

Bank of America Europe Designated Activity Company

Pillar 3 Disclosure

For the Quarter Ended 30 June 2021

Bank of America Europe Designated Activity Company Pillar 3 Disclosure for the Quarter Ended 30 June 2021

1. Overview and Purpose of Document

This document contains the Pillar 3 disclosures as at 30 June 2021 in respect of the capital, leverage and liquidity of Bank of America Europe Designated Activity Company, ("BofA Europe"), an Irish credit institution. This document provides detail on BofA Europe's available Capital Resources ("Capital Resources") and regulatory defined Pillar 1 Minimum Capital Requirement. It demonstrates that BofA Europe has capital resources in excess of this requirement.

In accordance with Article 433a(2) of the EU's Capital Requirements Regulation ("CRR") as amended by the Capital Requirements Regulation 2 ("CRR2"), BofA Europe is required to disclose the key metrics referred to in Article 447 of CRR on a semi-annual basis.

For further information on BofA Europe's risk management objectives and policies, liquidity and asset encumbrance, please refer to BofA Europe's annual Pillar 3 disclosure for the year ended 31 December 2020 on Bank of America's corporate website: https://d1io3yog0oux5.cloudfront.net/_5122eae24e43737ddfababeb7048a05f/bankofamerica/db/874/9409/pdf/31+December+2020+BofA+Europe+Pillar+3.pdf

1.1. BofA Europe

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

BofA Europe is a wholly owned subsidiary of Bank of America N.A. ("BANA") and the ultimate parent continues to be Bank of America Corporation ("BAC").

BofA Europe is headquartered in Republic of Ireland with branches in the United Kingdom ("U.K."), Belgium, France, Germany, Greece, Italy, the Netherlands, Spain, Sweden, and Switzerland.

As at 30 June 2021, BofA Europe was rated by Fitch Ratings, Inc ("Fitch") (AA / F1+) and by S&P Global ("S&P") (A+/A-1).

Bank of America Europe Designated Activity Company Pillar 3 Disclosure for the Quarter Ended 30 June 2021

2. Basis of Preparation

The Basel Capital Accords provides 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 European Union ("EU") via the Capital Requirements Directive ("CRD") and the Capital Requirements Regulation ("CRR"), collectively known as the Capital Requirements Directive IV. CRR was subsequently amended by the Capital Requirements Regulation 2 ("CRR2"), with the collective CRD IV requirements being amended by Capital Requirements Directive V ("CRD V"). The CRD IV requirements took effect from 1 January 2014. The CRD V was transposed into Irish law on 22 December 2020 (and became effective from 28 and 29 December 2020 respectively).

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

In addition, the report does not constitute any form of forward looking record or opinion on BofA Europe. 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. Any financial information included herein is unaudited.

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

For new disclosures adopted as of 30 June 2021, no comparative information is disclosed.

This Pillar 3 disclosure is published on BAC's corporate website: <http://investor.bankofamerica.com>.

Transitional Impact of IFRS9

BofA Europe adopted IFRS9 for the accounting of financial instruments on 1 January 2018. The introduction of the expected credit loss ("ECL") model did not result in a material adjustment to equity as at the date of adoption of IFRS9. For this reason, BofA Europe is not applying the transitional arrangements for IFRS9 as specified in Article 473a of the CRR. BofA Europe's own funds, capital and leverage ratios already reflect the full impact of IFRS 9.

CRR 'Quick Fix'

On 26 June 2020, Regulation (EU) 2020/873 (CRR 'quick fix') was published in the Official Journal of the EU, amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic. The CRR 'quick fix' is part of a series of measures taken by European institutions to mitigate the impact of the COVID-19 pandemic on institutions across EU Member States. In addition to the flexibility already provided in the existing rules, the CRR 'quick fix' introduces certain adjustments to the CRR, including temporary measures, intended, inter alia, to enhance credit flows to companies and households, thereby supporting the EU's economy.

BofA Europe has chosen not to apply the temporary treatment available in Article 468, or any of the other CRR 'quick fix' articles.

Bank of America Europe Designated Activity Company Pillar 3 Disclosure for the Quarter Ended 30 June 2021

3. Key Metrics

The following table shows a summary of BofA Europe's key capital, leverage and liquidity metrics as at 30 June 2021

Table 1 EU KM1 – Key Metrics Template

(Euros in Millions)		a
		Q2 2021
	Available own funds (amounts)	
1	Common Equity Tier 1 (CET1) capital	9,944
2	Tier 1 capital	9,944
3	Total capital	11,627
	Risk-weighted exposure amounts	
4	Total risk-weighted exposure amount	44,691
	Capital ratios (as a percentage of risk-weighted exposure amount)	
5	Common Equity Tier 1 ratio (%)	22.3%
6	Tier 1 ratio (%)	22.3%
7	Total capital ratio (%)	26.0%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)	
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.3%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.3%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.7%
EU 7d	Total SREP own funds requirements (%)	10.3%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)	
8	Capital conservation buffer (%)	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%
9	Institution specific countercyclical capital buffer (%)	0.1%
EU 9a	Systemic risk buffer (%)	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%
EU 10a	Other Systemically Important Institution buffer	0.5%
11	Combined buffer requirement (%)	3.1%
EU 11a	Overall capital requirements (%)	13.4%
12	CET1 available after meeting the total SREP own funds requirements (%)	6,492
	Leverage ratio	
13	Total exposure measure	83,932
14	Leverage ratio (%)	11.8%
	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 (%)	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)	
EU 14d	Leverage ratio buffer requirement (%)	0.0%
EU 14e	Overall leverage ratio requirements (%)	3.0%
	Liquidity Coverage Ratio	
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	21,435
EU 16a	Cash outflows - Total weighted value	18,572
EU 16b	Cash inflows - Total weighted value	4,977
16	Total net cash outflows (adjusted value)	13,595
17	Liquidity coverage ratio (%)	158.0%
	Net Stable Funding Ratio	
18	Total available stable funding	45,097
19	Total required stable funding	25,289
20	NSFR ratio (%)	178.3%