BANK OF AMERICA

BANK OF AMERICA CORPORATION

2023 RESOLUTION PLAN SUBMISSION

PUBLIC EXECUTIVE SUMMARY

Contents

I. INTRODUCTION

Regulations are in place globally that require large financial institutions or their regulators to develop resolution plans ("Resolution Plans"), also known as "living wills". In the U.S., these plans are required by Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act and are intended to reduce the economic impacts of a large financial institution's failure on the economy and avert a widespread destabilization of the global financial system.

Bank of America Corporation ("BAC") and its subsidiaries (collectively, the "Company," "we," "us," and "our") provide the Agencies with a comprehensive and credible Resolution Plan that aligns with our responsible growth philosophy.

Responsible growth includes growing within our well-managed Risk Framework — a framework that allowed us to be a source of strength to clients during the health crisis and has allowed us to continue to grow through periods of market volatility and economic uncertainty. Our Risk Framework also makes us resilient to the disruptions which occurred in the banking industry during the first half of 2023.

Our comprehensive approach to risk management, with a defined Risk Framework and an articulated Risk Appetite Statement, serves as the foundation for the consistent and effective management of risks facing the Company. The Risk Framework sets forth roles and responsibilities for the management of risk and provides a blueprint for how the BAC Board of Directors ("BAC Board"), through delegation of authority to committees and executive officers, establishes risk appetite and associated limits for our activities.

Our responsible business practices have a direct, positive impact on our strength and stability as a global financial institution. Our organic growth engine has continued to perform and we further strengthened our balance sheet with our common equity tier 1 ("CET1") capital ratio increasing to 11.4 percent as of March 31, 2023, well above our minimum requirements. In addition, our CET1 capital ended at the highest nominal level in our history at $184 billion.

Who is required to file resolution plans?
The Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Corporation ("FDIC," and together, the "Agencies") generally require Title I Resolution Plans from U.S. bank holding companies and foreign banking organizations with $250 billion or more in assets or $100 billion in assets with additional risk-based factors.

How does resolution planning fit into the Company's responsible growth philosophy?
Growing our Company responsibly includes dedicating significant resources, taking definitive action, and making meaningful changes to our organization to develop and implement robust resolution preparedness capabilities in our business-as-usual ("BAU") activities.

If BAC were to fail, would the Company cease operations or would regulators take over?
An essential feature of our resolution strategy is that certain of our Material Entities would continue to provide services to our customers and maintain our Core Business Lines and Critical Operations under a new corporate structure without disruption.

We manage the Company's capital position so that our capital is more than adequate to support business activities and aligns with our risk appetite and strategic planning. Additionally, we seek to maintain safety and soundness at all times, even under adverse scenarios. Periodically, we conduct internal assessments of our projected capital needs and resources under baseline and adverse economic and market conditions. We also utilize periodic stress tests to assess the potential impacts under a variety of stress scenarios and perform qualitative risk assessments to identify and assess material risks not fully captured in our forecasts or stress tests. Management reviews these analyses and provides quarterly assessments of our capital guidelines and position to the BAC Board or its committees and U.S. and international financial authorities.

We also maintain a strong liquidity position and ended the first quarter 2023 with more than $900 billion in global liquidity sources. In addition, our liquidity coverage ratio was 117.5 percent for the three months ended

March 31, 2023. We manage our liquidity position through line of business and asset-liability management activities, as well as through our legal entity funding strategy, on both a forward and current (including intraday) basis under both expected and stressed conditions. We believe that a centralized approach to funding and liquidity management enhances our ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Our deposit franchise is broad, stable, and diverse and is based on strong relationships with our customers and the value they place on our award-winning capabilities, access, and convenience. Our deposits remained healthy and stable with average total deposits of $1.89 trillion for the first quarter 2023.

We hold ourselves to the highest risk management standards; and, as a global systemically important bank ("GSIB"), we are subject to the most stringent capital, liquidity, and risk management regulatory requirements. For example, we are subject to additional capital buffer requirements and minimum requirements for total-loss absorbing capacity ("TLAC") and long-term debt. We are also subject to more stringent recovery and resolution planning requirements and guidance, including Resolution Plan submissions every two years, entering into a Secured Support Agreement to facilitate the funding of our Material Entities in resolution, and implementing robust financial, operational and legal capabilities to support execution of our single point of entry resolution strategy.

Our Resolution Plan provides for a single point of entry resolution strategy pursuant to which only BAC would enter resolution proceedings under the U.S. Bankruptcy Code. The objectives of our strategy are to provide a plan of action and a set of capabilities that enable the Company to be resolved in a rapid and orderly fashion, while maintaining Critical Operations, and ultimately reducing the size of the Company without causing undue harm to the financial system or relying on government support or taxpayer funds. This strategy decreases the risks of competing insolvencies, insufficient capital or liquidity through resolution, and the cessation of critical operations or services. Our strategy differs from those that use the multiple point of entry resolution strategy, where the parent holding company would enter bankruptcy and the insured depository institution subsidiary would undergo resolution under the Federal Deposit Insurance Act. The multiple point of entry strategy can increase the risks of competing insolvencies, insufficient capital or liquidity through resolution, and the cessation of critical operations or services.

As described in this public executive summary (this "Executive Summary"), we have developed and implemented comprehensive and robust resolution planning strategies and capabilities, which allow us to ensure that our Resolution Plan satisfies our strategic objectives such that internal and external stakeholders – including regulators, depositors, creditors, counterparties, customers, clients, employees, and shareholders – have confidence that our Resolution Plan would result in an orderly restructuring of the Company.

Since the establishment of our first Resolution Plan over a decade ago, we have continuously refined our resolution-related capabilities to support our single point of entry strategy, including the following key enhancements:

Capital and Liquidity

- Developed the capability to estimate the amount of capital and liquidity needed by each Material Entity to withstand severe economic stress, with the ability to adjust assumptions in stress, while balancing timeliness and accuracy
- Developed the ability to estimate the number of days BAC has remaining until it is no longer viable so that the necessary actions may be taken to execute the resolution strategy

- Appropriately balanced the positioning of capital and liquidity resources across the Material Entities versus holding resources at BAC or NB Holdings Corporation ("NB Holdings")
- Implemented a capital management framework that ensures each Material Entity maintains more than adequate resources to meet regulatory requirements and maintain market confidence

Governance Mechanisms

- Strengthened our comprehensive risk management processes, along with associated governance mechanisms, to address financial stress events
- Implemented and enhanced governance processes and routines to produce and escalate key resolution metrics, while balancing timeliness and accuracy, to senior stakeholders in stress
- Developed the Company's Crisis Continuum, which reflects the financial health of the Company, and calibrate triggers across the Continuum at least annually, for appropriate escalation and decision-making on response actions
- Developed, and annually refresh, various operational and tactical playbooks, including board governance playbooks ("Board Playbooks"), so that decisions and actions to address stress across the Crisis Continuum are timely, coordinated, and consistent

Legal Preparedness

- Executed and amended, as needed, a support agreement and a related security agreement (together, with amendments made from time-to-time, the "Secured Support Agreement") which facilitates the funding and / or recapitalization of the Material Entities and the timely execution of BAC's bankruptcy filing
- Established NB Holdings, an intermediate holding company owned directly by BAC, that directly or indirectly owns all of the other Material Entities, to facilitate the provision of capital and liquidity support to the Material Entities pursuant to the Secured Support Agreement
- Prepared an analysis of potential creditor challenges that identifies potential legal obstacles and discusses actions the Company has taken to mitigate the risk of such challenges
- Developed a Bankruptcy & ISDA Protocol Playbook that sets forth a step-by-step bankruptcy execution plan that would satisfy the requirements of the International Swaps and Derivatives Association ("ISDA") 2015 Universal Resolution Stay Protocol and / or the ISDA 2018 U.S. Resolution Stay Protocol (individually and collectively, the "ISDA Protocol") and the qualified financial contract stay rules of the Office of the Comptroller of the Currency ("OCC"), FRB, and FDIC (together, the "QFC Stay Rules")

Operational Preparedness

- Developed the Company's approach to crisis response management, our Enterprise Response Framework, which provides for centralized command and control for any type of event, including financial stress
- Strengthened our crisis response capabilities by developing and implementing a Recovery and Resolution Planning Exercise Framework ("RRP Exercise Framework") that requires the exercise and testing of all of our recovery and resolution capabilities regularly. This framework is an expansion and formalization of the scenario-based exercises conducted to improve our capabilities, crisis management plans, and playbooks

- Formed the Enterprise Resilience Exercise Community of Practice to drive coordination and consistency of all exercises across the Company
- Developed and enhanced the ability to deliver resolution-critical information to management and Material Entity boards of directors with improved management information systems ("MIS")
- Developed the ability to identify high-risk operational interdependencies and implemented corresponding mitigation strategies through capabilities to capture, analyze, and report interconnections of enablers (e.g., people, real estate, applications, and third parties) among Material Entities, Core Business Lines, Critical Operations, and Critical Services
- Implemented contingency arrangements and a Shared Services Model to provide for continuation of Critical Services
- Identified financial market utility and financial institution (collectively, "FMU") dependencies across Material Entities and impacted clients, and developed continuity plans to reduce the potential for loss of access, or provide alternatives in the event of lost access to payment, clearing, and settlement activities
- Incorporated continuity plans, including communications protocols to key clients, for continued or alternative access to FMUs in our continuity playbooks ("FMU Continuity Playbooks")
- Enhanced management, governance, and reporting capabilities to address the risks associated with collateral

Legal Entity Rationalization

- Rationalized and simplified the Company's legal entity structure by eliminating and restructuring certain legal entities to improve resolvability
- Developed actionable legal entity criteria to promote resolvability and support the ongoing rationalization of our legal entity structure
- At least annually, assess the legal entity criteria to evaluate appropriateness and monitor our legal entity structure on an ongoing basis to evaluate adherence to the criteria
- Formed the Legal Entity Strategy and Governance ("LESG") Forum to discuss legal entity strategic initiatives and related organizational changes

Separability

- Expanded our divestiture options and implemented a sustainable framework to identify divestiture options as part of our strategic planning process
- Prepared virtual merger and acquisition due diligence data rooms and underlying information, which is readily available for potential buyers or regulators for each divestiture option

Derivative and Trading Activities

- Enhanced our derivatives booking model and inter-affiliate risk management framework, resulting in reduced trades between affiliates

- Developed a preferred strategy for the unwind of the Company's derivative and trading portfolios along with enhancements to automated capabilities to perform forecasting, segmentation, and analysis of positions to support the strategy
- Created a Global Markets Solvent Wind-Down Playbook to document the activities that would be required to implement an orderly wind-down of the Global Markets business
- Developed a broad set of processes and controls, which begins with onboarding customers and continues through transaction execution and post-execution, to facilitate and oversee our derivative and trading activities

This Executive Summary provides a high-level overview of our Company and confidential Resolution Plan, including our single point of entry resolution strategy, capabilities, and governance. It also discusses material changes since the Company's last Resolution Plan submission ("2021 Resolution Plan") and addresses feedback received from the Agencies on the 2021 Resolution Plan.

Financial information used in the confidential portion of our 2023 Resolution Plan and the remainder of this Executive Summary is as of December 31, 2022.

Please refer to the *Glossary of Terms* section in the *Appendix* for the meaning of acronyms and the definitions of capitalized terms used in this Executive Summary.

A. OUR COMPANY AND MATERIAL ENTITIES

Through our bank and nonbank subsidiaries, BAC provides a diversified range of banking and nonbank financial services and products across the U.S., its territories, and more than 35 countries. Our business is managed through four business segments: Consumer Banking, Global Wealth and Investment Management ("GWIM"), Global Banking and Global Markets, with the remaining operations recorded in All Other. We have identified 14 Core Business Lines and 17 Material Entities as of January 1, 2023 for the purposes of resolution planning.

What is a Core Business Line?
Business lines, including associated operations, services, functions, and support that, upon resolution, would result in a material loss of revenue, profit, or franchise value.

What is a Material Entity?
A Material Entity is a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.

Each Material Entity is listed in the table below, categorized by primary entity type, along with its acronym and role in our resolution strategy. Each Material Entity's role in our strategy and ownership structure is discussed in the *Single Point of Entry Resolution Strategy Overview* section.

Primary Entity Type	Material Entity Name	Acronym	Role in Our Resolution Strategy
Bank Holding Companies	Bank of America Corporation	BAC	Bankruptcy
	BAC North America Holding Company	BACNA	Continuing Subsidiaries
	NB Holdings Corporation	NB Holdings	
Banks and Branches	Bank of America, National Association[1]	BANA	
	Bank of America, National Association – London Branch[1]	BANA-L	
	Bank of America California, National Association	BACANA	
	Bank of America Europe Designated Activity Company	BofA Europe	
Service Companies	BA Continuum India Private Limited[1]	BACI	
	Managed Account Advisors LLC[1]	MAA	
	Merrill Lynch Global Services Pte. Ltd.[1]	MLGS	
Broker-Dealers	Merrill Lynch, Pierce, Fenner & Smith Incorporated[1]	MLPFS	
	BofA Securities, Inc.	BofAS	Solvent Wind-down Subsidiaries
	BofA Securities Europe SA	BofAS Europe	
	Merrill Lynch Capital Services, Inc.	MLCS	
	Merrill Lynch International	MLI	
	BofA Securities Japan Co., Ltd.	BofAS Japan	
	Merrill Lynch Professional Clearing Corp.	MLPRO	

(1) Designated as a Preferred Service Provider; see *Operational Preparedness – Shared and Outsourced Services* for a discussion of our Preferred Service Provider strategy.

For more information on *Our Company*, *Core Business Lines*, *Material Entity Overview and Determinations*, *Financial Interconnectedness*, *Operational Interconnectedness*, *Material Entities – Background and Select Financial Information*, *Foreign Operations*, and *Material Supervisory Authorities*, see section *III. Additional Information about our Company*.

B. MATERIAL CHANGES SINCE OUR 2021 RESOLUTION PLAN

Continued Enhancements

On November 23, 2022, the Agencies provided feedback on our 2021 Resolution Plan. In the feedback letter, the Agencies identified expectations for continued improvement across all peer firms, with a focus on continued efforts to (1) improve capital resolution capabilities, including a methodology for periodically estimating the amount of capital needed to support each Material Entity after a Bank of America bankruptcy filing (i.e., Resolution Capital Execution Need (“RCEN”)); (2) improve liquidity resolution capabilities to reflect further actual stress conditions, including continued testing of Resolution Liquidity Execution Need (“RLEN”) and the related governance of RLEN assumption changes; (3) improve governance mechanisms that support resolvability and resolution, including the operationalization of the Secured Support Agreement; and (4) perform capabilities testing through simulations and exercises to assess, in varied resolution scenarios, core resolution capabilities that support decision-making by Material Entities’ boards of directors and senior management.

Key actions that have been taken in the above areas since 2021 are summarized below as material changes. Additionally, we have taken actions to enhance automation of data production and reporting capabilities which are discussed below and in the relevant sections of *Resolution Planning Capabilities*.

Capital Capability Enhancements

We continued to enhance various aspects of our capital management capabilities. Most notably, we continued to improve our methodology for periodically estimating RCEN. Detailed RCEN input analysis was conducted for each Material Entity to ensure accurate and timely results are available for senior management review and decision making, including under stress. We also enhanced streamlined BAU spot and near-term capital outlook forecast processes, and included line of business views of risk weighted asset and leverage exposures. Additionally, we expanded the quarterly resolution capital adequacy and positioning (“RCAP”) framework to include a sensitivity analysis that considers forecast scenario-based changes, legal entity risk factors, and changes in capital and exposure levels.

For more information about our capital capabilities, see *Resolution Planning Capabilities – Capital*.

Liquidity Capability Enhancements

Since the 2021 Resolution Plan, the Company continued to enhance various aspects of its liquidity management capabilities. While none of these enhancements would be required to execute the Company’s preferred resolution strategy, they improved the reliability and efficiency of these capabilities. A summary of certain enhancements is provided below:

- Enhanced governance and documentation supporting liquidity stress testing models used to demonstrate the Resolution Liquidity Adequacy and Positioning (“RLAP”) capability
- Capital and liquidity positioning framework refinements implemented to (1) more closely align positioning framework minimums with BAU liquidity management practices; and (2) improve calculation efficiency. The positioning framework involves both quantitative and qualitative assessments to address liquidity adequacy and positioning.
- Internal liquidity stress testing currency reporting frequency increased from weekly to daily
- Enhanced automation and governance supporting daily liquidity forecasting and RLEN processes

For more information about our liquidity capabilities, see *Resolution Planning Capabilities – Liquidity*.

Governance Mechanisms Enhancements

In addition to the governance mechanisms enhancements supporting RLAP and RLEN discussed above, we have a robust governance mechanisms framework that is also tested through integrated exercises. In the 2nd Quarter of 2023, RLEN coverage metrics, which initiate daily monitoring of the Parent Survival Horizon, were recalibrated. The updated thresholds consider multiple bankruptcy scenarios and increased liquidity needs across legal entities in the event that the Runway phase is shorter than anticipated.

We also maintain a suite of early warning indicators that allows us to monitor the market and identify periods of potential emerging stress. These economic and market indicators are updated at least annually, and real-life market events are analyzed and incorporated to inform calibrations. Recent updates to the indicators included assessments of both the COVID-19 market stress and the banking stress beginning in March 2023.

For more information about our governance mechanisms capabilities, see *Resolution Planning Capabilities - Governance Mechanisms*.

Exercise and Testing our Capabilities

Since the 2021 Resolution Plan, a greater focus has been placed on monitoring, exercising and improving our recovery and resolution planning capabilities. Our newly adopted RRP Exercise Framework outlines the Company's requirements to demonstrate and improve upon its readiness to respond to disruptive financial events through BAU activities and planned exercises.

Our RRP Exercise Framework provides the owners of recovery and resolution planning capabilities across the Company with holistic and comprehensive requirements and guidelines to demonstrate the operational viability of each capability and to improve upon them by capturing lessons learned and implementing enhancements, as appropriate. In addition, we established an overarching program calendar as part of our cohesive planning and implementation process. Our recovery and resolution planning monitoring program assesses compliance with the RRP Framework's requirements.

Since our 2019 Resolution Plan (last full Resolution Plan) submission, we conducted and monitored all of our resolution planning capabilities executed through BAU activities at least annually. In addition, we conducted 38 planned exercises to demonstrate the viability of our capabilities not executed in BAU (two key top of house exercises are described below). At least one aspect of every resolution planning capability was demonstrated through our BAU activities and planned exercises, as required by the RRP Exercise Framework. We incorporated lessons learned and observations into our capabilities as enhancements, and additional improvements continue to be considered as we review and update our capabilities through BAU processes. We will continue to exercise and test our capabilities so that all aspects of each capability will be tested over the course of a full capability testing cycle and improvements to our capabilities will continuously be made.

