,803**
24	**Total exposure measure**	**€ 102,779**	**€ 87,836**
Leverage ratio			
25	Leverage ratio (%)	7.68 %	8.88 %
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.68 %	8.88 %
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.68 %	8.88 %
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	€ 35,416	€ 44,415
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	31,781	23,801
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)	106,414	108,451
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)	106,414	108,451
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)	7.42 %	7.20 %
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)	7.42 %	7.20 %

Table 5.7.2.T3. – EU LR3 - LRSpl: Split-Up of On Balance Sheet Exposures (Excluding Derivatives, SFTs and Exempted Exposures) (€ millions)

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**€ 25,445**
EU-2	Trading book exposures	18,239
EU-3	Banking book exposures, of which:	7,206
EU-4	Covered bonds	—
EU-5	Exposures treated as sovereigns	5,840
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	73
EU-7	Institutions	495
EU-8	Secured by mortgages of immovable properties	—
EU-9	Retail exposures	—
EU-10	Corporates	511
EU-11	Exposures in default	—
EU-12	Other exposures (e.g., equity, securitisations, and other non-credit obligation assets)	288

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. BofASE 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 BofASE RAS, as well as being reviewed quarterly by the BofASE BRC. This will include the actual reported leverage ratio, compared against the BofASE 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 BofASE Board oversight. A breach of a limit will trigger defined operational protocols as set out in the BofASE Capital Management Policy, where specific governance, escalation, and management actions are set out at various trigger levels that align to the BofASE Board risk appetite and recovery plan indicators. BofASE does not currently assess that there is a risk of excessive leverage for the entity.

BofA Securities Europe SA
Pillar 3 Disclosure

6. Additional Information on Remuneration Disclosure
As at 31 December 2023

6.1. Remuneration Disclosure

The BofASE 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 BofASE.

BofA Securities Europe SA
Pillar 3 Disclosure

7. Appendices
As at 31 December 2023

Appendix 1 – Supplementary Disclosure Templates (Landscape)

The following table shows the effect of all CRM techniques as at 31 December 2023 for BofASE.

Table A.1.T1. – EU CR4 Standardised Approach - Credit Risk Exposure and CRM Effects (€ millions)

	Exposure classes	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 (%)
		a	b	c	d	e	f
1	Central governments or central banks	€ 5,839		€ 5,839		€ 200	3.42 %
2	Regional government or local authorities		25		2	2	100.00 %
3	Public sector entities						— %
4	Multilateral development banks						— %
5	International organisations						— %
6	Institutions	33		33		7	20.23 %
7	Corporates	236	525	236	24	248	95.61 %
8	Retail						— %
9	Secured by mortgages on immovable property						— %
10	Exposures in default						— %
11	Exposures associated with particularly high risk						— %
12	Covered bonds						— %
13	Institutions and corporates with a short-term credit assessment	286		286		113	39.52 %
14	Collective investment undertakings						— %
15	Equity	—		—		—	100.00 %
16	Other items	—		—		—	100.00 %
17	**Total**	**€ 6,395**	**€ 550**	**€ 6,395**	**€ 26**	**€ 570**	**8.88 %**

The following table shows the breakdown of exposures under the standardised approach by exposure class and risk weight as at 31 December 2023 for BofASE.

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

	Exposure classes	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	€ 5,614						€ 182					€ 44				€ 5,839	€ 5,102
2	Regional government or local authorities										2						2	
3	Public sector entities																	
4	Multilateral development banks																	
5	International organisations																	
6	Institutions		—			33									—		33	20
7	Corporates							23			236				—		259	236
8	Retail exposures																	
9	Exposures secured by mortgages on immovable property																	
10	Exposures in default																	
11	Exposures associated with particularly high risk																	
12	Covered bonds																	
13	Exposures to institutions and corporates with a short-term credit assessment					103		181			2	—					286	
14	Units or shares in collective investment undertakings																	
15	Equity exposures										—						—	—
16	Other items										—						—	—
17	**Total**	**€ 5,614**	**€ —**			**€ 137**		**€ 385**			**€ 241**	**€ —**	**€ 44**		**€ —**		**€ 6,420**	**€ 5,359**

BofASE does not follow the IRB approach and does not have an IMM approval. Therefore no IRB or IMM related templates are disclosed.

