

**Bank of America Europe Designated Activity
Company
Pillar 3 Disclosure**

For the Half Year Ended 30 June 2023

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1. Overview and Purpose of Document

This document contains the Pillar 3 disclosures as at 30th June 2023 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 details on BofA Europe’s available Capital Resources (“Capital Resources”), regulatory defined Pillar 1 Capital Requirements (“Minimum Capital Requirements”) and Total Supervisory Review and Evaluation Process Capital Requirement (“TSCR”). It demonstrates that BofA Europe has capital resources in excess of these requirements and maintains robust risk management and controls.

To further increase transparency, this document also includes information on BofA Europe’s liquidity position, information on the capital requirements in respect of the Countercyclical Capital Buffer (“CCyB”), and the minimum requirement for own funds and eligible liabilities (“MREL”). BofA Europe has not omitted any information on the basis that is proprietary or confidential.

In accordance with Article 433a (2) of the EU’s Capital Requirements Regulation 2 (“CRR”), 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, please refer to BofA Europe’s annual Pillar 3 disclosure for the year ended 31st December 2022 on Bank of America’s corporate website:

[Pillar 3 report - December 2022](#)

2. BofA Europe

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

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, Luxembourg, Italy, the Netherlands, Spain, Sweden, and Switzerland.

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

As at 30th June 2023, BofA Europe was rated by Fitch Ratings, Inc (“Fitch”) (AA / F1+) and S&P Global Ratings (“S&P”) (A+ / A-1).

3. Basis of Preparation

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

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

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

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

BofA Europe's financial statements 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").

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

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

4. Key Metrics

The following table shows a summary of BofA Europe’s key capital, leverage and liquidity metrics as at 30th June 2023.

Table 1. EU KM1 – Key Metrics Template (€ in millions)

		Q2 2023	Q4 2022	Q2 2022
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	11,852	11,974	11,840
2	Tier 1 capital	11,852	11,974	11,840
3	Total capital	13,692	13,849	13,766
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	54,170	50,447	54,414
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	21.88%	23.74%	21.76%
6	Tier 1 ratio (%)	21.88%	23.74%	21.76%
7	Total capital ratio (%)	25.28%	27.45%	25.30%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.20%	2.20%	2.20%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.24%	1.24%	1.24%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.65%	1.65%	1.65%
EU 7d	Total SREP own funds requirements (%)	10.20%	10.20%	10.20%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-%	-%	-%
9	Institution specific countercyclical capital buffer (%)	0.64%	0.34%	0.06%
EU 9a	Systemic risk buffer (%)	-%	-%	-%
10	Global Systemically Important Institution buffer (%)	-%	-%	-%
EU 10a	Other Systemically Important Institution buffer	0.75%	0.75%	0.75%
11	Combined buffer requirement (%)	3.89%	3.59%	3.31%
EU 11a	Overall capital requirements (%)	14.09%	13.79%	13.51%
12	CET1 available after meeting the total SREP own funds requirements (%)	14.23%	13.54%	14.11%
	Leverage ratio			
13	Total exposure measure	95,329	88,991	95,784
14	Leverage ratio (%)	12.43%	13.45%	12.36%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-%	-%	-%
EU 14b	of which: to be made up of CET1 capital (percentage points)	-%	-%	-%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	-%	-%	-%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	22,540	23,751	24,809
16	Total net cash outflows (adjusted value)	15,742	16,231	16,546
EU 16a	Cash outflows - Total weighted value	22,344	22,901	23,109
EU 16b	Cash inflows - Total weighted value	6,602	6,671	6,564
17	Liquidity coverage ratio (%)	143.44%	146.81%	150.19%
	Net Stable Funding Ratio			
18	Total available stable funding	50,731	50,610	52,714
19	Total required stable funding	32,931	31,798	33,317
20	NSFR ratio (%)	154.05%	159.16%	158.22%

5. Minimum Requirements for Own funds and Eligible Liabilities (MREL)

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 and Eligible Liabilities (“MREL”). Firms that are material subsidiaries of non-EU Global Systemically Important Institutions (“G-SIIs”) as defined by the CRR, are required to hold a minimum amount of MREL, BAC is a non-EU G-SII, and as at 30th June 2023 BofA Europe did not meet the definition of a material subsidiary, as per Article 4(135) of CRR.