As part of our continued efforts to improve liquidity and capital resolution planning capabilities and related governance mechanisms, two exercises were conducted to demonstrate our resolution metric production and governance protocols capabilities. The first exercise demonstrated the Company's ability to (1) produce key resolution metrics (i.e., dynamic RLEN, RCEN and Parent Survival Horizon) and reporting over a sustained period; (2) adjust assumptions in stress within the same business day after incorporating line of business input; (3) maintain governance routines including reviews and approvals for assumption changes in stress; and (4) escalate information to senior stakeholders to facilitate decision making and actions to execute the Secured Support Agreement. In addition, the capabilities and governance protocols to contribute resources to our Material Entities in stress and Parent Final Contribution actions under the Secured Support Agreement were reviewed.

The second exercise was a recovery and resolution exercise held with senior management to demonstrate and improve upon the Company's capabilities and governance protocols to execute the preferred resolution strategy. During the tabletop, senior management reviewed and provided feedback on the reliability and timeliness of resolution metric production and reporting; governance protocols; and operational and legal readiness capabilities at key points during a hypothetical stress scenario leading up to resolution.

As part of their oversight responsibilities, the BAC Management Risk Committee, BAC Enterprise Risk Committee, and BAC Board receive periodic updates regarding recovery and resolution planning. Since December 2021, these updates have included a review of the 2021 Resolution Plan feedback; our plan to address the feedback; enhancements to the Company's resolution capabilities; and a report of the two exercises conducted to demonstrate our resolution metric production and governance protocols capabilities, including lessons learned for continuous capability enhancements.

2019 Governance Mechanisms Shortcoming Remediation

In the November 2022 feedback letter, the Agencies confirmed remediation of the governance mechanisms shortcoming identified in the 2019 Resolution Plan related to the production, governance, and escalation of resolution metrics to take action required by the Secured Support Agreement. For more information on the Secured Support Agreement see *Resolution Planning Capabilities – Legal Preparedness*.

Changes to our Material Entities

The following changes were made since the 2021 Resolution Plan as a result of our annual engagement process among our front line units and control functions to determine our Material Entities:

- Bank of America Europe Designated Activity Company - London Branch was deemed not material for resolution planning purposes because it no longer met either the quantitative or qualitative metrics established for materiality
- Financial Data Services, LLC was removed as a Material Entity as the entity was eliminated via merger into MLPFS during 2022

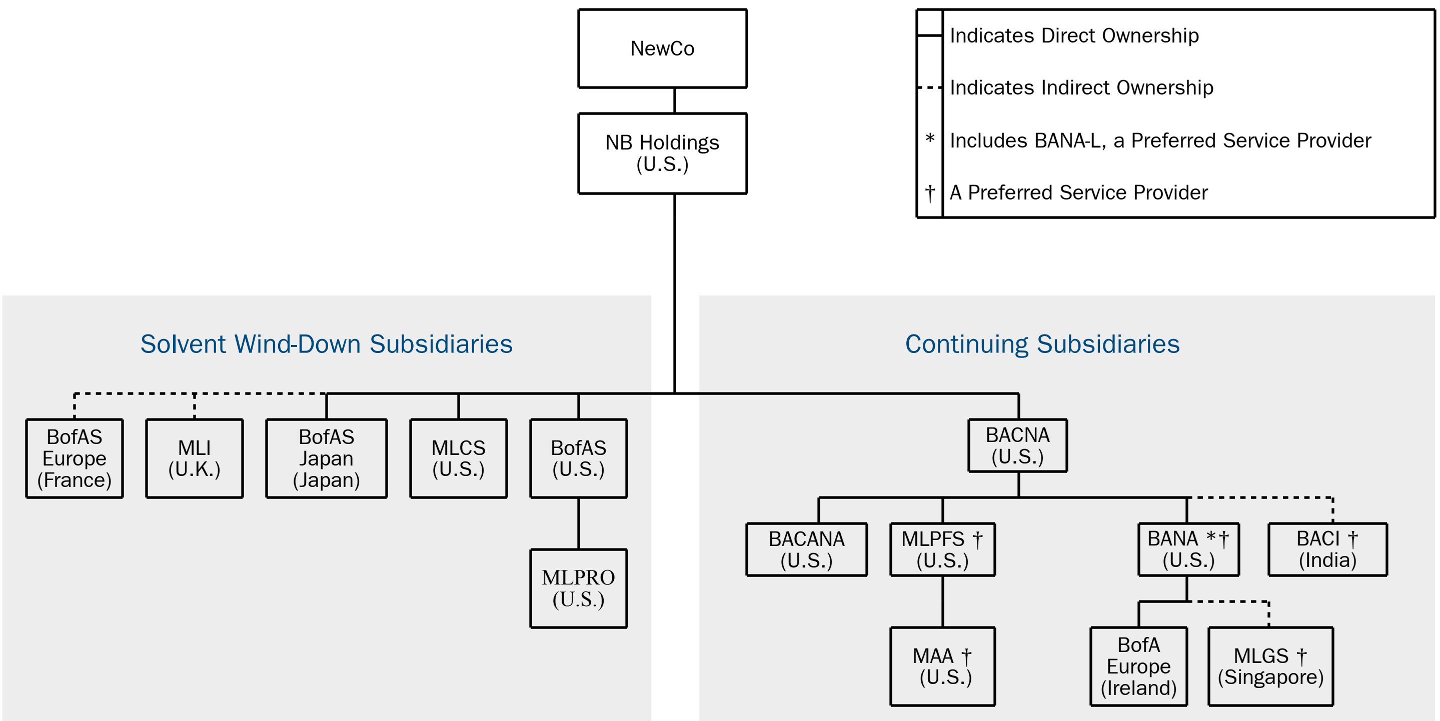
See the *Additional Information about our Company – Material Entities* section for more information.

C. SINGLE POINT OF ENTRY RESOLUTION STRATEGY OVERVIEW

We have a single point of entry resolution strategy in which only the parent company, BAC, would file for bankruptcy. Our other Material Entities would be transferred to a newly formed and substantially debt-free Delaware corporation ("NewCo"). NewCo would be held by a trust ("NewCo Trust"), which would be owned and managed by independent trustees for the sole and exclusive benefit of BAC's bankruptcy estate. The Material Entities (other than BAC) would continue to operate under NewCo to alleviate the potential for negative impacts on our customers, other financial institutions, and the overall economy.

What is the "single point of entry" resolution strategy?
Under single point of entry, only a single entity – our parent company, BAC – would enter bankruptcy. The rest of the Company would continue to operate under a new corporate structure.

Prior to filing for bankruptcy, BAC would contribute most of its remaining cash and other financial assets to NB Holdings to facilitate the single point of entry resolution strategy. NB Holdings would provide sufficient capital and liquidity support to each Material Entity (except BAC). The diagram below represents a high level overview of our single point of entry resolution strategy after Materials Entities (except BAC) are transferred to NewCo.



Benefits of the Single Point of Entry Resolution Strategy

We believe implementing the single point of entry resolution strategy would promote financial stability by maintaining the continuity of our Company's Core Business Lines and Critical Operations. Our businesses would continue to operate, and we would continue to conduct business with our customers, depositors, counterparties, and vendors under a new corporate structure. This strategy is intended to maximize the value of BAC for the benefit of its stakeholders by preserving or enhancing the going-concern value of the Continuing Subsidiaries, maximize the residual value of the Solvent Wind-down Subsidiaries, and minimize forced asset sales at depressed market prices.

What is the difference between Continuing Subsidiaries and Solvent Wind-down Subsidiaries?
During and after the resolution period, Continuing Subsidiaries would maintain products and services for our customers and ultimately form part of a new company that would continue operations; Solvent Wind-down Subsidiaries would wind down all businesses booked by that Material Entity.

This strategy would also minimize market disruption because it avoids subjecting the Material Entities to potentially competing resolution proceedings and interests, which could reduce the amount of capital and liquidity available to resolve the Company.

Prior to the Bankruptcy Process

In the event the Company's financial health deteriorates because of stress, the Company will execute contingency options to restore its financial health. If the Company continues to deteriorate despite these actions, the Company would prepare for a potential bankruptcy filing while continuing to execute recovery actions. These preparations include BAC's timely contribution of most of its remaining cash and other financial assets to NB Holdings to facilitate the single point of entry resolution strategy. NB Holdings would then use its cash and other financial assets to provide sufficient capital and liquidity support to each Material Entity (except BAC) so that they would be able to continue operations until completion of the resolution process or be wound down in an orderly fashion outside of resolution proceedings. In order to facilitate the provision of sufficient resources, BAC entered into a Secured Support Agreement, prefunded NB Holdings, and pre-positioned resources at NB Holdings and other Material Entities.

As part of its pre-bankruptcy preparations, BAC would form NewCo Trust and NewCo, which would be established as a wholly owned BAC subsidiary. BAC would then contribute NewCo, managed by an independent trustee, to NewCo Trust.

In addition, BAC would prepare the necessary documents for a BAC bankruptcy filing. See the *Resolution Planning Capabilities – Legal Preparedness* section for more information.

Commencement of the Bankruptcy Process and Resolution

To begin the bankruptcy process, BAC would file a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code with the Bankruptcy Court. BAC would also file a document, known as the Emergency Transfer Motion ("ETM"), asking the Bankruptcy Court to authorize and approve certain actions to facilitate the reorganization of the Company. If granted, the ETM would permit the (1) transfer of NB Holdings and other BAC assets to NewCo (formed before the bankruptcy filing); (2) assumption of certain liabilities of BAC by NewCo, including the guarantee obligations of BAC relating to derivative contracts of its subsidiaries; and (3) continued service of NewCo Trust's trustee and NewCo's initial directors and officers.

Stabilization of Continuing Subsidiaries

The Continuing Subsidiaries are expected to stabilize after BAC's bankruptcy filing as a result of funding and capital from NB Holdings pursuant to the Secured Support Agreement so that they may continue business operations under BACNA, a holding company owned by NB Holdings. Ultimately, some or all of the common stock of BACNA would be sold through an initial public offering followed by one or more subsequent transactions. The net proceeds of the offering or private transactions and the remainder of any outstanding BACNA stock would be transferred to the BAC bankruptcy estate for the benefit of BAC's creditors and other stakeholders.

Resolving Solvent Wind-down Subsidiaries

Not all Material Entities would continue to operate throughout the resolution process. Our broker-dealer Solvent Wind-down Subsidiaries would initially continue to operate during resolution while beginning to wind-down their operations in a controlled manner. During the wind-down, customer accounts and property would be transferred to other companies and financial contracts would be transferred, performed, or closed out on negotiated market terms, all during a period when these subsidiaries remain solvent.

Organization Exiting Resolution

Upon completion of the resolution process, the entity exiting resolution, BACNA and its subsidiaries (i.e., the Continuing Subsidiaries), would be a considerably smaller and simpler financial group serving fewer customers and offering fewer products. The resulting organization would focus on consumer banking; commercial and institutional banking; and retail brokerage activities – it would not conduct any Global Markets business or have any international broker-dealers.

The Global Markets business would be wound down or sold. The Global Banking business would expect an overall decline in the size of its loan and deposit portfolio. The GWIM and Consumer Banking businesses and related Core Business Lines and Critical Operations would continue.

BACNA would primarily provide U.S.-based activity with the capacity to serve corporate clients through an international branch network. It would have a simplified operational footprint and less interconnectedness with other market participants. BACNA would be expected to have approximately $1.09 trillion in total assets (an approximately 65 percent reduction from current BAC assets) and shareholders' equity of approximately $140 billion.

II. RESOLUTION PLANNING CAPABILITIES

Our Risk Framework serves as the foundation for consistent and effective management of risks facing the Company, including identifying, escalating, and debating risks. Risk identification is the first step in sound, proactive risk management, and is the starting point for the Company's planning processes. Our risk identification process helps us assess and understand when and where we may be vulnerable and allows us to appropriately mitigate those risks.

The table below summarizes certain risks inherent in resolution and aligns them to the key mitigants that we have implemented to reduce those risks specific to our Company and resolution strategy.

Category	Key Resolution Risks	Key Risk Mitigants	Page #
Capital	• Inability to adequately recapitalize the Material Entities during resolution • Inability to determine the amount of capital each Material Entity needs in a stress scenario and position it at each Material Entity appropriately	• Total loss-absorbing capacity • Resolution capital adequacy and positioning • Capital and liquidity positioning framework • Resolution capital execution need • Capital management framework • Metrics and triggers	Page 15
Liquidity	• Insufficient liquidity in resolution to stabilize the Continuing Subsidiaries and execute the single point of entry resolution strategy • Inability to estimate the amount of liquidity each Material Entity needs to withstand severe financial stress and position it appropriately	• Resolution liquidity adequacy and positioning • Capital and liquidity positioning framework • Resolution liquidity execution need • Parent Survival Horizon • Metrics and triggers	Page 18
Governance Mechanisms	• Required actions by senior management and the BAC Board are not taken at the appropriate time	• Risk limits and metrics framework • Resolution metrics governance protocols • Board Playbooks with triggers linked to specific actions	Page 22
Legal Preparedness	• Rejection of BAC's ETM by the Bankruptcy Court • Pre-bankruptcy parent support is subject to state or federal law obstacles • Inability to implement the stay on cross default rights under the ISDA Protocol and the QFC Stay Rules	• Analysis of legal challenges • Secured Support Agreement • Pre-positioning of resources at Material Entities • Bankruptcy & ISDA Protocol Playbook	Page 26
Operational Preparedness	• Lack of continued access to payment, clearing, and settlement activities in resolution • Inability to manage, identify, and value collateral received from and posted to external parties and affiliates • Insufficient MIS to produce required data on a legal entity basis during resolution • Inability to provide Critical Operations and Critical Services in resolution • Loss of key leadership and support personnel	• FMU exposure reporting, continuity playbooks, and arrangements • Collateral reporting and ready access to agreement terms • Ready access to key contract terms on a legal entity basis • Contingency arrangements and Shared Services Model • RRP Exercise Framework	Page 29
Legal Entity Rationalization	• A legal entity structure that is too complex or aligned in a way that does not support the single point of entry resolution strategy	• Actionable legal entity criteria applied to our legal entity structure	Page 34

Category	Key Resolution Risks	Key Risk Mitigants	Page #
Separability	• Lack of discrete separability options that impede flexibility or optionality under different market conditions	• Sustainable option sourcing and valuation • Divestiture Option Playbooks • Data rooms	Page 36
Derivative and Trading Activities	• Inability to stabilize, wind-down, or transfer large derivative portfolios during resolution • Lack of well-developed derivative booking practices that impedes an orderly wind-down of the broker-dealers	• Detailed assessment of the wind-down of our derivative portfolio • Inter-affiliate risk management • Derivatives Booking Policy • End-to-end trade booking and reporting processes • Global Markets Solvent Wind-Down Playbook	Page 38

We have developed, implemented and tested capabilities to enhance optionality for the Company to be resolved under a variety of failure scenarios and have mitigated key resolution risks, as summarized above. Our RRP Exercise Framework outlines the Company's requirements to demonstrate and improve upon its capabilities to respond to disruptive financial events through BAU activities and planned exercises.The sections below provide a high-level discussion of key capabilities across eight primary focus areas – *Capital; Liquidity; Governance Mechanisms; Legal Preparedness; Operational Preparedness; Legal Entity Rationalization; Separability;* and *Derivative and Trading Activities* – which mitigate the inherent risks so that we are prepared to resolve the Company in an orderly manner without material adverse impact to the U.S. or global financial systems and without government support or taxpayer funds.

A. CAPITAL

Our capital planning capabilities enable us to estimate and meet the capital needs of our Material Entities under stable and stressed conditions. We hold and appropriately position enough resources to recapitalize the Material Entities in the event of severe financial stress so that they can continue to operate or be wound down in an orderly manner while BAC executes its single point of entry resolution strategy. Our capabilities are supported by appropriate assessments, processes, frameworks, and methodologies to promote sustainability. Our ability to comply with the *Total Loss-Absorbing Capacity (TLAC)* requirements; our key capital planning capabilities – *Resolution Capital Adequacy and Positioning (RCAP)* and *Resolution Capital Execution Need (RCEN)*; and our *Capital Management Framework* are discussed below and are in place to mitigate the risk of being unable to recapitalize the Material Entities in severe financial stress, including resolution.

Total Loss-Absorbing Capacity (TLAC)

The FRB's TLAC rule establishes external TLAC requirements to improve the resolvability and resilience of certain domestic banks and bank holding companies. As of December 31, 2022, the Company's TLAC and long-term debt exceeded the minimum requirements including any applicable buffers.

Although the TLAC rule does not currently impose specific requirements to pre-position loss-absorbing capacity at any particular Material Entity within the Company (known as internal TLAC), certain non-U.S. Material Entities are subject to local internal TLAC requirements.

TLAC represents capital and long-term debt of the parent company that can be used to absorb losses when contributable resources are used to recapitalize the Material Entities.

What is the effect of the external TLAC requirements?
The TLAC rule requires banks and bank holding companies to hold a minimum amount of external capital or long-term debt relative to its assets.

In the development of the Company's capital positioning framework, the Company has considered certain guiding principles and final rules, including the Financial Stability Board's internal TLAC guiding principles and the U.K.'s and EU's resolution requirements. The Company has taken action to comply with these guiding principles and requirements by Material Entity, as applicable.

Resolution Capital Adequacy and Positioning (RCAP)

Our RCAP capability estimates the amount of capital the Company, on a consolidated basis, and each Material Entity would need in severe stress. RCAP enables us to appropriately balance the positioning of capital resources to meet the needs of each Material Entity in resolution. We have a capital and liquidity positioning framework that assesses each Material Entity against relevant risk factors to inform the appropriate balance between positioning capital resources at a Material Entity and maintaining contributable resources at NB Holdings.

RCAP estimates the amount of capital each Material Entity and the Company, on a consolidated basis, is expected to need to withstand severe financial stress; it enables us to appropriately position capital across the Material Entities.

Our capital and liquidity positioning framework balances the flexibility of holding loss-absorbing resources at BAC or NB Holdings with the certainty of positioning recapitalization resources at the Material Entity level for financial resiliency. This framework has been integrated into our BAU capital management activities, and is monitored and re-evaluated periodically to enable us to maintain adequate and appropriately positioned capital resources. Since the 2021 Resolution Plan, we expanded the quarterly resolution capital adequacy and positioning ("RCAP") framework to include a sensitivity analysis that considers forecast scenario-based changes, legal entity risk factors, and changes in capital and exposure levels. For more information on our Capital and Liquidity Positioning Framework, see the *Liquidity Positioning* subsection below.