BofASE is subject to the requirements of Part Eight of CRR on an individual basis. Therefore template EU LI3 (Outline of the differences in the scopes of consolidation) is not disclosed.

Appendix 2 – Index

Table A.2.T1. – Index

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
431	Disclosure requirements and policies	431(1)	For Information	Requirement to publish Pillar 3 disclosures	1.2. Basis of Preparation	7
		431(2)		Firms with permission to use specific instruments and methodologies under Title III must disclose relevant information	Not Applicable - BofASE uses Standardised Approach for Operational Risk	n/a
		431(3)		Institutions shall adopt a formal policy to comply with the disclosure requirements in Part Eight of CRR	1.3. Disclosure Policy	11
		431(4)		All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information for the users to understand the quantitative disclosures, noting any significant change in any given disclosure compared to the information contained in the previous disclosures	Throughout document accompanying quantitative disclosures	N/A
		431(5)		Explanation of ratings decision upon request	Not Applicable	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 Section 4.6. Disclosure of Exposures to Securitisation Positions (EU SECA)	64, 85
		432(2)		Institutions may omit information that is proprietary or confidential if certain conditions are respected	Not Applicable - BofASE has not omitted any information which is proprietary or confidential.	N/A
		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 in the manner and frequency set out in Articles 433a, 433b and 433c Annual disclosures to 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 to 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 Any delay between the date of publication of the disclosures and the relevant financial statements shall be reasonable	1.2. Basis of Preparation	7