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

Table 2.1 – EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs (€ in millions)

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

Table 2.2 – Prior EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs (€ in millions)

Q4 2022		Minimum Requirement for Own Funds and Eligible Liabilities (Internal MREL)	Non-EU G-SII Requirements for Own Funds and Eligible Liabilities (Internal TLAC)	Qualitative Information
Applicable requirement and level of application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			N
EU-2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			
EU-2a	Is the entity subject to an internal MREL requirement? (Y/N)			Y
EU-2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			I
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	11,974		
EU-4	Eligible Additional Tier 1 instruments	-		
EU-5	Eligible Tier 2 instruments	1,875		
EU-6	Eligible own funds	13,849		
EU-7	Eligible liabilities	1,875		
EU-8	Of which permitted guarantees	-		
EU-9a	(Adjustments)	-		
EU-9b	Own funds and eligible liabilities items after adjustments	15,724		
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount	50,447		
EU-11	Total exposure measure	88,991		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA)	31.17 %		
EU-13	of which permitted guarantees	- %		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure)	17.67 %		
EU-15	of which permitted guarantees	- %		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	2.74 %		
EU-17	Institution-specific combined buffer requirement			
Requirements				
EU-18	Requirement expressed as a percentage of the total risk exposure amount	21.00 %		
EU-19	of which may be met with guarantees	- %		
EU-20	Internal MREL expressed as percentage of the total exposure measure	5.88 %		
EU-21	of which may be met with guarantees	- %		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR			

CET1 as a percentage of TREA available after meeting the entity's requirements was restated for prior period.

EU TLAC2b Creditor Ranking: Entity that is Not a Resolution Entity (€ in millions)

Q2 2023		Insolvency Ranking				Sum of 1 to 2
		1	1	2	2	
		(Most Junior)	(Most Junior)			
		Resolution Entity	Other	Resolution Entity	Other	
1	<i>Empty set in the EU</i>					
2	Description of insolvency rank (free text)		Equity		Subordinated Claims	
3	<i>Empty set in the EU</i>					
4	<i>Empty set in the EU</i>					
5	<i>Empty set in the EU</i>					
6	Own funds and eligible liabilities for the purpose of internal MREL	—	11,852	—	3,681	15,533
7	Of which residual maturity ≥ 1 year < 2 years	—	—	—	—	—
8	Of which residual maturity ≥ 2 years < 5 years	—	—	—	1,841	1,841
9	Of which residual maturity ≥ 5 years < 10 years	—	—	—	1,841	1,841
10	Of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—
11	Of which perpetual securities	—	11,852	—	—	11,852

EU TLAC2b Prior Creditor Ranking: Entity that is Not a Resolution Entity (€ in millions)

Q4 2022		Insolvency Ranking				Sum of 1 to 2
		1	1	2	2	
		(Most Junior)	(Most Junior)			
		Resolution Entity	Other	Resolution Entity	Other	
1	<i>Empty set in the EU</i>					
2	Description of insolvency rank (free text)		Equity		Subordinated Claims	
3	<i>Empty set in the EU</i>					
4	<i>Empty set in the EU</i>					
5	<i>Empty set in the EU</i>					
6	Own funds and eligible liabilities for the purpose of internal MREL	—	11,974	—	3,750	15,724
7	Of which residual maturity ≥ 1 year < 2 years	—	—	—	—	—
8	Of which residual maturity ≥ 2 years < 5 years	—	—	—	1,875	1,875
9	Of which residual maturity ≥ 5 years < 10 years	—	—	—	—	—
10	Of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	1,875	1,875
11	Of which perpetual securities	—	11,974	—	—	11,974

6. CFO Attestation

Bank of America Europe Designated Activity Company Pillar 3 Disclosures Senior Management Attestation

“I attest that the disclosures provided in the BofA Europe Q2 2023 Pillar 3 disclosure have been prepared in accordance with the internal control processes detailed in the BofA Europe Pillar 3 Disclosure Policy, which has been approved by the BofA Europe Board.”

The BofA Europe Pillar 3 Disclosures have been attested by:

BofA Europe Chief Financial Officer and Member of the Board:

Jonathan Lee