We also have a Legal Entity Capital and Liquidity Contribution Playbook documenting execution steps and protocols for providing capital and liquidity support to Material Entities. This playbook is an important part of the RCAP capability and includes detailed execution steps and key considerations for each contribution.

Resolution Capital Execution Need (RCEN)

> **RCEN** is the conservatively estimated minimum amount of capital that each of the Material Entities is expected to need in order to successfully execute the single point of entry resolution strategy.

Our capital management capabilities enable us to estimate RCEN. RCEN estimates the minimum amount of capital each Material Entity would need to successfully execute the single point of entry resolution strategy. RCEN levels are set for each Material Entity by considering the entity's role in the resolution strategy (e.g., whether it continues to operate or is wound down), regulatory requirements, historical observations, and market expectations, as applicable. We also monitor each Material Entity's actual and forecasted capital levels relative to their estimated RCEN to allow us to execute capital actions in a timely manner, including the recapitalization of the Material Entities pursuant to the Secured Support Agreement.

Our methodology for estimating RCEN for each Material Entity and for assessing each Material Entity's actual and forecasted capital relative to its RCEN allows us to identify potential capital shortfalls and then remedy those shortfalls, as appropriate. Detailed RCEN input analysis by Material Entity is maintained that maps RCEN calculation data inputs to distinguish the differences between BAU and stress reporting, to ensure accurate and timely results are available for senior management review and decision making. The analysis, together with simulation exercises conducted, demonstrates that capital monitoring, inclusive of all material inputs and calculations, can move to daily frequency in stress. Through its capital monitoring and forecasting processes, the Company has the ability to incorporate updated assumptions and conditions as needed. Since the 2021 Resolution Plan, we have continued to improve our methodology for periodically calculating RCEN. Additionally, we enhanced and streamlined BAU spot and near-term capital outlook forecast processes, including line of business views of risk-weighted assets and leverage exposures.

We believe that the market, rating agencies, and other key stakeholders may assess capital adequacy by looking at the Material Entities' capital ratios rather than a specific dollar amount of capital held by each entity. As such, RCEN incorporates:

- Capital that each Material Entity needs to maintain, even under severe stress conditions
- Estimates for how exposures that require capitalization, such as risk-weighted assets and leverage exposure, would evolve prior to and during the Resolution phase
- Estimates for how losses may evolve prior to and during the Runway and Resolution phases

RCEN for the Material Entities is incorporated into our triggers, which in turn, are linked to specific actions to be taken across the Crisis Continuum; these triggers and actions are discussed in the *Resolution Planning Capabilities – Governance Mechanisms* section.

Capital Management Framework

We also have a capital management framework that includes specific requirements for the Material Entities, including that each Material Entity generally has the following:

- An entity-specific capital management policy
- Capital planning processes, including stress testing
- Internal capital guidelines through the use of targets, goals, or triggers
- At least quarterly regulatory capital reporting for entities subject to regulatory capital requirements

The capital management framework also requires capital adequacy assessments for certain Material Entities. The capital adequacy assessments utilize existing methodologies, processes, and scenario design capabilities; and the objectives are to:

- Provide each Material Entity with capital resources that are more than adequate to support the entity's risk profile and business activities
- Maintain safe and sound Material Entities, even under adverse scenarios
- Maintain confidence of key stakeholders with respect to each entity
- Confirm Material Entities meet their obligations to creditors and counterparties
- Maintain capital levels for each Material Entity above regulatory requirements at all times, even during periods of financial stress

Our capital management framework provides the principles for our Company's capital planning and facilitates our ability to hold adequate capital for the Material Entities and the consolidated Company.

B. LIQUIDITY

Our liquidity planning capabilities estimate each of the Material Entities' liquidity needs under stable, stressed, and resolution scenarios. Sufficient and appropriately positioned liquidity is maintained to allow the Material Entities to continue to operate while BAC commences bankruptcy proceedings and executes the Company's single point of entry resolution strategy. These capabilities are supported by appropriate governance and frameworks to promote sustainability of prudent liquidity management. The sections below present a high-level overview of the Company's liquidity resources and key liquidity planning capabilities – *Resolution Liquidity Adequacy and Positioning (RLAP)* and *Resolution Liquidity Execution Need (RLEN)*, which are incorporated into our Risk Framework and Crisis Continuum protocols; the *Parent Survival Horizon*; and *Liquidity Positioning Framework.* These resources and capabilities are in place to mitigate the risk of having insufficient liquidity available to successfully execute our resolution strategy.

Liquidity Resources

The Company maintains liquidity at BAC, NB Holdings, Material Entity subsidiaries, and select non-Material Entity subsidiaries in the form of cash and other high-quality, liquid, and unencumbered assets. These assets serve as the Company's primary means of liquidity risk mitigation and are available to the entities during BAU and stress conditions. Liquidity is maintained in entities that allow the Company to meet the liquidity requirements of the global businesses, taking into consideration the impact of potential restrictions which could limit the transferability of funds among entities. A Material Entity's available liquidity position is comprised of liquidity held by the entity and its access to committed borrowing facilities from a parent entity. The Treasury group continually reviews the liquidity positioned at, and available to, each Material Entity as part of the Company's liquidity positioning framework. As of December 31, 2022, the Company's global liquidity sources were $880.7 billion.

Resolution Liquidity Adequacy and Positioning (RLAP)

The RLAP capability assesses the standalone liquidity profile of each Material Entity over a 90-day period (reflecting both market and idiosyncratic stress) and also takes into consideration potential inter-affiliate frictions. RLAP liquidity stress tests are conducted daily and the results are used to estimate liquidity resources required by each Material Entity to absorb peak liquidity outflows over the 90-day liquidity stress scenario.

RLAP estimates how much liquidity both the Company, on a consolidated basis, and each Material Entity would need over a specified time horizon to withstand severe financial stress; it enables appropriate liquidity positioning across the Material Entities.

In addition, daily Company and Material Entity specific RLAP limits and tripwires are integrated into the Company's risk appetite statements and the BAC Financial Contingency and Recovery Plan.

The RLAP capability accomplishes the following:

- Measures the standalone liquidity position of each Material Entity, taking into account each Material Entity's peak liquidity requirement over the 90-day stress horizon
- Leverages liquidity stress models and methodologies that incorporate daily mismatches between cash and collateral inflows and outflows, with consideration given to trapped liquidity and other frictions that could occur due to adverse actions taken by clients, counterparties, key FMUs, or foreign regulatory supervisors

- Helps determine the total liquidity buffer held by the Company; and, in conjunction with the Capital and Liquidity Positioning Framework, the appropriate balance between liquidity pre-positioned at each Material Entity and available liquidity held at NB Holdings
- Informs the Company's Risk Appetite Statement and BAC Financial Contingency and Recovery Plan

What are inter-affiliate frictions?
The potential inability (friction) to move cash flows between our legal entities and branches.

Our models and methodologies that underpin the RLAP estimates consider potentially adverse third-party actions and potential inter-affiliate frictions, which could impact the liquidity needs or resources of a particular Material Entity. RLAP models and methodologies are developed in close partnership between our lines of business and our Treasury group and are regularly reviewed and challenged by our independent Global Risk Management group. Models and methodologies are adjusted to reflect changes in our business profile, strategy, and related funding and liquidity risks, and are applied across each of the Material Entities, where applicable, based on the activities and risk profile of the specific Material Entity. Since the 2021 Resolution Plan we enhanced governance and documentation supporting liquidity stress testing models used to demonstrate the RLAP capability.

Resolution Liquidity Execution Need (RLEN)

RLEN estimates how much liquidity each Material Entity would need to execute the Company's single point of entry resolution strategy.

Our liquidity management capabilities also include the ability to estimate RLEN, from both a static and dynamic perspective. Our RLEN capability estimates how much liquidity each Material Entity would need after BAC files for bankruptcy to successfully execute the single point of entry resolution strategy.

Minimum operating liquidity includes working capital needs, intraday needs, and operating expenses.

The RLEN estimate is equal to (1) the minimum operating liquidity that each Material Entity is expected to need to continue operations; and (2) each Material Entity's post-bankruptcy peak funding need.

As mentioned above, we have two RLEN capabilities:

Post-bankruptcy peak funding need is the maximum cumulative net cash outflow projected for each Material Entity.

- A static RLEN, calculated quarterly, to estimate the amount of liquidity required at each Material Entity to execute the Company's preferred resolution strategy, following a fixed runway stress event
- A dynamic RLEN, calculated daily, as needed during an actual stress event to project liquidity required at each Material Entity to execute the Company's preferred resolution strategy. Dynamic RLEN takes into account stress observations and refreshed financial information, with the ability to modify forecasts and assumptions

Our RLEN capabilities accomplish the following:

- Estimate the minimum operating liquidity and post-BAC bankruptcy peak funding need of each Material Entity
- Incorporate a stabilization framework that assesses and forecasts the length of time it would take for each Continuing Subsidiary to re-establish market confidence following a BAC bankruptcy (i.e., the Stabilization period)

- Forecast daily cash flows for each Material Entity through the Stabilization period
- Incorporate the risk of funding frictions (1) that may restrict or eliminate the ability of Material Entities to transfer liquid assets from one affiliate to another; or (2) as a result of adverse actions taken by clients, counterparties, or other stakeholders

- Represent a key input into the Company's governance framework, which allows senior management and the BAC Board to take timely resolution actions

Similar to RLAP, RLEN models and methodologies are developed in close partnership between our lines of business and our Treasury group, and are regularly reviewed and challenged by our independent Global Risk Management group. Since the 2021 Resolution Plan we enhanced automation and governance supporting daily liquidity forecasting and RLEN processes.

The RLEN methodology for forecasting the liquidity needed for the Material Entities during the Resolution phase is incorporated into triggers. These triggers are linked to specific actions across the Crisis Continuum, as discussed in the *Resolution Planning Capabilities – Governance Mechanisms* section below.

Parent Survival Horizon

The Parent Survival Horizon measures the number of days until Parent (BAC and NB Holdings) projected liquidity would no longer fully support the aggregate post-BAC bankruptcy liquidity needs of the Material Entities, thus indicating when BAC would need to file for bankruptcy. The Parent Survival Horizon and our risk limits and metrics framework provide the Company and the BAC Board a measure to allow sufficient time to evaluate and take required pre-bankruptcy actions and, if necessary, execute a timely and orderly resolution.

Capital and Liquidity Positioning Framework

Our capital and liquidity positioning framework is designed to achieve two resiliency and resolvability objectives – adequacy and positioning.

Adequacy	Positioning
Enables the Company to hold sufficient resources at all times, from stable financial conditions through periods of severe stress, to execute its single point of entry resolution strategy.	Considers how resources are deployed across the Company to enable an appropriate response as stress develops. Stress outflows may be covered by a combination of resources positioned at the Material Entity and undrawn, committed parent support.

Our positioning framework uses a scorecard methodology that assesses each Material Entity against relevant risk factors to inform the appropriate balance between positioning resources at a Material Entity and maintaining them at NB Holdings.

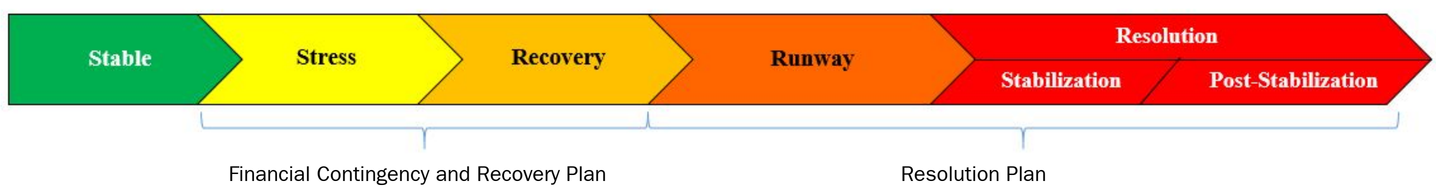
This framework, which considers a Material Entity's RCAP, RLAP and minimum operating needs, provides management with relevant, current information that enables (1) positioning of readily available capital and liquidity at the Material Entities to be used in a stable environment and in times of stress; (2) resiliency of each Material Entity by not relying on a surplus from one entity to fulfill the needs of another, with the exception of committed access to funding from a parent entity; and (3) positioning of sufficient liquid assets at NB Holdings to fund a Material Entity should the facts and circumstances during actual liquidity stress differ from our assumptions.

This framework has been integrated into our capital and liquidity management activities and is monitored and re-evaluated on an ongoing basis so that we are able to maintain adequate resources that are appropriately positioned. Since the 2021 Resolution Plan capital and liquidity positioning framework refinements were implemented to (1) more closely align positioning framework minimums with BAU liquidity management practices; and (2) improve calculation efficiency.

C. Governance Mechanisms

The BAC Board would be required to make a number of key decisions during financial stress, including whether BAC would ultimately need to file for bankruptcy protection. Our governance capabilities allow us to identify and communicate the escalation of financial stress in sufficient time to make the key decisions required and prepare for resolution. Our Crisis Continuum and key governance mechanisms – our *Risk Limits and Metrics Framework*, *Calibration of Metrics and Triggers along the Crisis Continuum, Actions Taken along the Crisis Continuum*, and *Board Playbooks and Training* – are discussed below.

Crisis Continuum



We maintain a Crisis Continuum that reflects the financial health of the Company at any point in time. As illustrated in the diagram above, the Crisis Continuum shows the progression of financial stress on the Company increasing in severity through phases:

- **Stable phase:** Normal financial conditions exist in a BAU environment where there is limited or no concern regarding the financial health of the Company
- **Stress phase:** Initial financial deterioration of the Company occurs and the Company's stress protocols are activated
- **Recovery phase:** Financial stress continues to worsen and the Company's recovery protocols are activated
- **Runway phase:** The Company continues taking actions to recover while also preparing for a potential resolution
- **Resolution phase:** This phase would begin when BAC files a petition to commence a Chapter 11 bankruptcy proceeding with the Bankruptcy Court; it is divided into the Stabilization period and Post-Stabilization period

Risk Limits and Metrics Framework

Our risk appetite defines the types and levels of risk the Company is willing to take to achieve its business objectives; it includes qualitative statements and quantitative measures, as appropriate. Our risk limits and metrics framework includes limits and triggers based on liquidity, capital, market, and other metrics that would indicate progressive financial deterioration of the Company.

Limits	Triggers
Designed to indicate deterioration of capital or liquidity positions. Specific risk appetite limit breaches may indicate transition into the Stress phase and would require timely notification to management, committees, the BAC Board, and regulatory agencies, as appropriate, and the development of remediation plans to address underlying concerns.	Designed to indicate further deterioration of capital or liquidity positions and require specific actions by management or the BAC Board, as appropriate. Trigger breaches may indicate transition into the Recovery, Runway, or Resolution phases, depending on the threshold breach, and require prescriptive actions to be taken by senior management or the BAC Board.

Triggers, linked to specific actions, are calibrated and aligned across the Crisis Continuum and used to transition from the Stable phase through the Stress and Recovery phases to the Resolution phase so that execution of the single point of entry resolution strategy would be conducted in a timely and orderly manner. The Company's governance capabilities and mechanisms – including notification protocols, reporting routines, and decision-making authority – have been tailored to the Crisis Continuum. The metrics and triggers are designed to inform the BAC Board and senior management when actions need to be taken to effectively execute our resolution strategy. As mentioned above, we have a robust governance mechanisms framework that is also tested through integrated exercises. In the 2nd Quarter of 2023, RLEN coverage metrics, which initiate daily monitoring of the Parent Survival Horizon, were recalibrated. The updated thresholds consider multiple bankruptcy scenarios and increased liquidity needs across legal entities in the event that the Runway phase is shorter than anticipated.

Calibration of Metrics and Triggers along the Crisis Continuum

Using the capital and liquidity management capabilities discussed above, we calibrated the metrics and triggers established across the Crisis Continuum so that the Company has defined transitions through each phase of the Crisis Continuum from the Stable phase through the Resolution phase.

Early Warning Indicators

We regularly monitor and report on certain early warning indicators, which allows us to understand when the environment and associated risks are changing. These metrics do not prompt action by themselves, but instead allow us to evaluate other risk information. These economic and market indicators are updated at least annually, and real-life market events are analyzed and incorporated to inform calibrations. Recent updates to the indicators included assessments of both the COVID-19 market stress and the banking stress beginning in March 2023.

Capital and Liquidity Triggers

We actively evaluate and manage our capital and liquidity risk within the risk limits and metrics framework to measure the sufficiency of financial resources and to understand when risk is changing. As part of this framework, and to allow for mitigating actions to be taken during financial stress, specific capital and liquidity triggers are in place that prescribe actions and identify when the Company may move from one phase to another across the Crisis Continuum.

- **Stress and Recovery phases:** In the event capital and / or liquidity levels fall below one of our limits and the Company enters the Stress phase, management would assess the situation to determine if and what remediation actions are necessary

- **Runway and Resolution phases:** Capital and liquidity triggers have been established relative to the needs of the Material Entities in resolution. The triggers serve as indicators of when the Company would transition from the Recovery phase into the Runway and Resolution phases. These triggers include the Parent Survival Horizon, which indicates when BAC would need to file for bankruptcy protection

Breaches of limits and triggers have been linked to specific actions and notification protocols across the Crisis Continuum so that management and the BAC Board would take the actions necessary to execute our single point of entry resolution strategy in a timely manner. The specific actions – including notification protocols, reporting routines, and decision-making authority – undertaken during each phase have also been tailored to the Crisis Continuum.

Actions Taken along the Crisis Continuum

In addition to developing market indicators and limits and triggers based on capital and liquidity, and calibrating them across the Crisis Continuum, specific actions have been linked to those limits and triggers, requiring decisions and actions to be taken by senior management and the BAC Board at the appropriate times. A high-level summary of the actions that would be taken as the Company moves along the Crisis Continuum is provided below.

Stable phase

During periods of financial stability, management monitors the Company's financial metrics as well as internal and external events that could affect the financial stability of the Company. Liquidity and capital metrics are within prescribed risk appetite limits and above regulatory minimums.

A limit or trigger breach prompts specific notification protocols, reporting routines, and decisions that would be made or taken, depending on the breach.

Stress phase

Upon entering the Stress phase, the Company would consider taking the first of a series of potential mitigating actions in order to restore liquidity or capital to adequate levels. Management would consider activating protocols in the BAC Financial Contingency and Recovery Plan and would review our Operational Continuity Playbooks and other playbooks to determine whether activating contingency plans or playbooks is warranted. See the *Operational Preparedness – Execution Readiness* section for more information.