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
433a	Disclosures by large institutions	433a(1)(a)-(c)	For Information	Large institutions shall disclose the information outlined on an annual, semi-annual, and quarterly basis	Not applicable - BofASE is subject to the derogation outlined in 433a(2)	N/A
		433a(2)		Large Institutions other than G-SIIs that are non-listed shall disclose all information per Part 8 annually, and key metrics per Article 447 semi-annually	1.2. Basis of Preparation	7
		433a(3)		Large institutions subject to Article 92a or 92b shall disclose the information required under Article 437a on a semi-annual basis, except for the key metrics referred to in point (h) of Article 447, which are to be disclosed on a quarterly basis	5.2. Additional Detail on Minimum Requirements for Own Funds and Eligible Liabilities	91
433b	Disclosures by small and non-complex institutions	433b (1) - (2)	For Information	Small and non-complex institutions shall disclose information outlined below with the defined frequency	Not applicable - BofASE is not a small non-complex institution	N/A
433c	Disclosures by other institutions	433c (1) - (2)		Institutions that are not subject to Article 433a or 433b shall disclose the information outlined with the defined frequency	Not applicable - BofASE is 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 The remuneration disclosure is published separately and is signposted in Section 6. Additional Information on Remuneration Disclosure of this document	7, 11, 113
		434(2)		Institutions shall make available on their website an archive of Pillar 3 disclosures which shall be kept accessible for a period of time that shall be no less than the storage period set by national law for information included in the institutions' financial reports	1.2. Basis of Preparation	7
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)	26
		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. – BofASE Directors Board Membership and Experience (EU OVB)	31
		435(2)(b)		Directors' knowledge, skills and experience		
		435(2)(b)-(c)		BofASE Board recruitment and diversity policy	4.1. Disclosure of Risk Management Objectives and Policies (EU OVA, EU OVB)	26
		435(2)(d)-(e)		BofASE Risk Committees and risk information		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
436	Disclosure of the scope of application	436(a)	N/A	Name of institution	Section 1.1. Overview and Purpose of Document	6
		436(b)	EU LI1; EU LI3; EU LIA	A 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; that reconciliation shall outline the differences between the accounting and regulatory scopes of consolidation and the legal entities; the outline of the legal entities included within the regulatory scope of consolidation shall describe the method of regulatory consolidation where it is different from the accounting consolidation method, whether those entities are fully or proportionally consolidated and whether the holdings in those legal entities are deducted from own funds	not applicable as requirements of part eight are applied on an individual basis and BofASE has no subs	N/A
		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	1.2.1. Mapping of Financial Statement Categories with Regulatory Risk Categories	7
		436(d)	EU LI2; EU LIA	Reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements, and the exposure amount used for regulatory purposes; that reconciliation shall be supplemented by qualitative information on those main sources of differences	1.2.2. Differences between the Financial Statements' Carrying Value Amounts and the Exposure Amounts used for Regulatory Purposes (EU LIA)	9
		436(e)	EU PV1	A breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately for the trading book and non-trading book positions	1.2.2.1. Prudential Valuation Adjustment	11
		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)	15
		436(g)		Capital shortfalls in any subsidiaries outside the scope of consolidation	Not applicable as requirements of part eight are applied on an individual basis and BofASE has no subs	N/A
		436(h)		Use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries	Not Applicable as derogations are not used	N/A
437	Disclosure of own funds	437(1)(a)	EU CC1; EU CC2	Reconciliation of regulatory capital amounts to balance sheet	5.6. Capital Resources	99
		437(1)(b)	EU CCA	Description of the main features of Capital Instruments issued		
		437(1)(c)		Full terms and conditions of Capital Instruments issued		
		437(1)(d)-(e)	EU CC1; EU CC2	Disclosure of prudential filters, deductions, and any restrictions applied to the calculation of own funds		
		437(1)(f)		Where institutions disclose capital ratios calculated using elements of own funds determined on a different basis		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
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	5.2. Additional Detail on Minimum Requirements for Own Funds and Eligible Liabilities	91
		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).		
438	Disclosure of own funds requirements and risk-weighted exposure amount	438(a)	EU OVC	Approach to assessing adequacy of capital levels	2.4. Capital Management (EU OVC)	19
		438(b)	EU OVC; EU KM1	Own funds based on supervisory review, and composition in terms of CET1, additional Tier 1 and Tier 2 instruments		
		438(c)	EU OVC	upon demand, the result of the institution's internal capital adequacy assessment process	Not applicable - No demand has been made by the competent authority for BofASE to include ICAAP results in the Pillar 3 disclosure	N/A
		438(d)	EU OV1; EU OR1	The total risk-weighted exposure amount and the corresponding total own funds requirement, to be broken down by the different risk categories and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds	2.2.2. Key Movements in 2023 4.8.2. EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts	17, 79
		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 equity exposures	Not Applicable - BofASE does not have exposures to specialised lending and equity exposures under the simple risk weight approach	N/A
		438(f)	EU INS1; EU INS2	Capital amounts of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company	Not applicable - BofASE does not hold any instruments in insurance or reinsurance undertakings	
		438(g)		Supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate	Not applicable - BofASE 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	Table 4.7.3.T3. – EU MR2-B - RWA flow statements of market risk exposures under the IMA	74