Recovery phase

Upon entering the Recovery phase, the Company would evaluate and execute contingency options contained in the BAC Financial Contingency and Recovery Plan, as appropriate. Management would begin to monitor metrics more frequently, including initiation of daily Parent Survival Horizon calculations. The Global Response team and the Financial Systemic Event ("FSE") Response team would begin their coordination of the Company's response and communications to management, the BAC Board, and key stakeholders, as appropriate. See the *Operational Preparedness – Execution Readiness* section for more information.

Runway phase

Upon entering the Runway phase, the Company would continue to try to recover the financial health of the Company while preparing for a BAC bankruptcy filing. Generally, we would continue to execute contingency options; perform daily monitoring and reporting of RCEN, and continue daily RLEN and Parent Survival Horizon estimates; engage bankruptcy professionals; and operationalize NewCo. The Global Response team and FSE Response team would continue the coordination of the Company's response and escalate relevant information to management, the BAC Board, and key stakeholders. The BAC Board would retain necessary advisors and appoint a Lead Restructuring Officer to assist management in preparing for the Chapter 11 proceeding and to supervise BAC in Resolution. In addition, any Operational Continuity Playbooks or other playbooks that were not previously activated would be activated. At the end of the Runway phase, BAC would perform its obligations under the Secured Support Agreement, as discussed in the *Resolution Planning Capabilities – Legal Preparedness* section, and finalize the documents required to file bankruptcy.

Resolution phase

The Resolution phase would begin when BAC commences its bankruptcy proceeding by filing a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code. This would entail filing the necessary agreements and pleadings, including the ETM, and publicly announcing BAC's bankruptcy. See the *Resolution Planning Capabilities – Legal Preparedness* section for more information. The Resolution phase would continue until the single point of entry resolution strategy is complete.

As part of our continued efforts to improve our capabilities to respond to potential stress across the Crisis Continuum, we conducted two comprehensive exercises to demonstrate our ability to execute governance protocols and make timely decisions, including actions taken under the Secured Support Agreement. *See* the *Material Changes since our 2021 Resolution Plan* section for additional information on the two exercises.

Board Playbooks and Training

The board of directors of each Material Entity plays a key oversight role in recovery and resolution. Board Playbooks have been developed to guide the actions of Material Entity boards. Training is also provided to prepare directors to fulfill their role.

Board Playbooks provide a roadmap for the boards of each Material Entity to facilitate timely decision-making and take critical actions through triggers, notifications, and communications protocols to execute their role in the Company's single point of entry resolution strategy. The Board Playbooks (1) describe when and from whom the boards should receive and review information; (2) outline key management responsibilities over which the boards should provide oversight; (3) define the major decisions the boards may consider to implement the components of contingency plans required by the resolution strategy; and (4) address fiduciary duties of board members, including identification and resolution of potential conflicts of interest across the Crisis Continuum. Each Material Entity Board Playbook is reviewed and updated at least annually and is provided to each respective board of directors.

What role do directors play in recovery and resolution planning?
Directors review, challenge, and oversee management's recovery and resolution efforts at the Material Entity level. The Board Playbooks assist the boards in fulfilling their recovery and resolution-related duties.

Training appropriate to each Material Entity is also provided to the Material Entity board members and the subsidiary designees. The training covers the topics of director and designee duties and responsibilities across the Crisis Continuum and recovery and resolution planning more generally. Training is provided annually and when new directors or subsidiary designees are appointed.

Who are subsidiary designees and what is their role?
Representatives from the business, finance, risk, technology and operations who serve as a linkage between a Material Entity's board and day-to-day management of the Material Entity.

In addition, actions contained in the Board Playbooks are reviewed in conjunction with other exercises or simulations when appropriate. *See* the *Material Changes since our 2021 Resolution Plan* section for additional information on our exercise and testing.

D. LEGAL PREPAREDNESS

Legal obstacles could impede the Company's ability to successfully execute its resolution strategy by preventing or delaying an effective recapitalization or provision of capital and liquidity support to the Material Entities. Therefore, we conducted a legal analysis and took certain steps to mitigate potential legal challenges in resolution. The *Analysis of Legal Challenges* and our key legal preparedness capabilities – the *Secured Support Agreement and Prefunding of NB Holdings, Pre-positioning of Resources at Material Entitie*s, and the *Bankruptcy & ISDA Protocol Playbook* – are discussed below.

Analysis of Legal Challenges

Potential legal challenges under state and federal law to the provision of capital and liquidity to the Material Entities prior to a BAC bankruptcy filing were analyzed. Based on this analysis, we believe that our entry into the Secured Support Agreement, prefunding of NB Holdings, and pre-positioning of capital and liquidity at certain Material Entities would eliminate or substantially mitigate the risk of a successful legal challenge by a creditor to the provision of capital and liquidity support to the Material Entities pursuant to our single point of entry resolution strategy.

The Secured Support Agreement and Prefunding of NB Holdings

Our single point of entry resolution strategy is designed to maximize the value of the Material Entities for the benefit of BAC's stakeholders. The success of this strategy depends, in part, on our ability to provide capital and liquidity to NB Holdings and the other Material Entities prior to and during resolution. See the *Single Point of Entry Resolution Strategy* section for more information.

Why do Material Entities need capital and liquidity if BAC enters bankruptcy?
Providing capital and liquidity to Material Entities allows our Critical Operations and Core Business Lines to continue or to be wound down in an orderly fashion and is designed to maximize the value of our Material Entities for the benefit of BAC's bankruptcy estate.

Successful implementation of the single point of entry resolution strategy would likely benefit BAC stakeholders by minimizing the losses throughout the execution of the resolution strategy.

On September 30, 2016, BAC, NB Holdings, the other Material Entities, and all legal entities in the ownership chain between NB Holdings and each Material Entity, entered into the Secured Support Agreement. BofA Europe, BofAS, and BofAS Europe also became parties to the agreement when they became Material Entities.

Pursuant to the Secured Support Agreement, on September 30, 2016, BAC contributed to NB Holdings a certain amount of cash and other financial assets. As consideration, NB Holdings issued a funding note to BAC. BAC made additional contributions of cash and other financial assets to NB Holdings from October 1, 2016 to July 1, 2017. As provided in the Secured Support Agreement, and as consideration, the principal amount of the existing NB Holdings funding note increased and NB Holdings issued additional funding notes to BAC. On an ongoing basis, BAC regularly makes additional contributions to NB Holdings when it acquires additional cash or other assets in exchange for a new funding note or an increase to the principal amount of an existing funding note.

What is the purpose of a Secured Support Agreement?
The Secured Support Agreement provides each of the Material Entities (other than BAC and NB Holdings) with reliable capital and liquidity resources to execute their role in the single point of entry resolution strategy.

During BAU operations, NB Holdings is obligated to provide capital and liquidity to the Material Entities in accordance with BAC's capital and liquidity policies. Immediately prior to resolution, BAC also is obligated to transfer its remaining cash and other financial assets, less a holdback for expected bankruptcy administrative expenses (the "Parent Final Contribution"), to NB Holdings. The funding notes issued by NB Holdings are subordinated to the secured obligations of NB Holdings under the Secured Support Agreement and would be automatically forgiven if a Parent Final Contribution occurs. NB Holdings is obligated to provide ongoing capital and liquidity support to the Material Entities during and following resolution.

What if BAC or NB Holdings does not provide capital or liquidity to a Material Entity as required by the Secured Support Agreement?
BAC's or NB Holdings' failure to provide capital or liquidity support under the Secured Support Agreement gives rise to a liquidated damages claim on behalf of the Material Entity in an amount greater than BAC or NB Holdings would have paid under the agreement.

The financial assets of BAC and NB Holdings, including but not limited to their cash and certain receivables (excluding BAC's and NB Holdings' equity interests in all of their direct or indirect subsidiaries, including the Material Entities), as well as certain other assets, secure their support obligations under the Secured Support Agreement. As a result, the Material Entities are secured parties with respect to BAC's and NB Holdings' performance obligations under the Secured Support Agreement.

BAC continues to have access to the same flow of its subsidiaries' dividends, interest, and other amounts of cash necessary to service its debt, pay dividends and other expenses, and perform other obligations as it would have had if it had not entered into the Secured Support Agreement or prefunded NB Holdings. BAC will continue to hold its interests in the Material Entities indirectly through NB Holdings. In addition, NB Holdings provided BAC with a committed line of credit, and BAC may request partial redemptions under the NB Holdings funding notes, which allows BAC to access funds, if necessary, to satisfy its near-term cash needs (unless and until BAC makes the Parent Final Contribution pursuant to the Secured Support Agreement).

Positioning of Resources at Material Entities

In the event the Company enters the Resolution phase, the Material Entities (other than BAC) would require timely and reliable access to liquidity and capital resources so that they could fulfill their role in the single point of entry resolution strategy. Resources available to address a Material Entity's stress needs can be in the form of pre-positioned resources (e.g., capital and liquidity held by the Material Entity) or access to committed support from a parent company of the Material Entity. The certainty of pre-positioning resources at the Material Entity level is balanced against the flexibility to react to stress events that might unfold in an unanticipated manner by holding resources at NB Holdings.

Why pre-position resources at the Material Entities?
We believe that appropriately positioned resources reduce the risk of a Material Entity being unable to access the necessary support in a period of stress.

In addition, holding resources at NB Holdings avoids resources being trapped in one Material Entity when they may be needed by another Material Entity. To help balance the pre-positioning and parent-level support mechanisms, we developed a capital and liquidity positioning framework. See the *Resolution Planning Capabilities – Capital* and *Liquidity* sections for a more detailed discussion.

Under this framework, we pre-positioned capital and liquidity resources to meet a portion of the needs of our Material Entities. We also created various measures to enhance the reliability of accessing support from NB Holdings during a stress period. The provision of support from NB Holdings, as opposed to BAC, serves as an important mitigant to the legal challenges that could impede financial support to the Material Entities during a period of stress.

Bankruptcy & ISDA Protocol Playbook

Our Bankruptcy & ISDA Protocol Playbook sets forth the steps we would take and the timeline we would follow in the event of resolution so that the BAC Board and senior management would have sufficient information to make well-informed decisions prior to and during a bankruptcy proceeding and be able to implement the single point of entry resolution strategy quickly and efficiently. The Bankruptcy & ISDA Protocol Playbook details the steps BAC would take to (1) prepare for and commence its Chapter 11 proceeding; (2) seek immediate relief in the Bankruptcy Court in order to implement the resolution strategy through the transfer of NB Holdings and its subsidiaries to NewCo (controlled by NewCo Trust); and (3) continue to carry out such strategy through the initial days of the bankruptcy case. It describes how we would take the necessary steps to prepare for and execute the Chapter 11 proceeding while devoting the necessary management attention to stabilizing the businesses and communicating with stakeholders. It also describes the key decisions and their timing, as well as the roles of the BAC Board, senior management, and other professionals. This extensive pre-planning is designed to minimize the impact that the preparation or commencement of BAC's bankruptcy proceeding may have on the day-to-day operations of the other Material Entities by enabling BAC to prepare for and execute the bankruptcy filing in an orderly and coordinated manner.

The Bankruptcy & ISDA Protocol Playbook outlines our strategy to satisfy the requirements of the ISDA Protocol, which is key to the effective implementation of the single point of entry resolution strategy. The ISDA Protocol prevents the exercise of termination or other default rights in certain qualified financial contracts to which the Material Entities are a party where such rights are directly or indirectly related to the entry of BAC into bankruptcy.

What is the benefit of the ISDA Protocol?
The key benefit of the ISDA Protocol is to prevent early termination of Material Entity qualified financial contracts due to BAC entering bankruptcy, so long as the Material Entity continues to perform under the contract.

So long as the Material Entities comply with the requirements of the ISDA Protocol and continue to perform their obligations under the qualified financial contracts, the counterparties to those contracts who have also adhered to the ISDA Protocol are subject to stays or overrides of certain termination rights related directly or indirectly to the entry of BAC into bankruptcy.

The Bankruptcy & ISDA Protocol Playbook also provides a comprehensive list of pleadings that would be filed with the Bankruptcy Court on the first day of BAC's bankruptcy case, including all factual and financial schedules and exhibits anticipated to be needed (the "Chapter 11 Papers"). The Bankruptcy & ISDA Protocol Playbook includes specific information necessary to complete the Chapter 11 Papers and the relevant groups and individuals within the Company that would be able to assist in gathering this information. This information is designed to assist us in rapidly and efficiently finalizing the Chapter 11 Papers during the Runway phase.

E. OPERATIONAL PREPAREDNESS

We maintain operational capabilities and engage in regular contingency planning in order to be sufficiently prepared to manage financial stress and successfully execute our single point of entry resolution strategy. Our preparation includes building key operational capabilities to (1) continue our access to payment, clearing, and settlement activities in resolution; (2) manage, identify, and value collateral that is received from, and posted to, third parties and our affiliates; (3) readily produce key financial, risk, and operational data on a legal entity basis from accurate and reliable MIS; (4) continue shared and outsourced Critical Services; and (5) be prepared to successfully execute our resolution strategy. These key capabilities, discussed below, are integrated into our BAU activities, regularly tested, and evaluated for improvement.

Payment, Clearing, and Settlement Activities

FMUs perform critical payment, clearing, and settlement activity in the execution of financial transactions. We have developed and enhanced our payment, clearing, and settlement activity capabilities to mitigate the risk of FMUs potentially taking actions in resolution that could have an adverse impact on the Company or our clients.

Our capabilities include a data and reporting platform to store, track, and report our exposure and other information with respect to material FMUs, including the identification of key clients reliant on the Company for payment, clearing, and settlement services, which allows us to quickly assess our exposures and obligations in stress conditions, including resolution, in order to make timely decisions.

What is an FMU and why is it important?
Financial market utilities and financial institutions (together, FMUs) perform critical payment, clearing, and settlement activities for institutions in the execution of financial transactions. After a transaction has been agreed upon, a mechanism is required to transfer the financial asset from the seller to the buyer and make the payment from the buyer to the seller. By performing these functions, FMUs help institutions clarify their counterparty obligations and manage their risks more efficiently and effectively.

We also have playbooks in place for each material FMU that facilitate continued access to our payment, clearing, and settlement activities. The FMU Continuity Playbooks contain a set of actions to be taken to minimize the potential risk of actions that may be taken by FMUs that could have an adverse impact on the Company and its clients. The FMU Continuity Playbooks also include contingency arrangements, where warranted and feasible, to provide for alternative access to FMUs in the event that access were to be suspended or terminated.

Additionally, routines are in place to review, test, and update the FMU Continuity Playbooks on an ongoing basis. We also have an FMU governance structure in place to holistically manage the risks and interconnectivity related to the Company's FMU relationships.

In some cases, one Material Entity may interact with a material FMU indirectly through another Material Entity. Formal agreements between Material Entities are in place to provide continued access to payment, clearing, and settlement services in resolution for such indirect access situations.

For a list of material FMUs of which we are a member, see the *Appendix – Memberships in Material Payment, Clearing, and Settlement Systems*.

Collateral Management

Effective collateral management at a detailed counterparty and security level (1) reduces operational and liquidity risk; (2) facilitates timely access to collateral; (3) assists in understanding counterparty rights to access collateral; and (4) reduces cross-jurisdictional issues in both BAU and stressed conditions. Our collateral management capabilities allow us to manage the risks associated with collateral in a stress scenario, including resolution.

Why is collateral management important to the resolution strategy?
The ability to identify collateral held and posted at the counterparty and asset level enables the Company to manage counterparty credit risk during resolution and would facilitate the Global Markets business wind-down strategy.

Our collateral reporting enables the timely systematic aggregation and reporting of collateral exposures by Material Entity and by the jurisdiction in which collateral is posted. This reporting improves our understanding across businesses and products where collateral is posted, to whom it is posted, and on behalf of whom it is posted. It also enables the tracking and management of collateral movements across Material Entities.

Collateral data is brought together in a manner where information can be segmented and analyzed to support decision-making. We are able to report on the sources and uses of collateral, with a daily view of aggregate collateral entering and leaving the Company, which informs both the Company's internal liquidity risk management framework as well as regulatory reporting.

In addition to the policies in place to govern collateral at the product and business level, our collateral management capabilities are governed by a Company-level collateral management policy that identifies collateral-related activities, establishes requirements for collateral-related controls, and requires monitoring of collateral risk management. This overarching policy serves to propagate Company-wide standards with respect to collateral.

Our focus on continued enhancements to our resolution planning capabilities includes investment in our collateral management capabilities, including operational processes, data availability, and reporting capabilities.

Management Information Systems (MIS)

We have management information capabilities to support the Company across the Crisis Continuum. These capabilities facilitate the identification and availability of critical information for timely decision-making by leadership of the Company's businesses, operations, and support functions and assist us in our understanding of operational interdependencies.

Effective risk reporting provides a clear understanding of our risk profile. Our MIS and processes provide accurate, comprehensive, and timely risk data, which is leveraged to support effective risk management practices and reporting. In stable and stressed conditions, our risk reporting generates actionable insights and facilitates decision-making by management. The Company also has established capabilities to provide timely access to contracts that have resolution critical terms or that are required for operational continuity.

Our MIS and processes provide accurate, comprehensive and timely risk data to support effective risk management practices and business decisions. Data is clearly defined, accurate and available from authorized sources of data. Our data origination and capture processes ensure data is accurately and completely captured in our MIS, and our data transport processes ensure data remains complete, accurate and timely as it is aggregated, moved, transformed and stored. The Company has embedded policies, standards and procedures that define the data management requirements.

We also maintain a central inventory of key reporting information with standardized key attributes of reports that are critical to the Company's ability to plan for and execute strategies to address financial stress across the Crisis Continuum.

In addition, we have a technology platform to capture, analyze, and identify high-risk interdependencies among legal entities, Core Business Lines, Critical Operations, and Critical Services. This information is used to plan mitigating strategies and supports our Preferred Service Provider strategy. legal entity rationalization capability, Operational Continuity Playbooks, and Resolution Plans. The key enablers analyzed during this annual process include personnel, real estate, applications, and third parties such as vendors, FMUs, and exchanges.

Enhancements to our MIS capabilities are underway to increase the frequency of identifying operational interdependencies by introducing an expedited service enabler mapping process to occur when triggered by an internal or external event (for example, a divestiture) that would require a refresh of the mapping data.

Shared and Outsourced Services

The Company has contingency strategies and capabilities in place to facilitate the continuation and resiliency of Critical Services in resolution. Both the strategies and the capabilities are based on Critical Services being provided by entities within the Company's structure, referred to as Preferred Service Providers. Preferred Service Providers are entities that are structured and funded to be resilient in resolution with the ability to continue to provide the personnel, real estate, applications, and third-party services necessary to avoid disruption of our businesses and operations.

Prevention of service interruptions is further reinforced by contingency arrangements that provide for the continuation, supplementation, or replacement of any necessary resources to support our businesses and operations. For example: (1) plans are in place that could be executed rapidly to reallocate or supplement skilled staff, as needed; and (2) both intercompany agreements and vendor contracts include resolution-resilient language with appropriate governance of exceptions.

What is a Critical Service?
A service necessary to continue the day-to-day operations of the Company or whose sudden and disorderly failure would present a serious impediment to the performance of Critical Operations and / or Core Business Lines.

What is the Shared Services Model?
The Company's set of Critical Services which facilitates implementation and sustainability of key capabilities across Material Entities while enabling appropriate oversight; it provides for operational continuity during each of the phases along the Crisis Continuum (from the Stable phase through the Resolution phase).

Our comprehensive Shared Services Model builds on the Preferred Service Provider strategy and contingency arrangements, and collectively enhances resiliency. The model facilitates implementation and sustainability of capabilities inclusive of oversight dictated by our Enterprise Services Framework and Taxonomy Policy.

We have reduced the risks related to a legal entity's dependencies for the provision of shared services by strengthening how we manage services between entities. This includes documenting the provision of Critical Services in legally binding service agreements that provide for continuity of service even if a contracting entity enters some form of insolvency proceeding. The documentation includes adding performance measures to the service agreements and avoiding preferential treatment by requiring the intercompany fees for these Critical Services to be at arm's length.

Execution Readiness

In preparation for potential financial stress, including resolution, we actively monitor and assess threats, including those with the potential for significant financial or operational impact to the Company. We also plan for and document potential actions to be taken in response to crisis events. Our Enterprise Response Framework provides a centralized approach and integrated response across the Company.

Our Global Response team acts as the central point of coordination across all teams during a crisis event, convergence of crisis events, or time of significant financial stress. We also have effect plans and response teams aligned to specific types or areas of impact, and those teams are responsible for driving the specific tactical response to a crisis event. For example, during a financial stress event, including recovery or resolution, our FSE Response team would manage the response actions, while working closely with the Global Response team, our Communications teams, and senior management. The Global Response team would coordinate the broader enterprise response in accordance with our Enterprise Response Framework to drive key decisions, activities, and consistency across all businesses and functions. The Communications teams would manage our internal and external communications strategy in line with our Enterprise Event Communications Plan, and each of these groups would act at the direction of senior management or the BAC Board.

What is the Global Response team's role?
The Global Response team would act as the central point of coordination across all teams during a crisis event, convergence of crisis events, or time of significant financial stress.

What is the FSE Response team's role in financial stress?
The Financial Systemic Event (FSE) Response team would drive the tactical response to a financial stress event, working closely with the Global Response Team, our Communications teams, and senior management.

To further enhance our execution readiness, we have developed a comprehensive Financial Systemic Event Engagement Model that sets forth the Company's communication protocols for key stakeholder groups across the Crisis Continuum. The framework provides, for each key stakeholder group, the process for communications during a financial systemic event, from the Stress phase through the Resolution phase, and identifies the teams involved in execution including the Global Response team, the FSE Response team, the Communications teams, senior management, and the BAC Board. In addition, it sets forth communication activities that would be undertaken during each phase of the Crisis Continuum.

We also have detailed action plans, or playbooks, to operationalize and enhance the Company's ability to take specific actions during a financial stress event, including the continuous provision of Critical Services. These include Operational Continuity Playbooks, which serve as a guide to execute each Material Entity's role in our resolution strategy. Other playbooks detail the steps that would be needed to execute specific components of the Company's resolution strategy. Examples of other playbooks include the Financial Systemic Event Response Playbook, Financial Systemic Event and Resolution Communications Playbook, Enterprise Employee Retention Playbook, FMU Continuity Playbooks, and the Board Playbooks, as discussed in the *Governance Mechanisms – Board Playbooks and Training* section. We also maintain detailed business recovery and continuity plans to prepare for any disruptive event.

Our response capabilities are repeatedly evaluated and improved through simulation exercises, which provide feedback on areas for improvement. The Readiness and Resiliency Testing team, with participation from subject matter experts, conducts testing and operationally focused exercises for our business continuity and resolution planning. These exercises allow us to better plan for the continuity of Critical Operations and Critical Services during times of stress.

In addition, we have implemented an RRP Exercise Framework that outlines the Company's requirements to demonstrate and improve upon its readiness to respond to disruptive financial events through BAU activities and planned exercises. See *Material Changes since our 2021 Resolution Plan — Recovery and Resolution Planning*.

F. LEGAL ENTITY RATIONALIZATION

Legal entity rationalization is the process by which the Company simplifies its legal entity structure, including by reducing the number of legal entities it owns and aligning its entities in a more streamlined manner.

We have a framework for managing our legal entity structure to promote resolvability. This framework includes a set of criteria that we consider when creating new or evaluating existing legal entities and branches. We apply these criteria to each of our legal entities and branches to facilitate an orderly resolution and maintain a separable organizational structure. Our *Specific and Actionable Legal Entity Criteria; Application of Legal Entity Criteria to Legal Entity Structure;* and *LESG Forum* are discussed below and integrated into our BAU processes.

Specific and Actionable Legal Entity Criteria

We have legal entity rationalization objectives that are aligned with legal entity criteria that support those objectives. These criteria are specific and, when applied to our legal entities and branches, result in actions that may be taken to further simplify and rationalize our legal entity structure. We view the set of criteria to be dynamic, as it may be added to, or modified, to reflect additional opportunities to incorporate resolvability considerations into our legal entity structure and changes in our business strategy or external factors over time. The criteria are assessed at least annually to confirm appropriateness and completeness. The legal entity criteria are incorporated into existing Company policies, procedures, and control processes to facilitate their ongoing application in BAU operations.

The table below provides examples of our legal entity criteria and the core objective they support.

Legal Entity Criteria Objectives	Legal Entity Criteria Examples
Objective 1: Facilitate the recapitalization and liquidity support of Material Entities	• Material Entities will not lend on an unsecured basis to BAC • Intermediate holding companies between Material Entities and BAC will not issue debt to third parties • Material Entities will have clear ownership lines with limited use of intermediate holding companies
Objective 2: Facilitate separation of businesses	• Material Entities that are Continuing Subsidiaries will be owned by a common holding company (BACNA), separate from Material Entities that are Solvent Wind-down Subsidiaries • The ownership of Preferred Service Providers will be aligned with the Material Entity that they primarily support • Limit the number of customer-facing and risk-managing subsidiaries for derivatives and limit the use of inter-affiliate derivatives by managing market risk in the same subsidiary that transacts with customers (or that books the initial transaction) • Inter-affiliate derivative transactions will be executed and managed in the same manner as third-party transactions
Objective 3: Provide continuity of services	• Critical Services that are shared will reside in Preferred Service Providers that are resolution resilient and are classified as Material Entities • Critical Services will be clearly mapped
Objective 4: Protect insured depository institutions	• Insured depository institutions will have risk appetite statements and limits with appropriate controls, monitoring, and governance • Wholesale broker-dealer legal entities will not be direct or indirect subsidiaries of insured depository institutions
Objective 5: Minimize complexity and reduce unnecessary entities	• Legal entities and branches will be actively reviewed for elimination • Legal entities and branches will be established or repurposed only if there is a business need that is clearly documented and the legal entity or branch does not impede resolution, or there is a regulatory requirement

Application of Legal Entity Criteria to Legal Entity Structure

Each legal entity criterion is applied to each of our legal entities and branches, as appropriate, to determine what actions may be taken to further simplify our legal entity structure. As a result of applying our criteria to our legal entities and branches on an ongoing basis, specific actions to simplify our legal entity structure have been taken or are planned.

To provide for consistent application of the legal entity criteria, while allowing for the flexibility needed to effectively manage our legal entity structure consistent with our business strategy, we have implemented a governance process to consider certain limited exceptions to the criteria. The process requires an analysis of why the exception does not impede resolvability and how potential impacts to an orderly resolution are mitigated. The governance process also includes review and challenge of limited exceptions by the LESG Forum prior to recommendation to, and final approval by, a management risk committee.

LESG Forum

The LESG Forum focuses on legal entity strategic matters and serves as an escalation point for legal entity strategy topics. It is comprised of cross-functional leaders, which supports coordination across the front line units and control functions. The LESG Forum meets periodically to discuss key strategic legal entity initiatives, changes in legal entity structure needed for business or regulatory purposes, and reviews and endorses the process for Material Entity designation and resulting list of designated Material Entities. In addition, the LESG Forum reviews and endorses an assessment of the Company’s legal entity criteria, including an evaluation of the legal entity structure against the criteria, at least annually.

G. SEPARABILITY

A defined population of actionable divestiture options, including portfolio asset sales and business sales, facilitates our ability to execute the single point of entry resolution strategy under a range of stress scenarios and different market conditions.

Separability is the process of identifying and having the ability to tactically execute the disposition of assets, businesses, or entities to a third party.

Our key separability capabilities – *Sustainable Option Sourcing*; *Divestiture Option Valuation Framework and Data Rooms*; *Divestiture Option Playbooks* – are discussed below and are in place to improve flexibility and optionality under different market conditions to generate capital and liquidity and allow for restructuring of the Company under stress.

Sustainable Option Sourcing

We have implemented a repeatable framework to identify divestiture options through our existing strategic planning process. Divestiture options are identified by the lines of business in conjunction with the Global Corporate Strategy group and reviewed by senior management, appropriate support partners, and the BAC Board. This process provides a sustainable method of periodically identifying, reviewing, and updating potential divestiture options.

As part of the Company's 2022 annual strategic planning process, we reviewed and affirmed 24 divestiture options and retired two options as result of legal entity and business or industry changes. The divestiture options offer a high level of execution certainty and optionality. To determine the most appropriate and executable options, we analyze the Company at a segment, line of business, and asset level.

Our options provide flexibility across a variety of economic conditions as they touch each of our lines of business, provide potential buyers with business and asset class flexibility, offer multiple disposition approaches, and allow for geographically diverse execution.

Divestiture Option Valuation Framework and Data Rooms

We drive consistency among valuing potential divestiture options through a valuation framework. Our framework guides the processes, approaches and considerations for determining a range of potential value and identifying a universe of prospective buyers for each option. Our framework also clarifies the parties involved in the valuation process, including our Global Corporate Strategy and Investment Banking groups.

To further support separability and operational readiness, as part of our divestiture option framework, we maintain the capability to rapidly populate data rooms to support due diligence for prospective buyers. We have identified data owners for each option and data element including: financials, valuations, legal risk assessments, details of the applicable legal entity structure, summary client data, operational service data, technology architecture and application lists, property inventories, and tax information, where applicable.

As part of this capability, the providers of data room content attest annually to data element ownership and their ability to provide the information in a timely manner upon request. This capability is tested annually to maintain and continue to improve the data collection capability in financial stress.

Divestiture Option Playbooks

A thorough separability analysis of each divestiture option was conducted by examining multiple aspects of each business or portfolio sale. As part of the analysis, a tactical strategy for isolating and transferring the impacted client assets, people, technology, services, and third-party relationships to an assumed buyer type was developed for each divestiture option. The result of the analysis and strategy are documented in Divestiture Option Playbooks.

The Divestiture Option Playbooks contemplate specific considerations and details for executing each of the identified divestiture options. Playbook elements include, but are not limited to (1) transition strategy and timeline; (2) impediments and mitigants; (3) regulatory approvals or notifications; (4) MIS impacts; (5) a communication plan; (6) a legal risk assessment; (7) transition services; and (8) an analysis of multiple business enablers (e.g., operations, business technology, third parties, and workplace). Playbooks are refreshed annually.

H. DERIVATIVE AND TRADING ACTIVITIES

What is a derivative and why is it used?
A derivative is a contract that derives its value from its relationship with another asset, index, or interest rate, and is used largely to manage risk.

Our *Derivative and Trading Activities* and capabilities, including our *Booking Framework and Practices; Inter-affiliate Risk Management*; and *Wind-down Strategy and Capabilities* are discussed below and are in place to effectively minimize the potential impact of our derivative portfolio on the broader financial system if the Company were to enter resolution. We seek to achieve this by simplifying our legal entity footprint used for trading derivatives, reducing our inter-affiliate derivative transactions, and planning for the ability to effectively wind-down these activities in resolution.

Derivative and Trading Activities

We enter into derivative transactions on behalf of customers for trading or to support risk management activities. Derivatives are entered into to help manage different types of risks, including those resulting from changes in interest rates, currency relationships, securities prices, or commodities prices. We also enter into derivative transactions to manage risks arising from our debt issuance and funding activity, as well as from business performed by our foreign subsidiaries and branches.

Derivatives Booking Framework and Practices

When we enter into derivative transactions with our customers, we must consider which legal entity will transact with each customer and whether the resulting market risk will be managed within that customer-facing legal entity or managed in a different legal entity. The framework in place to make these decisions is called our booking practices.

Booking practices where we transact with a customer in one legal entity and manage the resulting market risk in a second legal entity require additional transactions between our legal entities, known as inter-affiliate transactions. The choice of booking entity and the need for inter-affiliate transactions may be required to (1) meet regulatory requirements; (2) provide access to products and markets for our clients; or (3) be the most prudent way to manage the risks our entities face. Inter-affiliate transactions may complicate the wind-down of our derivative portfolio in an orderly manner in resolution.

Inter-affiliate Risk Management

Given the potential wind-down complications, our derivative booking practices are designed to limit operational risk and credit, market, and liquidity risk exposures created by inter-affiliate transactions. Our booking practices, governed by our Derivatives Booking Policy, address the utilization of derivative booking entities and required inter-affiliate derivative transactions for client or risk management activities. They are designed to simplify our legal entity footprint, reduce risk, and improve resolvability.

To address the challenges inter-affiliate transactions pose, we seek to limit inter-affiliate trade count and gross notional, including, among other things, by booking transactions in the legal entity that manages the resulting market risk, where feasible.

Wind-down Strategy and Capabilities

Executing derivative transactions is critically important to our clients' ability to manage the risks that they face and is therefore an important part of the value we deliver to our clients. However, the wind-down of these transactions could impede an orderly resolution of the Company. Therefore, conducting an advance analysis of what could happen to these transactions if BAC were to file bankruptcy, and developing a strategy for the wind-down of these transactions, is an important capability that supports the single point of entry resolution strategy.

The wind-down strategy for derivative and trading activity in resolution is based on granular business segmentation and strategies to actively package, price, and sell trading portfolios. The wind-down pursuant to this strategy is sequenced for each business based on franchise value and market capacity expected in resolution. The strategy contemplates that trading desks would generally exit their derivative and cash trades through active package-and-sell strategies of market risk-neutral portfolios. Our wind-down approach addresses client and inter-affiliate derivative transactions, as well as re-hedging to manage market risk throughout the wind-down process. The strategy could be accomplished without needing to enter into new bilateral over-the-counter ("OTC") derivative transactions and with access only to listed and cleared derivatives to hedge risk.

The strategy for winding down inter-affiliate transactions has been designed so that each affiliate would not materially increase its credit or market risk exposure to other affiliates as a result of the unwind, and inter-affiliate transactions would otherwise be treated the same as third-party derivative transactions.

Exit cost estimates of winding down the derivative and trading portfolios reflect distressed macroeconomic conditions and include compensation paid to incentivize counterparties to close-out open positions. The capital and liquidity needed to execute our wind-down strategy have been incorporated into our frameworks for estimating RCEN and RLEN.

We have analyzed the support that would be required from our operations teams for the wind-down. We are prepared and could execute the wind-down by redeploying staff to meet projected volume increases in certain areas. In addition, we have planned for special teams that would be formed to coordinate the operational aspects of the wind-down. A Global Markets Solvent Wind-Down Playbook has been created to document the activities outside of BAU procedures that would be required to implement the discontinuation of all Global Markets activities and an orderly wind-down of all Global Markets business by the Material Entities.

The key objectives of the Global Markets Solvent Wind-Down Playbook are to (1) describe linkages between BAC and entity-specific recovery and resolution plans; (2) identify considerations needed for broker-dealer entities outside of the U.S. (e.g., MLI, BofAS Japan, and BofAS Europe); (3) provide the additional management and oversight structure that would need to be established; (4) provide communication protocols; (5) identify which BAU processes and procedures that would need to be modified; (6) identify activities to address personnel impact, including retention, staffing reductions, and redeployment; and (7) identify any new or changes to MIS or technology.

The governance and controls for our wind-down strategy include a review and challenge process involving front line unit representatives and their finance and risk partners.

Wind-down Application

We leverage a global wind-down application, an automated workflow and calculation engine, to perform a wind-down analysis for our derivative and trading portfolio. Derivative trades that are included within the wind-down strategy are available in the application. The global wind-down application is used to refresh the wind-down forecasts on a monthly basis; and forecasts from the application are used to estimate RCEN and RLEN. For more information on RCEN and RLEN, see the *Resolution Planning Capabilities – Capital* and *Liquidity* sections, respectively.

III. ADDITIONAL INFORMATION ABOUT OUR COMPANY

A. OUR COMPANY

Our Company serves individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments with a full range of banking, investing, asset management, and other financial and risk management products and services. We conduct business through BAC and its subsidiaries and their branches across multiple jurisdictions.

Our Company operates in all 50 U.S. states, the U.S. territories, and more than 35 countries. Our retail banking footprint covers all major markets in the U.S., and we serve approximately 67 million consumer and small business clients with approximately 3,900 retail financial centers, approximately 16,000 automated teller machines ("ATMs"), and leading digital banking platforms (www.bankofamerica.com) with approximately 44 million active users, including approximately 35 million active mobile users.

The following table is the Company's selected balance sheet data from BAC's 2022 Annual Report. For more detailed information on each of the specific line items, see BAC's 2022 Annual Report.