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
439	Disclosure of exposures to counterparty credit risk	439(a)	EU CCRA	Discussion of process to assign internal capital and credit limits to CCR exposures	4.5. Disclosure of Exposures to Counterparty Credit Risk (EU CCRA)	58
		439(b)		Discussion of policies related to guarantees and other credit risk mitigants, such as the policies for 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, further broken down between collateral used for derivatives and securities financing transactions	Table 4.5.T4. – EU CCR5 Composition of Collateral for CCR Exposures	62
		439(f)	EU CCR1	For derivative transactions, exposure values before and after the effect of the credit risk mitigation and associated risk exposure amounts broken down by applicable method	Table 4.5.T1. – EU CCR1 – Analysis of CCR Exposure by Approach	60
		439(g)		For securities financing transactions, 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	The exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment	Table 4.5.T2. – EU CCR2 Transactions Subject to Own Funds Requirements for CVA Risk	61
		439(i)	EU CCR8	Exposure value to central counterparties and the associated risk exposures, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures	Table 4.5.T6. – EU CCR8 Exposures to CCPs	63
		439(j)	EU CCR6	Notional amounts and fair value of credit derivative transactions, broken down by product type; within each product type, broken down further by credit protection bought and credit protection sold	Table 4.5.T5. – EU CCR6 Credit Derivatives Exposures	63
		439(k)	EU CCR1	Estimate of alpha, if applicable	Table 4.5.T1. – EU CCR1 – Analysis of CCR Exposure by Approach	60
		439(l)	EU CCR3; EU CCR4	Separately, the exposure values and the exposure values after credit risk mitigation associated with each credit quality step, by exposure class, as well as the exposure values deducted from own funds and point (g) of Article 452 (IRB approach to credit risk)	Table 4.5.T3. – CCR3 Standardised Approach – CCR Exposures by Regulatory Exposure Class and Risk Weights	61
		439(m)	EU CCR1	For institutions using the Simplified standardised approach for counterparty credit risk or the original exposure method, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable	Table 4.5.T1. – EU CCR1 – Analysis of CCR Exposure by Approach	60
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	5.5. Capital Buffer Requirements	95
		440 (b)	EU CCyB2	Amount of their institution-specific countercyclical capital buffer		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
441	Disclosure of indicators of global systemic importance	441	N/A	Disclosure of the indicators of global systemic importance	Not Applicable - BofASE has not been identified as being of global systemic importance	N/A
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	47
		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	49
					Table 4.3.2.T3. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days	51
					Table 4.3.2.T4. – EU CQ4: Quality of Non-performing Exposures by Geography	52
					Table 4.3.2.T5. – EU CQ5: Credit Quality of Loans and Advances to Non-financial Corporations by Industry	53
		442(d)	EU CQ3	Ageing analysis of accounting past due exposures	Table 4.3.2.T3. – EU CQ3 Credit Quality of Performing and Non-performing Exposures by Past Due Days	51
		442(e)	EU CR1; EU CQ1; EU CQ7; EU CQ4; EU CQ5	Gross carrying amounts of defaulted and non-defaulted exposures, accumulated specific and general credit risk adjustments, accumulated write-offs taken against those exposures and net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off-balance-sheet exposures	Table 4.3.2.T4. – EU CQ4: Quality of Non-performing Exposures by Geography	52
					Table 4.3.2.T5. – EU CQ5: Credit Quality of Loans and Advances to Non-financial Corporations by Industry	53
		442(f)	EU CR1; EU CR2; EU CR2a; EU CQ1; EU CQ2; EU CQ4; EU CQ5; EU CQ6; EU CQ7; EU CQ8	Changes in the gross amount of defaulted on- and off-balance-sheet exposures, including opening and closing balances and gross amount of any exposures reverted to non-defaulted status or subject to a write-off	Table 4.3.2.T1. – EU CR1 Performing and Non-performing Exposures and Related Provisions	49
		442(g)	EU CR1-A	Breakdown of loans and debt securities by residual maturity	Table 4.3.2.T2. – EU CR1-A: Maturity of Exposures	50
443	Unencumbered assets	443	EU AE1; EU AE2; EU AE3; EU AE4	Encumbered and unencumbered assets	3.1. Encumbered and Unencumbered Assets (EU AE4)	22