	December 31 ($ millions)		% Change
	2022	2021	
Assets			
Cash and cash equivalents	**$ 230,203**	$ 348,221	(34)%
Federal funds sold and securities borrowed or purchased under agreements to resell	**267,574**	250,720	7
Trading account assets	**296,108**	247,080	20
Debt securities	**862,819**	982,627	(12)
Loans and leases	**1,045,747**	979,124	7
Allowance for loan and lease losses	**(12,682)**	(12,387)	2
All other assets	**361,606**	374,110	(3)
Total assets	**$ 3,051,375**	**$ 3,169,495**	(4)
Liabilities			
Deposits	**$ 1,930,341**	$ 2,064,446	(6)
Federal funds purchased and securities loaned or sold under agreements to repurchase	**195,635**	192,329	2
Trading account liabilities	**80,399**	100,690	(20)
Short-term borrowings	**26,932**	23,753	13
Long-term debt	**275,982**	280,117	(1)
All other liabilities	**268,889**	238,094	13
Total liabilities	**$ 2,778,178**	**$ 2,899,429**	(4)
Shareholders' equity	**273,197**	270,066	1
Total liabilities and shareholders' equity	**$ 3,051,375**	**$ 3,169,495**	(4)

B. CORE BUSINESS LINES

Bank of America has four business segments: *Consumer Banking*, *Global Wealth and Investment Management ("GWIM")*, *Global Banking*, and *Global Markets*. For purposes of resolution planning, the Company has identified 14 specific Core Business Lines within our business segments based on the definition of Core Business Lines in the 165(d) Rule: "business lines...including associated operations, services, functions and support that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value." In addition, we apply further criteria and metrics to each major business activity to determine which activities are Core Business Lines. The criteria applied include, among other things: (1) the contribution to enterprise revenue and profitability; (2) relevance to enterprise strategy; (3) synergies with other businesses; and (4) importance to clients. The metrics applied include, among other things, product or service revenue and profitability as a percentage of the total line of business or the Company as a whole.

The table below provides the list of Core Business Lines by business segment.

Core Business Lines			
Consumer Banking	**GWIM**	**Global Banking**	**Global Markets**
• Deposits • Lending	• Merrill • Private Bank	• Global Corporate Banking • Global Commercial Banking • Business Banking	• Global Equities • Global FX and Local Currency Trading • Global Rates • Global Financing & Futures • Global Credit • Municipal Banking and Markets • Mortgage Products

Consumer Banking

Consumer Banking offers a diversified range of credit and banking products and services to consumers and small businesses. Our customers and clients have access to a coast-to-coast network including financial centers, ATMs, nationwide call centers, and leading digital platforms. For purposes of resolution planning, Consumer Banking comprises two Core Business Lines – *Deposits and Lending*.

Deposits offers a full range of deposit products for consumers and small businesses including traditional savings accounts, money market savings accounts, certificates of deposit, individual retirement accounts, and non-interest and interest-bearing checking accounts.

Lending offers products to consumers and small businesses across the U.S. The products offered include credit and debit cards, residential mortgages and home equity loans, and direct and indirect loans including automotive, recreational vehicle, and consumer personal loans. Consumer lending products are available to our customers through our retail network, direct telephone, online, and mobile channels.

Global Wealth & Investment Management (GWIM)

GWIM provides comprehensive wealth management services, guided and self-directed investing, retirement and benefit plan services, philanthropic solutions, and asset management services to individuals, businesses, and institutions through its two Core Business Lines – *Merrill* and *Private Bank.*

Merrill provides a high-touch client experience through a network of financial advisors focused on clients with over $250,000 in total investable assets. Merrill provides tailored solutions to meet clients' needs through a full set of investment management, brokerage, banking and retirement products. Consumer Investments serves investment client relationships through the Merrill Edge integrated investing and banking service platform, providing investment advice and guidance, client brokerage asset services, self-directed online investing and key banking capabilities including access to Bank of America's network of financial centers and ATMs.

Private Bank provides comprehensive and differentiated wealth management solutions to high net worth and ultra-high net worth individuals and families, as well as endowments and foundations. The business delivers integrated wealth management advice and highly customized solutions, such as specialty asset management and custom credit solutions, to meet its clients' wealth structuring, investment management, trust, and banking needs; it also provides philanthropic management services to endowments and foundations.

Global Banking

Global Banking provides a wide range of lending-related products and services; integrated working capital management and treasury solutions; and underwriting and advisory services through the Company's network of offices and client relationship teams. For resolution planning purposes, Global Banking includes three Core Business Lines – *Global Corporate Banking*, *Global Commercial Banking*, and *Business Banking.*

Global Corporate Banking operates globally and is organized by the following industry groups*:* Consumer & Retail, Healthcare, Energy & Power, General Industrials, Telecom, Media & Technology, and Financial Institutions. The business is primarily focused on large, mostly public corporate clients, usually with greater than $2 billion in revenues. Global Corporate Banking provides credit products, debt advisory services, global transaction services, and GWIM corporate solutions.

Global Commercial Banking is one of the largest commercial bank businesses in the U.S., serving clients with revenues of generally $50 million to $2 billion. Global Commercial Banking serves as a trusted advisor to middle-market companies primarily in the U.S. and Canada — including their international subsidiaries — delivering integrated financial services solutions. Its unique client coverage model and close partnerships with the other business segments (including Enterprise Credit, Global Transaction Services, GWIM, and Global Markets) enable the commercial client teams to seamlessly deliver enterprise capabilities as integrated solutions.

Business Banking provides commercial banking financial solutions and advice to small and mid-sized U.S. companies with annual revenues generally between $5 million and $50 million. Business Banking partners with GWIM and Global Markets who offer personal banking and investment services to our business owners which allows us to deliver both personal and business needs for our clients.

Global Markets

Global Markets offers sales and trading services, including research, to institutional clients across fixed-income, credit, currency, and equity businesses. Global Markets product coverage includes securities, loans, and derivative products in both the primary and secondary markets in conjunction with market-making, financing, securities clearing, settlement, and custody services provided globally to institutional investor clients in support of investing and trading activities. Global Markets also works with commercial and corporate clients to provide risk management products using interest rate, equity, credit and currency derivatives, foreign exchange ("FX"), fixed-income, and mortgage-related products.

Global Equities operates globally and is a full-service provider of sales and trading services for customers and counterparties including governmental entities, not-for-profit institutions, for-profit institutions, financial institutions, and asset managers. The business line comprises Equities Execution Services, Equity Client Solutions, and Equity Synthetics and Securities Lending.

Global FX and Local Currency Trading provides clients with market-making services in FX emissions trading system, spot, swaps, forwards and options in G10 and emerging market currency pairs. In emerging markets, products offered to clients also include local currency bonds and interest rate derivatives. Additional services include FX and transactional FX, which provides electronic currency conversion and payment services to consumer, corporate and commercial clients and FX Prime Brokerage, which provides intermediation of FX transactions executed by clients with third-party banks and brokers.

Global Rates is a market-maker across a range of financial products for which principal risk is a change in interest rates, including, but not limited to, government securities, agencies, futures contracts, repurchase agreements, swaps options, and structured transactions. In addition, as a primary dealer, the businesses in the U.S., Europe, Middle East, and Africa ("EMEA"), and Asia Pacific (1) serve as a trading counterparty of central banks or other governmental or quasi-governmental entities involved in the establishment or implementation of monetary policy; (2) participate in auctions of government debt; and (3) participate in open market operations to carry out monetary policy.

Global Financing & Futures comprises (1) Futures / Options and OTC Clearing; and (2) Short-End Trading. Futures / Options and OTC Clearing provides its clients access to futures exchanges around the world and can facilitate the trading of the various futures and options on futures contracts that are listed on these exchanges (subject to clients being permitted to trade). The business line also provides clearing services for interest and credit rate swaps for both client and Company activity on all major clearinghouses. Short-End Trading comprises repurchase agreements, short rates, short swaps, and short-term fixed income trading.

Global Credit is a market-maker in the bonds and loans of corporate issuers and related derivatives products. Coverage includes investment grade, high yield and distressed issuers in developed and emerging markets. Additionally, Global Credit offers clients fixed income and currency products specific to countries within Latin America, EMEA, and Asia. Global Credit also makes markets in U.S. and non-U.S. listed fixed income and commodities exchange traded funds, and select derivatives on related products, out of the U.S. and EMEA. Global Credit participates in both public and private debt markets. The majority of the cash trading takes place in the secondary market. Derivative products are traded both OTC and across exchanges. Underwriting and distribution of securities is done in conjunction with Global Capital Markets and the Syndicate desk.

Municipal Banking and Markets (MBAM) comprises MBAM New Issue Desk, MBAM Secondary Trading, Municipal Capital Markets, and Public Sector Banking. The MBAM New Issue Desk is an originate-to-distribute business underwriting municipal securities where the obligor is a municipality, not-for-profit entity, or for-profit entity. MBAM Secondary Trading transacts in both non-municipal and municipal fixed and variable rate products including fixed rate bonds, variable rate demand notes, floating rate notes, municipal exchange traded funds, and auction rate securities. MBAM Capital Markets provides clients with alternative financial products in the following areas: municipal swaps, total return swap financing for customers, cash trading, and municipal counterparty valuation adjustment and funding. Public Sector Banking is a leading financial services provider to public sector entities at the local, state, and national levels; it provides municipalities with a full spectrum of banking solutions, including loans, letters of credit, and liquidity facilities, as well as integrated treasury management solutions and card services.

Mortgage Products offers a full-service model of origination, structuring, execution, distribution, underwriting, and market-making across a full spectrum of asset classes and regions. Trading provides liquidity and relative value trading ideas for clients. The business line makes markets in various asset classes including consumer asset-backed securities; commercial mortgaged-backed securities; agency mortgage-backed securities and collateralized mortgage obligations; collateralized debt obligations; non-agency collateralized mortgage obligations; residential whole loans; and reverse mortgages.

C. MATERIAL ENTITY OVERVIEW AND DETERMINATIONS

We conduct our business through our parent holding company, BAC, and its subsidiaries and their branches, across multiple jurisdictions. The subsidiaries and branches are established to fulfill a wide range of business, legal, regulatory, licensing, and other objectives. We reviewed our subsidiaries and branches and identified 17 Material Entities for purposes of our 2023 Resolution Plan, including the parent holding company, 15 direct and indirect subsidiaries, and one foreign branch. The identification of our Material Entities is based on the definition in the 165(d) Rule: “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.” Our Material Entity determination framework supplements this definition with other qualitative and quantitative criteria.

Our Material Entity determination framework analyzes our subsidiaries and branches to determine which are material based on:

- **Significance to the Company:** Subsidiaries that hold a significant amount of our assets, revenue, or liabilities.
- **Significance to a Core Business Line:** Subsidiaries that produce a significant amount of a Core Business Line’s revenue.
- **Significance to Interconnectedness:** Subsidiaries that have significant financial and operational interconnectedness (including alignment with our Critical Operations).
- **Other Significance:** Other qualitative factors that facilitate our single point of entry resolution strategy (e.g., certain intermediate holding companies).

The front line units and control functions participate in the Material Entity determination process and the LESG Forum serves as a review and challenge function. The Chief Financial Officer Risk Committee approves the Material Entities and the BAC Management Risk Committee is informed of the results. Material Entities are determined at least annually and may be updated for various reasons, including a change in the Company’s legal entity structure or business strategy.

The table below provides the Material Entities as of January 1, 2023, including each Material Entity's primary entity type, home jurisdiction, and its role in our resolution strategy.

Primary Entity Type	Material Entity Name	Home Jurisdiction	Role in our Resolution Strategy
Bank Holding Companies	Bank of America Corporation	U.S.	Bankruptcy Proceeding
	BAC North America Holding Company	U.S.	Continuing Subsidiaries
	NB Holdings Corporation	U.S.	
Banks and Branches	Bank of America, National Association[1]	U.S.	
	Bank of America, National Association – London Branch[1]	U.K.	
	Bank of America California, National Association	U.S.	
	Bank of America Europe Designated Activity Company	Ireland	
Service Companies	BA Continuum India Private Limited[1]	India	
	Managed Account Advisors LLC[1]	U.S.	
	Merrill Lynch Global Services Pte. Ltd.[1]	Singapore	
Broker-Dealers	Merrill Lynch, Pierce, Fenner & Smith Incorporated[1]	U.S.	
	BofA Securities, Inc.	U.S.	Solvent Wind-down Subsidiaries
	BofA Securities Europe SA	France	
	Merrill Lynch Capital Services, Inc.	U.S.	
	Merrill Lynch International	U.K.	
	BofA Securities Japan Co., Ltd.	Japan	
	Merrill Lynch Professional Clearing Corp.	U.S.	

(1) Designated as a Preferred Service Provider.

The table below provides the assets, liabilities, and shareholders' equity of each of our Material Entities as of December 31, 2022.

Primary Entity Type	Material Entity Name	Assets ($ millions)	Liabilities ($ millions)	Shareholders' Equity ($ millions)
Bank Holding Companies	Bank of America Corporation	$ 546,141	$ 272,944	$ 273,197
	BAC North America Holding Company	238,012	1	238,012
	NB Holdings Corporation	552,893	251,686	301,207
Banks and Branches	Bank of America, National Association[1]	2,418,653	2,193,204	225,449
	Bank of America California, National Association	18,204	15,910	2,294
	Bank of America Europe Designated Activity Company	69,029	55,853	13,176
Service Companies	BA Continuum India Private Limited	953	337	616
	Managed Account Advisors LLC	284	184	100
	Merrill Lynch Global Services Pte. Ltd.	294	114	181
Broker-Dealers	Merrill Lynch, Pierce, Fenner & Smith Incorporated	33,897	24,297	9,600
	BofA Securities, Inc.	386,402	357,089	29,313
	BofA Securities Europe SA	56,488	47,902	8,585
	Merrill Lynch Capital Services, Inc.	7,632	5,523	2,109
	Merrill Lynch International	221,679	177,006	44,673
	BofA Securities Japan Co., Ltd.	17,703	16,650	1,053
	Merrill Lynch Professional Clearing Corp.	102,747	98,608	4,140

(1) Includes BANA-L.

For more detailed background and financial information about our Material Entities, see *Material Entities – Background and Select Financial Information*.

D. FINANCIAL INTERCONNECTEDNESS

Material Entity Funding and Capital

The majority of our business is financed by deposits complemented by a mix of secured and unsecured liabilities through a centralized, globally coordinated funding strategy. Our centralized funding strategy provides greater control and consistency, wider name recognition with investors, and the ability to meet the variable funding requirements of our subsidiaries. The majority of funding activities are centralized within our Treasury group, which has a global presence for efficient execution, market awareness, and country / regional expertise. This approach promotes stability and flexibility during stable and stressed conditions.

Deposits are the primary source of funding for the Company's banking subsidiaries and are derived from the operations of our four core business segments (Consumer Banking, GWIM, Global Banking, and Global Markets). Long-term, unsecured debt is primarily issued by BAC as a stable source of funding for BAC's non-bank businesses and to a lesser extent by BANA. Repurchase agreements and securities lending provide secured funding for the trading activities in our broker-dealer subsidiaries. Short-term, unsecured debt is primarily issued by BANA and is supplemental to BANA's core deposit funding to serve as a flexible and effective mechanism to meet seasonal and cyclical cash flow fluctuations.

Our Material Entities source funding on both an intercompany and third-party basis, and capital on an intercompany basis. The legal entity deployment of these resources is based on the Company's capital and liquidity positioning frameworks which seek to position the appropriate levels of resources throughout the Company to meet contractual and contingent obligations, adequately support the entity's risk profile, and are in line with the Company's risk appetite.

Intercompany funding transactions, inclusive of those that exist within a legal entity (i.e., BANA and its branch network), are a central component of our funding and capital structure, enabling our legal entity structure to support the Company's business activities. Intercompany lending, the most common means to transmit funding among entities, includes unsecured loans, secured loans, deposits, and subordinated loans.

Unsecured loans are the primary mechanism to transfer funds amongst the non-bank Material Entities and include a combination of committed and uncommitted loan facilities so that Material Entities have access to funding, even in periods of severe stress. The majority of intercompany unsecured loans involve NB Holdings lending to other Material Entities.

Secured loans primarily are in the form of repurchase agreements and support funding and collateral needs for our legal entities.

Deposits are the primary mechanism to transfer funds across the bank Material Entities and are regularly used to place excess cash held by non-bank entities to bank entities.

Subordinated loans are used in situations where a Material Entity needs both funding and qualifying regulatory capital. NB Holdings provides the majority of subordinated lending to the Material Entities.

The following table summarizes each Material Entities' primary intercompany funding sources as of December 31, 2022.

Material Entities' Primary Intercompany Funding Sources[1]				
	Unsecured Loans	Secured Loans	Deposits	Subordinated Loans
BAC	X			
NB Holdings	X	X		X
BANA[2]	X	X	X	
BACANA	X		X	
BofA Europe	X	X	X	X
MLPFS	X	X		X
BofAS	X	X		X
BofAS Europe	X	X		
MLCS	X			X
MLI	X	X		X
BofAS Japan	X	X		
MLPRO	X	X		X

(1) BACNA, BACI, MLGS, and MAA are not included in the table because they do not obtain funding from intercompany sources.
(2) Includes BANA-L.

Guarantees

BAC has guaranteed the obligations of certain subsidiaries under standard industry trading contracts (e.g., ISDAs) and non-trading contracts. The guarantees themselves do not contain cross-default provisions and could not, on their own, trigger early termination rights with respect to the underlying contract. The issuance of BAC guarantees is subject to significant review and senior management approval, including an assessment of the impact on the Company's resolvability. Subsidiaries are restricted from providing upstream guarantees of BAC obligations, and there are no outstanding upstream guarantees. Subsidiaries provide guarantees of other subsidiary obligations on a limited basis. Guarantee issuance and related control processes are managed by our Treasury group.

E. OPERATIONAL INTERCONNECTEDNESS

Our Preferred Service Providers are Material Entities that provide Critical Services to other BAC affiliates, including other Material Entities, and support Critical Operations. Our Preferred Service Providers are the Material Entity service companies (BACI, MAA, and MLGS), one Material Entity bank (BANA), one Material Entity foreign bank branch (BANA-L), and one Broker-Dealer (MLPFS). Each of the Material Entities generally receive their Critical Services from our Preferred Service Providers.

We identify operational interdependencies in the provision of Critical Services between affiliates, Core Business Lines, and Critical Operations through mapping the required personnel, real estate, applications, and third parties. Instances where Critical Services are not provided by a Preferred Service Provider are reported, assessed, and the associated risks are mitigated. See the *Resolution Planning Capabilities – Operational Preparedness* section for information about our contingency strategies and capabilities to facilitate the continuation and resiliency of services in resolution.

F. MATERIAL ENTITIES – BACKGROUND AND SELECT FINANCIAL INFORMATION

Bank Holding Companies

Material Entity	Acronym	Description
Bank of America Corporation	BAC	Parent holding company
BAC North America Holding Company	BACNA	Intermediate holding company
NB Holdings Corporation	NB Holdings	Top-tier intermediate holding company

Bank of America Corporation

Background: BAC is a holding company organized in the U.S. and would file for bankruptcy within the BAC preferred resolution strategy.

Financial Summary: BAC's significant assets consist of cash deposited with BANA, loans to affiliates, and investments in subsidiaries. BAC's primary liabilities are unsecured long-term debt to external parties. BAC also maintains a large common and preferred equity capital base. BAC receives dividends from its bank and non-bank subsidiaries as its major source of income, while its expenses are primarily interest paid on borrowed funds.