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
444	Disclosure of the use of the Standardised Approach	444(a)	EU CRD	Names of the ECAIs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes	2.2.1.1. Use of the Standardised Approach (EU CRD)	17
		444(b)		Exposure classes associated with each ECAI		
		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 CCR3	Exposure value pre and post-credit risk mitigation, by CQS	Table 4.5.T3. – CCR3 Standardised Approach – CCR Exposures by Regulatory Exposure Class and Risk Weights Table A.1.T1. – EU CR4 Standardised Approach - Credit Risk Exposure and CRM Effects Table A.1.T2. – EU CR5 Standardised Approach	61, 116, 117
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	68
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)	77
		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;	BofASE does not use the advanced measurement approach for Operational Risk	N/A
		446(c)		(c) in the case of partial use, the scope and coverage of the different methodologies used.	BofASE does not use, or make partial use of, the advanced measurement approach for Operational Risk	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
447	Disclosure of key metrics	447(a)	EU KM1	Composition of own funds requirements	Table 2.1.2.T1. – EU KM1 Key Metrics Template	14
		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	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 EU KM2 N/A - BofASE is not a resolution entity	92
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 six supervisory shock scenarios for the current and previous disclosure periods	4.9. Disclosure of Interest Rate Risk in the Banking Book (IRRBB) (EU IRRBBA)	80
		448(1)(b)		Changes in the net interest income calculated under two supervisory shock scenarios for the current and previous disclosure periods		
		448(1)(c)	EU IRRBBA	Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b)		
		448(1)(d)		Explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date		
		448(1)(e)		Description of how the interest rate risk of nontrading book activities is defined, measured, mitigated, and controlled, including: (i) description of the specific risk measures used to evaluate changes in economic value of equity and in net interest income; (ii) description of the key modelling and parametric assumptions used in internal measurement systems; (ii) description of the interest rate shock scenarios used to estimate the Interest Rate Risk; (iv) recognition of the effect of hedges against Interest Rate Risks; and (v) an outline of how often the evaluation of the Interest Rate Risk occurs		
		448(1)(f)		Description of the overall risk management and mitigation strategies for Interest Rate Risk		
		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		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
449	Disclosure of exposures to securitisation positions	449(a)	EU SECA	Description of securitisation and re-securitisation activities	4.6.1. EU SECA – Qualitative Disclosure Requirements Related to Securitisation Exposures 4.6.2. EU-SEC1 - Securitisation Exposures in the Non-Trading Book As at 31 December 2023, BofASE had an immaterial amount of exposure as investor in securitisations. BofASE has not acted as an originator or sponsor to any securitisations. Based on materiality no further disclosures for exposure to securitisation positions are made in this document.	64, 66
		449(b)		Type of risks that there is exposure to in securitisation and re-securitisation activities		
		449(c)		Approaches for calculating the risk-weighted exposure amounts that they applied to securitisation activities		
		449(d)		A list of Securitisation Special Purpose Entities ("SSPEs") falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivative contracts: (i) SSPEs which acquire originated exposures (ii) Sponsored SSPEs (iii) SSPEs and other legal entities for which securitisation-related services, such as advisory, asset servicing or management services, are provided (iv) SSPEs included in regulatory scope of consolidation		
		449(e)		Any legal entities to which support has been disclosed as having been provided		
		449(f)		List of affiliated legal entities that invest in originated securitisations or in securitisation positions issued by sponsored SSPEs		
		449(g)		Summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions		
		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 including the structure of the internal assessment process and the relation between internal assessment and external ratings		
		449(j)	EU SEC1; EU SEC2	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on transfer of significant credit risk		
		449(k)(i)	EU SEC3; EU SEC4	For non-trading book activities, the aggregate amount of securitisation positions as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches		
		449(k)(ii)		For non-trading book activities, the aggregate amount of securitisation positions as investor and the associated risk-weighted assets and capital requirements by regulatory approaches		
		449(l)	EU SEC 5	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made during the current period, both broken down by exposure type		
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 in a regulated market of a Member State shall disclose information on ESG risks, including physical risks and transition risks	N/A - Art 449a does not apply to BofASE as the entity does not issue securities in a regulated market of a Member State	N/A

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
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:	Section 6.1. Remuneration Disclosure	114
		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 Reference
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	109
		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	Not Applicable - As at 31 December 2023, BofASE does not have any derecognised fiduciary items	N/A
		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)	112
		451(1)(e)		Factors that impacted the leverage ratio during the year	2.5.2. Key Movements in 2023 (EU LRA)	20
		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	Not applicable - BofA Europe is not a public development credit institution	N/A
		451(3)		In addition to points (a) and (b), large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure based on averages	5.7.2. Additional Detail on Leverage Ratio	109
451a	Disclosure of liquidity requirements	451a(1)	For Information	Institutions subject to Part Six shall disclose information on liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article	Information only	N/A
		451a(2)	EU LIQ1; EU LIQB	Information in relation to the liquidity coverage ratio, including for the preceding 12 months for each quarter the average LCR based on end-of-the-month observations, average total liquid assets and averages of liquidity outflows, inflows and net liquidity outflows	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)	38, 39
		451a(3)	EU LIQ2	Information in relation to the net stable funding ratio, including quarter-end figures of net stable funding ratio for each quarter of the relevant disclosure period and overviews of the amounts of both available and required stable funding	4.2.4. EU LIQ2 – Net Stable Funding ratio	40
		451a(4)	EU LIQA	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	35

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
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	N/A BofASE uses the standardised approach for calculating Credit Risk exposures	N/A
		452(b)		For each exposure class, percentage of the total exposure value of each exposure class subject to the Standardised Approach as well as the part of each exposure class subject to a roll-out plan		
		452(c)(i)-(iv)		Control mechanisms for rating systems at the different stages of model development, controls and changes, including information on (i) relationship between the risk management function and the Corporate Audit function; (ii) Rating system review; (iii) procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; and (iv) procedure to ensure the accountability of the functions in charge of developing and reviewing the models		
		452(d)		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)(i)-(iii)		Description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering (i) definitions, methods and data for estimation and validation of PD; (ii) the definitions, methods and data for estimation and validation of LGD; and (iii) definitions, methods and data for estimation and validation of conversion factors		
		452(g)(i)-(v)	EU CR6	In relation to each exposure class: (i) gross on-balance-sheet exposure; (ii) off-balance-sheet exposures prior to the conversion factors; (iii) exposures after applying the relevant conversion factor and credit risk mitigation; (iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting risk exposure amounts; and (v) values referred to in points (i) to (iv) where permission received to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts		
		452(h)	EU CR9; EU CR9.1	Estimates of PDs against the actual default rate for each exposure class over a longer period		

Article	Article Name	Article Reference Detail	Template or Table per Regulation (EU) 2021/637	Description	Document Reference	Page Reference
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	55
		453(b)		Eligible collateral evaluation and 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	Total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments	Table 4.4.2.T1. – EU CR3 CRM Techniques Overview: Disclosure of the Use of Credit Risk Mitigation Techniques	57
		453(g)	EU CR4; EU CR7-A; EU CR7	Corresponding conversion factor and credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect	Table A.1.T1. – EU CR4 Standardised Approach - Credit Risk Exposure and CRM Effects	116
		453(h)	EU CR4	On- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any credit risk mitigation		
		453(i)		For each exposure class, risk-weighted exposure amount and ratio between risk-weighted exposure amount and exposure value after applying conversion factor and credit risk mitigation		
		453(j)	EU CR7-A; EU CR7	Risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives under the IRB approach	Not applicable - BofASE 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 - BofASE 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 Reference
455	Use of Internal Market Risk Models	455(a)(i)	EU MRB	Characteristics of the market risk models	4.7.3. EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models	69
		455(a)(ii)		Methodologies used to measure IRC and 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	Table 4.7.3.T4. – EU MR3 IMA Values for Trading Portfolios	75
		455(e)	EU MR2-A	Market risk internal model based own funds requirements	Table 4.7.3.T2. – EU MR2-A Market Risk under the IMA	74
		455(f)	EU MRB	Weighted average liquidity horizon for portfolios covered by internal models for IRC and CRM	4.7.3. EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models	69
		455(g)	EU MR4	Comparison of end-of-day VaR measures compared with one day changes in the portfolio's value	Figure 4.7.3.F1. – Actual and Hypothetical Back-testing Results	76