Capital and Funding Resources: BAC issues both long-term debt and various forms of equity to fund its own and its subsidiaries' activities, primarily through the public securities markets. BAC is the Company's primary issuer of unsecured long-term debt instruments to third parties, including subordinated debt capital instruments. BAC issues long-term unsecured debt in a variety of maturities and currencies to meet funding requirements, to achieve cost-efficient funding, and to maintain an appropriate maturity profile. In conjunction with the Secured Support Agreement, BAC also maintains access to a committed borrowing facility from NB Holdings.

BAC's capital resources are primarily composed of common and preferred stock issued to third parties and related surplus, retained earnings, and accumulated other comprehensive income.

BAC North America Holding Company and NB Holdings Corporation

Background: NB Holdings is a holding company organized in the U.S. NB Holdings is considered a Continuing Subsidiary within the BAC preferred resolution strategy. BACNA is a holding company organized in the U.S. and is considered a Continuing Subsidiary in the BAC preferred resolution strategy.

Financial Summary: BACNA's significant assets and liabilities are substantially limited to investments in subsidiaries. NB Holdings' significant assets consist of cash deposited with BANA, loans to affiliates, and investments in subsidiaries. NB Holdings' primary liabilities are notes issued to BAC that are subordinated to the secured obligations of NB Holdings under the Secured Support Agreement and will be automatically forgiven upon a Parent Final Contribution event. See the *Resolution Planning Capabilities – Legal Preparedness* section for more information about the Secured Support Agreement.

Capital and Funding Resources: BACNA's and NB Holdings' capital resources include common stock held by their parents and retained earnings. In conjunction with the Secured Support Agreement, NB Holdings has issued subordinated debt to BAC and BAC serves as a continued source of funding for NB Holdings.

Bank Holding Companies Selected Balance Sheet Information

The table below presents selected parent company only balance sheet line items for our Material Entity bank holding companies as of December 31, 2022. The information below is unaudited, and with the exception of BAC, is based on general ledger data, does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), and includes transactions with affiliates.

	Bank Holding Companies ($ millions)		
	BAC	NB Holdings	BACNA
Assets			
Cash and cash equivalents	$ 9,584	$ 58,730	$ 15
Loans and leases	223,156	66,547	—
Other assets	313,401	427,616	237,997
Total assets	546,141	552,893	238,012
Liabilities			
Short-term borrowings	12,062	3,015	—
Long-term debt	246,187	222,397	—
Other liabilities	14,695	26,274	1
Total liabilities	272,944	251,686	1
Shareholders' equity	273,197	301,207	238,012
Total liabilities and shareholders' equity	546,141	552,893	238,012

Banks and Branches

Material Entity	Acronym	Description
Bank of America, National Association	BANA	Consumer and commercial bank
Bank of America, National Association – London Branch	BANA-L	Commercial bank branch
Bank of America California, National Association	BACANA	Bankers' bank
Bank of America Europe Designated Activity Company	BofA Europe	Commercial bank

Bank of America, National Association

Background: BANA is a bank and swap dealer organized in the U.S. and provides a range of products and services to clients of Core Business Lines in the Consumer and Small Business, Wealth Management, Global Banking, and Global Markets business segments. It supports customers through seventeen active non-U.S. branches and supports Critical Operations in Consumer and Small Business Operations, Wealth Management Operations, Global Banking Operations, and Global Markets Operations. BANA is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BANA's significant assets and liabilities are comprised of primarily high-quality liquid assets; consumer and commercial loans; customer and client deposits; and intercompany transactions. Excess liquidity is generally reinvested in U.S. Treasuries; agency and government securities; or cash reserves that may be placed at the FRB and foreign central banks. BANA's primary sources of income include net interest income and non-interest income from core business operations. Non-interest income consists of credit card fees; service charges; investment banking and brokerage service fees; mortgage banking income; market making and similar activities; and gains on sales of debt securities. BANA also receives intercompany income from various affiliates pursuant to service agreements.

Capital and Funding Resources: The primary source of funding for BANA is deposits raised through the banking franchise. These deposits are diversified by client, product type, and geography. The majority of BANA's U.S. deposits are insured by the FDIC. BANA considers a substantial portion of its deposits to be a stable, low-cost, and consistent source of funding. This deposit funding is generally less sensitive to interest rate changes, market volatility, or changes in BANA's credit ratings than wholesale funding sources. Other sources of funding include intercompany borrowing from NB Holdings; secured borrowings, including credit card securitizations and securitizations with government-sponsored enterprises, the Federal Housing Administration, and private-label investors; and Federal Home Loan Bank ("FHLB") secured advances. BANA also raises short-term wholesale unsecured funding and issues unsecured long-term debt.

The other Material Entity banks and branches, with the exception of BACANA, are direct or indirect subsidiaries of BANA and have access to BANA's strong, stable deposit base. See *Financial Interconnectedness – Material Entity Funding and Capital* and the *Background and Select Financial Information* for each Material Entity bank or branch below for more information about our funding strategy and capital resources.

BANA's capital resources are primarily composed of common stock held by its parent, BACNA, retained earnings, and accumulated other comprehensive income.

Bank of America, National Association – London Branch

Background: BANA-L is a bank branch organized in the U.K. and provides a range of products and services to clients of Core Business Lines in the Global Banking and Global Markets business segments. It supports Critical Operations in Global Banking Operations and Global Markets Operations. BANA-L is considered a continuing branch within the BAC preferred resolution strategy.

Financial Summary: BANA-L accepts deposits from, and extends loans to, other non-U.S. branches and affiliates. As a result, BANA-L's significant assets and liabilities are comprised of balances relating to affiliate or branch funding managed by our Treasury group. The primary sources of BANA-L's revenue are net interest income on loans; cash on deposit and other earning assets; and income from service charges.

Capital and Funding Resources: BANA-L's significant sources of funding are deposits from corporate clients, short-term issuance proceeds in the form of certificates of deposit, and deposits received from other BANA branches and affiliates. As a branch, BANA-L relies upon the capital of BANA.

Bank of America California, National Association

Background: BACANA is a bank organized in the U.S. and provides a limited range of products and services to clients of Core Business Lines in the Consumer and Small Business and Wealth Management business segments. BACANA is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BACANA's significant assets and liabilities include cash and cash equivalents from deposits of GWIM clients and funding from advances with Federal Reserve Bank of San Francisco ('FHLB-SF"). Other significant assets include mortgage loans purchased from BANA, which are used primarily as collateral to support short-term and long-term FHLB advances. BACANA's primary source of revenue is interest income from its residential loan book.

Capital and Funding Resources: BACANA's funding resources are comprised of GWIM client deposits and FHLB advances. Excess cash received from funding activities is placed on deposit with the FHLB-SF. BACANA's capital resources include common stock held by its parent and retained earnings.

Bank of America Europe Designated Activity Company

Background: BofA Europe is a bank and swap dealer organized in Ireland. It provides a range of products and services to clients of Core Business Lines in the Global Banking and Global Markets business segments. It supports customers through 11 non-U.S. branches and supports Critical Operations in Global Banking Operations, Global Markets Operations, and Wealth Management Operations. BofA Europe is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BofA Europe's significant assets and liabilities are primarily loans, deposits, and intercompany transactions. Clients principally include large multinational groups, financial institutions, and government entities. BofA Europe earns interest and fee income from the lending businesses and investment banking activity. In addition, BofA Europe conducts market making and similar activities, through loan transactions, and certain secured lending transactions.

Capital and Funding Resources: The primary sources of funding for BofA Europe are capital, corporate deposit activity, and intercompany funding from BANA-L and other banking entities. BofA Europe's capital resources are ordinary share capital, subordinated debt, and retained earnings.

Banks and Branches Selected Balance Sheet Information

The table below presents selected consolidated balance sheet line items for our Material Entity banks and branches as of December 31, 2022. The BANA and BACANA information below is based on regulatory filings, whereas the BofA Europe information is based on internal general ledger data and does not reflect certain post-closing and re-class entries made as part of our regulatory filings.

	Banks ($ millions)		
	BANA[1]	BACANA	BofA Europe
Assets			
Cash and cash equivalents	$ 208,524	$ 5,043	$ 19,762
Federal funds sold & securities borrowed or purchased under agreements to resell	31,065	—	8,819
Trading account assets	103,989	—	1,381
Loans and leases	1,035,626	13,046	31,339
Allowance for loans and lease losses	(12,651)	(7)	(300)
Debt securities	829,032	—	322
Other assets	223,068	122	7,706
Total assets	2,418,653	18,204	69,029
Liabilities			
Deposits	2,042,255	13,984	48,957
Federal funds purchased & securities loaned or sold under agreements to repurchase	47,475	—	(2)
Trading account liabilities	9,245	—	10
Short-term borrowings	14,665	1,800	177
Other liabilities	79,564	126	6,711
Total liabilities	2,193,204	15,910	55,853
Shareholders' equity	225,449	2,294	13,176
Total liabilities and shareholders' equity	2,418,653	18,204	69,029

(1) Includes BANA-L.

Service Companies

Material Entity	Acronym	Description
BA Continuum India Private Limited	BACI	Service company
Managed Account Advisors LLC	MAA	Service company
Merrill Lynch Global Services Pte. Ltd.	MLGS	Service company

BA Continuum India Private Limited

Background: BACI is a service provider incorporated as a legal entity in India. It supports various lines of business spanning Global Technology, Global Operations, other Front Line Units and Control Functions. BACI is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BACI's significant assets consist of time deposits placed with BANA and fixed assets. Significant liabilities consist of accrued expenses and other operating liabilities. BACI's primary source of revenue is service fee income earned from affiliates. BACI's operating expenses are primarily personnel-related expenses.

Capital and Funding Resources: BACI is primarily equity-funded and produces service fee income, which supports its operations. BACI also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist of common stock and retained earnings.

Managed Account Advisors LLC

Background: MAA is a service provider and investment advisor organized in the U.S. MAA is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MAA's significant assets include cash and intercompany receivables. Income taxes payable and intercompany payables comprise the majority of MAA's significant liabilities. Significant sources of revenue include third-party manager fees collected from customers and fees for services provided to affiliates.

Capital and Funding Resources: MAA is primarily equity-funded and produces service fee income, which supports its operations. MAA also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist primarily of retained earnings.

Merrill Lynch Global Services Pte. Ltd.

Background: MLGS is a service provider organized in Singapore. It supports Critical Operations in Global Markets Operations. MLGS is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MLGS's significant assets consist of cash and cash equivalents; receivables from affiliates; and fixed assets. Significant liabilities include accrued expenses related to incentive compensation and rent; lease liabilities and intercompany payables. MLGS's primary source of revenue is service fee income earned from affiliates.

Capital and Funding Resources: MLGS is primarily equity-funded and produces service fee income, which supports its operations. MLGS also maintains access to an intercompany senior unsecured borrowing facility. Excess liquidity is in the form of cash. Its capital resources consist of common stock and retained earnings.

Service Companies Selected Balance Sheet Information

The table below presents selected consolidated balance sheet line items for our Material Entity service companies as of December 31, 2022. The information below is unaudited, based on general ledger data, does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), and includes transactions with affiliates.

	Service Companies ($ millions)		
	BACI	MAA	MLGS
Assets			
Cash and cash equivalents	$ 16	$ 195	$ 9
Other assets	937	89	285
Total assets	953	284	294
Liabilities			
Accrued expenses and other liabilities	337	184	114
Total liabilities	337	184	114
Shareholders' equity	616	100	181
Total liabilities and shareholders' equity	953	284	294

Broker-Dealers

Material Entity	Acronym	Description
BofA Securities, Inc.	BofAS	U.S. broker-dealer
BofA Securities Europe SA	BofAS Europe	French broker-dealer
Merrill Lynch, Pierce, Fenner & Smith Incorporated	MLPFS	U.S. broker-dealer
Merrill Lynch Capital Services, Inc.	MLCS	U.S. swap dealer
Merrill Lynch International	MLI	U.K. broker-dealer
BofA Securities Japan Co., Ltd.	BofAS Japan	Japanese broker-dealer
Merrill Lynch Professional Clearing Corp.	MLPRO	U.S. broker-dealer

BofA Securities, Inc.

Background: BofAS is a broker-dealer organized in the U.S. and provides a range of products and services to clients of Core Business Lines in the Global Banking and Global Markets business segments. It supports Critical Operations in Global Markets Operations. BofAS is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BofAS' significant assets and liabilities include securities financing transactions to accommodate customers, earn interest rate spreads, or obtain securities for settlement; and financing of inventory positions. Other significant assets and liabilities include trading assets and liabilities; and broker-dealer and customer receivables and payables. BofAS holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. BofAS receives commission revenue and investment banking fees. Interest income and realized and unrealized gains and losses on trading assets and liabilities also impact earnings.

Capital and Funding Resources: BofAS is funded through external sources including repurchase agreements, securities lending transactions, trading liabilities, commercial paper, and lines of credit. NB Holdings acts as a source of unsecured funding through senior, committed borrowing facility and subordinated loan agreements. Intraday liquidity is provided by NB Holdings and BANA, as permitted by applicable law. The capital resources of BofAS include preferred stock held by its parent, retained earnings, and accumulated other comprehensive income. The outstanding subordinated loans with NB Holdings are recognized as regulatory capital.

BofA Securities Europe SA

Background: BofAS Europe is a broker-dealer and swap dealer domiciled in France and headquartered in Paris. BofAS Europe helps serve the core financial and investment needs of global corporations and institutional investors. BofAS Europe is BAC's primary sales and trading entity for servicing EU clients and for providing access to EU markets for global clients. BofAS Europe business lines include Equity Sales and Trading, Fixed-Income Currencies & Commodities Sales and Trading, and Global Banking. BofAS Europe is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy. In December 2022, BofAS Europe obtained its Credit Institution License from the European Central Bank, and is now under their supervision as part of the Joint Supervisory Team between the single supervisory mechanism of the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution.

Financial Summary: BofAS Europe's significant assets and liabilities include securities financing transactions to accommodate customers, earn interest rate spreads, or obtain securities for settlement; and financing of inventory positions. Other significant assets and liabilities include trading assets and liabilities, primarily European and supranational bond holdings and equities inventory; and broker-dealer and customer receivables and payables. BofAS Europe holds a material liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. BofAS Europe's primary source of revenue is sales and trading revenue within the Global Markets business, investment banking fees, and interest income.

Capital and Funding Resources: BofAS Europe is funded through external sources including repurchase agreements, securities lending transactions, trading liabilities, and loans from affiliates. There are two committed financing facilities from NB Holdings. In addition, the entity has two non-binding loan agreements with affiliates which serve as a source of funding through uncommitted facilities. The BofAS Europe capital base is primarily supported through the issuance of common equity to its direct parent company NB Holdings. BofAS Europe primarily funds its balance sheet through wholesale secured funding, capital, and intercompany unsecured debt.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Background: MLPFS is a broker-dealer organized in the U.S. and provides a range of products and services to clients of Core Business Lines in the Consumer and Small Business and Wealth Management business segments. It supports Critical Operations in Consumer and Small Business Operations and Wealth Management Operations. MLPFS is considered a Continuing Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MLPFS's significant assets and liabilities include securities financing transactions to support liquidity and customer reserve requirements, and customer and broker-dealer receivables and payables. MLPFS holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. MLPFS receives commission revenue, managed account fee revenue, and investment banking fees, which include fees earned to distribute debt and equity securities underwritten by BofAS. Interest income and realized and unrealized gains and losses on trading assets and liabilities also impact earnings.

Capital and Funding Resources: MLPFS is funded through external sources including customer cash held in brokerage accounts and securities lending transactions. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility and a subordinated loan agreement. Intraday liquidity is provided by BANA as permitted by applicable law. The capital resources of MLPFS include common stock held by its parent and retained earnings. Outstanding subordinated loans with NB Holdings are recognized as regulatory capital.

Merrill Lynch Capital Services, Inc.

Background: MLCS is a swap dealer organized in the U.S. and provides a range of products and services to clients of Core Business Lines in the Global Markets business segment. MLCS is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MLCS's significant assets and liabilities include trading assets and liabilities, primarily related to derivative activity. Other significant assets include receivables from, and payables to, affiliated companies and other short-term borrowings. MLCS's earnings are impacted by realized and unrealized gains and losses on trading assets and liabilities and net interest income earned.

Capital and Funding Resources: MLCS's primary source of funding is a senior, unsecured committed borrowing facility and uncommitted borrowing facilities and a subordinated loan agreement from NB Holdings. Intraday liquidity is provided by BANA, as permitted by applicable law. Its capital resources are primarily comprised of common stock held by its parent and retained earnings.

Merrill Lynch International

Background: MLI is a broker-dealer and swap dealer organized in the U.K. and provides a range of products and services to clients of Core Business Lines in the Global Banking and Global Markets business segments. It supports Critical Operations in Global Markets Operations. MLI is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MLI's significant assets and liabilities include securities financing transactions to accommodate customers, earn interest rate spreads, or obtain securities for settlement; and financing of inventory positions. Other significant assets and liabilities include trading assets and liabilities, primarily European and supranational bond holdings and equities inventory; and broker-dealer and customer receivables and payables. MLI holds a material liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements. MLI's primary source of revenue is sales and trading revenue within the Global Markets business.

Capital and Funding Resources: MLI is primarily funded by wholesale secured financing and capital. NB Holdings acts as a source of unsecured funding through a senior, committed borrowing facility. Intraday liquidity is provided by BANA, as permitted by applicable law. MLI's capital resources consist primarily of ordinary share capital, share premium, capital contribution, and retained earnings.

BofA Securities Japan Co., Ltd.

Background: BofAS Japan is a broker-dealer and swap dealer organized in Japan. It provides a range of products and services to clients of Core Business Lines in the Global Markets business segment. It supports Critical Operations in Global Markets Operations. BofAS Japan is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy.

Financial Summary: BofAS Japan's significant assets and liabilities include trading assets and liabilities (primarily Japanese government bonds); repurchase and reverse repurchase agreements (collateralized mainly by Japanese government bonds); stock borrowing and lending arrangements; and derivatives. BofAS Japan earns trading revenue related to market-making in fixed income, equity securities, and related derivatives. Other revenue sources include equities brokerage commissions, service fee income earned from affiliates for intermediation of securities and derivative transactions, and investment banking fees related to underwriting and merger and acquisition advisory services. BofAS Japan holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements.

Capital and Funding Resources: BofAS Japan is primarily funded by wholesale fixed income and equity-secured financing. NB Holdings acts as a source of unsecured funding through senior uncommitted and committed borrowing facilities and, to a lesser extent, a subordinated loan agreement. BofAS Japan's capital resources consist primarily of ordinary share capital, share premium, capital contributions, and retained earnings.

Merrill Lynch Professional Clearing Corp.

Background: MLPRO is a broker-dealer organized in the U.S. and provides a range of products and services to clients of Core Business Lines in the Global Markets business segment. MLPRO is considered a Solvent Wind-Down Subsidiary within the BAC preferred resolution strategy.

Financial Summary: MLPRO's significant assets and liabilities include customer and broker-dealer receivables and payables; and securities financing transactions comprised of securities borrowed and loaned, and reverse repurchase agreements. MLPRO's primary sources of revenue are interest and fees earned on margin loans and facilitating client short positions as well as commissions earned on trade clearance. MLPRO holds a liquidity portfolio under the management of our Treasury group to satisfy contingent liquidity requirements.

Capital and Funding Resources: MLPRO is funded through financing and securities lending transactions with BofAS. NB Holdings acts as a source of unsecured funding through a senior, committed and uncommitted borrowing facilities and a subordinated loan agreement. Intraday liquidity is provided by BANA, as permitted by applicable law. MLPRO's capital resources include common stock held by its parent and retained earnings. The outstanding subordinated loans with NB Holdings are recognized as regulatory capital.

Broker-Dealers Selected Balance Sheet Information

The table below presents selected consolidated balance sheet line items for our Material Entity broker-dealers as of December 31, 2022. The information below is unaudited, is based on general ledger data, is based on U.S. Generally Accepted Accounting Principles, and does not reflect balances after certain post-closing and re-class entries were made as part of our regulatory filings (if applicable), including transactions with affiliates.

	Broker-Dealers ($ millions)						
	BofAS	MLPFS	MLCS	MLI	BofAS Japan	MLPRO	BofAS Europe
Assets							
Cash and cash equivalents	$ 8,692	$ 837	$ 1,226	$ 6,237	$ 1,753	$ 1	$ 5,813
Federal funds sold & securities borrowed or purchased under agreements to resell	215,695	18,250	3,539	98,614	14,076	80,534	25,074
Trading account assets	104,950	216	1,823	52,668	585	—	13,432
Other assets	57,065	14,594	1,044	64,160	1,289	22,212	12,169
Total assets	386,402	33,897	7,632	221,679	17,703	102,747	56,488
Liabilities							
Federal funds purchased & securities loaned or sold under agreements to repurchase	166,605	2,073	—	77,576	13,817	20,809	19,235
Trading account liabilities	28,313	200	—	26,547	546	—	10,088
Short-term borrowings	27,871	2,078	2,406	5,010	1,173	15,792	819
Long-term debt	7,373	—	504	29,111	99	—	6,629
Other liabilities	126,927	19,946	2,613	38,762	1,015	62,007	11,131
Total liabilities	357,089	24,297	5,523	177,006	16,650	98,608	47,902
Shareholders' equity	29,313	9,600	2,109	44,673	1,053	4,140	8,585
Total liabilities and shareholders' equity	386,402	33,897	7,632	221,679	17,703	102,747	56,488

G. FOREIGN OPERATIONS

Our international footprint is managed as three separate regions outside of North America: EMEA, Asia Pacific, and Latin America, regions where our banking and non-banking subsidiaries provide a diverse range of financial services and products to corporations, institutions, governments, investors, and individuals around the world. As of December 31, 2022, Bank of America had approximately 217,000 employees globally.

Our international business clients consist primarily of the international operations of existing U.S. multinational corporate clients, as well as select large, local corporate and financial institutions that require access to banking product solutions. The Company's primary international business activity conducted in EMEA, Asia Pacific, and Latin America is managed across two main business segments – Global Markets and Global Banking. We provide onshore product services to clients through well-established local entities within each region. The most significant international operating entities from a global recovery and resolution perspective are listed in the table below.

Primary Entity Type	Material Entity Name	Home Jurisdiction
Banks and Branches	Bank of America, National Association – London Branch	U.K.
	Bank of America Europe Designated Activity Company	Ireland
Service Companies	BA Continuum India Private Limited	India
	Merrill Lynch Global Services Pte. Ltd.	Singapore
Broker-Dealers	Merrill Lynch International	U.K.
	BofA Securities Europe SA	France
	BofA Securities Japan Co., Ltd.	Japan

International operations are managed in accordance with existing enterprise standards and policies. To deliver strong management oversight, each region is led by a regional president who is the lead representative for activity undertaken in that region. Each regional president also operates a local executive committee comprised of key line of businesses and support functions with activity in that region. The role of the regional president and executive committee is to provide balance between local operating requirements and enterprise operating strategies. The regional president also serves as part of the Global Banking and Global Markets leadership teams to connect with global governance routines and to act as a point of escalation of regional issues to global leadership.

In addition to regional management, the enterprise international governance framework also places key roles in countries where a significant operating presence exists. Country leadership teams are in place with representation from each local line of business and those control functions responsible for oversight.

The regional and country leadership teams are responsible for managing the local regulatory relationships in countries where there is a significant operating presence. In addition, the regional and local management teams have responsibility for strategic performance, financial performance, risk, and control management.

Performance by Geographic Area

At and for the year ended December 31, 2022, Bank of America had $420 billion of total assets and $12 billion of total revenue, net of interest expense, outside the U.S.

The table below shows the Company's assets, revenues, and income by region, as set forth in *Note 25 - Performance by Geographical Area* in BAC's 2022 Annual Report.

Region	Year	Total Assets[1] ($ millions)	Total Revenue[2] Net of Interest Expense ($ millions)	Income Before Income Taxes ($ millions)	Net Income (Loss) ($ millions)
U.S.[3]	2022	$ 2,631,815	$ 82,890	$ 28,135	$ 25,607
	2021	2,789,862	78,012	31,392	27,781
	2020		75,576	18,247	16,692
Asia	2022	127,399	4,597	1,144	865
	2021	117,085	4,439	988	733
	2020		4,232	1,051	788
Europe, Middle East and Africa	2022	262,856	6,044	1,121	689
	2021	233,356	5,423	1,097	3,134
	2020		4,491	(596)	264
Latin America and the Caribbean	2022	29,305	1,419	569	367
	2021	29,192	1,239	499	330
	2020		1,229	293	150
Total Non-U.S.	2022	$ 419,560	$ 12,060	$ 2,834	$ 1,921
	2021	379,633	11,101	2,584	4,197
	2020		9,952	748	1,202
Total Consolidated	2022	$ 3,051,375	$ 94,950	$ 30,969	$ 27,528
	2021	3,169,495	89,113	33,976	31,978
	2020		85,528	18,995	17,894

(1) Total assets include long-lived assets, which are primarily located in the U.S.
(2) There were no material intercompany revenues between geographic regions for any of the periods presented.
(3) Substantially reflects the U.S.

H. MATERIAL SUPERVISORY AUTHORITIES

The Company is subject to an extensive regulatory framework applicable to bank holding companies; financial holding companies; and banks and other financial services entities. As a registered financial holding company and bank holding company, BAC is subject to the consolidated supervision of, and regular inspection by, the FRB. Our U.S. bank subsidiaries organized as national banking associations are subject to regulation, supervision, and examination by the OCC and the Agencies.

We are also subject to various other laws and regulations, as well as supervision and examination by other regulatory agencies. For instance, our broker-dealer subsidiaries are subject to both U.S. and international regulation, including supervision by the U.S. Securities and Exchange Commission ("SEC"), the New York Stock Exchange, and the Financial Industry Regulatory Authority, among others. Our commodities businesses in the U.S. are subject to regulation by, and supervision of, the U.S. Commodity Futures Trading Commission. Our U.S. derivative activity is subject to regulation by, and supervision of, the Commodities Futures Trading Commission, the National Futures Association, and the SEC. Our insurance activities are subject to licensing and regulation by state insurance regulatory agencies; and our consumer financial products and services are regulated by the Consumer Financial Protection Bureau.

Our non-U.S. businesses are also subject to extensive regulation by various non-U.S. regulators, including governments, securities exchanges, prudential regulators, central banks, and other regulatory bodies in the jurisdictions in which those businesses operate. For example, our financial services entities are subject to regulation in the U.K. by the Prudential Regulation Authority and the Financial Conduct Authority, in Ireland by the Central Bank of Ireland, European Central Bank and Single Resolution Board, and in France by the European Central Bank, Single Resolution Board, Autorité des Marchés Financiers and the Autorité de Contrôle Prudentiel et de Résolution.

Below is a representative list of primary supervisory authorities of the Company's Material Entities as of December 31, 2022.

Country	Supervisory Authority
France	Autorité de Contrôle Prudentiel et de Résolution
	Autorité des Marchés Financiers
	European Banking Authority
	European Central Bank
	Single Resolution Board
India	Reserve Bank of India
	Securities and Exchange Board of India
Ireland	Central Bank of Ireland
	European Banking Authority
	European Central Bank
	Single Resolution Board
Japan	Bank of Japan
	Financial Services Agency
Singapore	Monetary Authority of Singapore
U.K.	Financial Conduct Authority
	Prudential Regulation Authority
U.S.	Board of Governors of the Federal Reserve System / Federal Reserve Bank of Richmond
	Chicago Board Options Exchange
	Chicago Mercantile Exchange
	Commodity Futures Trading Commission
	Consumer Financial Protection Bureau
	Federal Deposit Insurance Corporation
	Financial Industry Regulatory Authority
	Municipal Securities Rulemaking Board
	National Futures Association
	New York Stock Exchange
	Office of the Comptroller of the Currency
	State Securities and Insurance Regulatory Agencies
	U.S. Securities and Exchange Commission

IV. RESOLUTION PLANNING GOVERNANCE

The governance for recovery and resolution planning is grounded in our Risk Framework, which serves as the foundation for consistent and effective management of risks facing the Company. The Risk Framework describes components of the Company's risk management approach, including our culture of managing risk well, risk appetite and risk limits, and risk management processes.

The Global Recovery and Resolution Planning group provides guidance with respect to recovery and resolution planning activities across the Company and oversees the development of the Company's recovery and resolution plans. The Global Recovery and Resolution Planning - Enterprise Policy provides holistic recovery and resolution planning guidance for the Company and clearly defines the specific roles and responsibilities of the BAC Board, BAC Enterprise Risk Committee, senior management, front line units, and control functions. In addition, front line units and control functions have integrated recovery and resolution planning capabilities into their BAU operations and their own policies and procedures.

Our Global Risk Management group serves as an independent review and challenge function for contributions to the recovery and resolution plans and the development and implementation of capabilities by the front line units and control functions.

Corporate Audit provides independent assessment and validation through testing of key processes and controls across the Company, including recovery and resolution planning requirements and capabilities. The BAC Board and BAC Enterprise Risk Committee are ultimately responsible for overseeing BAC's recovery and resolution planning. As part of its oversight, the BAC Board approved the 2023 Resolution Plan.

V. CONCLUSION

We have committed substantial financial, governance, and program management resources to improve our resolution planning capabilities and address potential impediments to the execution of our single point of entry resolution strategy. As part of this effort, we have incorporated the consideration of resolvability risks into our day-to-day business routines and decision-making to identify and manage those risks on an ongoing and sustainable basis.

While we believe a BAC bankruptcy is highly unlikely, we are nevertheless prepared to execute an orderly resolution, without government assistance or taxpayer funds, with a fully operational Resolution Plan built on a solid foundation of resolution planning capabilities that have been demonstrated over time through BAU processes and exercises and testing. Over the last 12 years, we have developed comprehensive resolution planning capabilities that have continued to evolve and have been incorporated into our BAU activities and strategic decision-making as a critical component of our corporate strategy.

As we execute our business strategy and grow our Company, we will do so in a manner that does not increase the systemic implications a potential resolution could have on the U.S. or global financial systems. We will continue to serve our customers through an accountable, risk-based culture with resolution considerations in mind. As we do so, we will continue to exercise and test our resolution planning capabilities and learn from those experiences to enhance our resolution preparedness as part of our responsible growth philosophy.

VI. APPENDIX

A. PRINCIPAL OFFICERS

Bank of America Corporation Executive Management Team

Brian T. Moynihan, Chair of the Board and Chief Executive Officer, is responsible for all of Bank of America's operations; and, in his 30-year tenure at Bank of America, has led each of the Company's major customer and client businesses, including consumer and small business banking, wealth management, and corporate and investment banking.

Raul A. Anaya, President of Business Banking, leads a nationwide team that serves mid-sized U.S.-based companies.

Dean C. Athanasia, President of Regional Banking, oversees four of the Company's eight major lines of business that make up Regional Banking, including Retail Banking, Preferred & Small Business Banking, Business Banking and Global Commercial Banking, and leads Digital, Brand and Marketing for the Company.

Catherine P. Bessant, Vice Chair of Global Strategy, is responsible for working with the Company's European boards, focused on the integration of the Company's global strategy.

Aditya Bhasin, Chief Technology and Information Officer, leads a global team responsible for designing and delivering technology solutions for all eight lines of business, staff support groups, Global Information Security, Technology Infrastructure and Global Business Services.

D. Steve Boland, Chief Administrative Officer, oversees the delivery of the Company's full range of capabilities for clients globally through Public Policy, Corporate Social Responsibility, Global Corporate Communications, External Communications, Global Sports Sponsorships, Global Corporate Security, Executive Protection, and other U.S. functions. He also co-chairs the Responsible Growth Committee.

Alastair M. Borthwick, Chief Financial Officer, is responsible for the overall financial management of the Company, including accounting, balance sheet management, financial planning and analysis, corporate treasury, investor relations, corporate investments and tax.

Sheri B. Bronstein, Chief Human Resources Officer, leads a global team of human resources professionals who drive the Company's efforts to be a great place to work. She oversees the Company's compensation and benefits, diversity and inclusion, enterprise services, talent development, talent acquisition, learning and onboarding and aviation organizations.

James P. DeMare, President of Global Markets, leads the Global Markets business and is also responsible for the Global Commercial Real Estate Lending business.

Paul M. Donofrio, Vice Chair, oversees the Company's sustainability activities and stewards the work and progress to achieve Net Zero. He also co-chairs the Responsible Growth Committee and serves as Chair of Bank of America's European banking entity, Bank of America Europe Designated Activity Company.

Geoffrey S. Greener, Chief Risk Officer, is responsible for overseeing the Company's governance and strategy for global risk management and compliance, including relationships with key regulators and supervisory institutions worldwide.

Lindsay Hans, President of Merrill Wealth Management, is President and co-head of Merrill Wealth Management, which provides investment and wealth management strategies to individuals and businesses across the U.S. She also oversees Bank of America's Investment Solutions Group, which includes the Chief Investment Office and a wide range of thought leadership, product, and portfolio offerings and platforms.

Christine P. Katziff, Chief Audit Executive, leads Corporate Audit and Credit Review which covers the Company's business strategies, all business segments, technology, operations, risk framework, financial management, and credit standards. She reports directly to the Audit Committee of the BAC Board.

Kathleen A. Knox, President of The Private Bank, leads a team of professionals providing highly customized banking, investment management, wealth structuring, trust and estate planning, philanthropic solutions, and art services to clients.

Matthew M. Koder, President of Global Corporate & Investment Banking, oversees the day-to-day operations of the Global Corporate and Investment Banking business and drives the firm's Corporate and Investment Banking strategy globally, inclusive of Global Transaction Service.

Aron Levine, President of Preferred Banking, is responsible for the Preferred business, which provides banking, lending, and investing solutions to U.S. mass affluent consumers, including the Corporate Investment Group.

Bernard A. Mensah, President of International, is the Chief Executive Officer of Merrill Lynch International and BANA-L Branch Head and also serves on the Boards of both Bank of America Securities Europe and Bank of America Europe.

Lauren A. Mogensen, Global General Counsel, is responsible for overseeing the Company's legal functions around the world.

Thong M. Nguyen, Vice Chair and Head of Global Strategy & Enterprise Platforms oversees the Company's Corporate Strategy, Enterprise Payments, Enterprise Data, Artificial Intelligence Governance, Capital Planning, Operational Excellence/Change Management, Business Continuity, Procurement/Vendor Management, and Real Estate.

Holly O'Neill, President of Retail Banking, is responsible for the Retail Banking business, which serves U.S. mass market consumers and includes the Consumer business' Client Protection function, Community Banking, and Neighborhood & Lending teams.

Eric Schimpf, President of Merrill Wealth Management, is President and co-head of Merrill Wealth Management, which provides investment and wealth management strategies to individuals and businesses across the U.S. He also oversees Bank of America's Investment Solutions Group, which includes the Chief Investment Office and a wide range of thought leadership, product and portfolio offerings and platforms.

Thomas M. Scrivener, Chief Operations Executive, is responsible for delivering integrated operations solutions for all lines of business, staff support areas and the broader enterprise, including operations teams in our global regions.

Wendy Stewart, President of Global Commercial Banking, leads the Commercial Bank that delivers integrated banking solutions to clients across Middle Market Banking; Commercial Real Estate; Healthcare, Education and Not-for-Profit; For-Profit Healthcare, Technology, Financial Sponsors and Restaurants; and Dealer Financial Services.

Bruce R. Thompson, Vice Chair and Head of Enterprise Credit, leads the global team responsible for delivering end-to-end credit solutions for the Company's Retail Banking, Preferred Banking, Merrill Lynch Wealth Management, Private Bank, Business Banking and Global Commercial Banking businesses, Global Corporate & Investment Banking and Global Markets clients.

B. MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING, AND SETTLEMENT SYSTEMS

As an essential part of engaging in the financial services industry and serving customers and clients, the Company participates in payment, clearing, and settlement systems, also known as FMUs, to conduct financial transactions globally. FMUs are multilateral systems that provide the infrastructure that allows the Company to transfer, clear, and settle payments, securities, and other financial transactions with other financial institutions that are members of the FMUs on behalf of the Company's customers and clients.

For resolution planning purposes, the Company reviewed the payment, clearing, and settlement activities used by its Material Entities to identify the FMUs that are material to the Company. Twenty-four material financial market utilities and two financial institutions were identified. The material FMUs were selected primarily based on the settlement, clearing, and payments dollar value, payment transaction volume, and collateral balances held at the FMU. Qualitative factors, such as historical and sustained trends, changes in business direction, and annual due diligence, were also taken into account. This process of identifying the material FMUs is reviewed and approved annually by senior management.

As discussed in the *Resolution Planning Capabilities – Operational Preparedness* section, we have developed more detailed reporting with regard to our FMU relationships and the terms of those relationships. This information, coupled with continuity strategies to maintain access to such financial market infrastructures, would be used in a crisis situation to support continuity of our Critical Operations.

Payment

Clearing House Automated Payment System ("CHAPS"), is the U.K.'s same day high value sterling GBP payment system and is operated by the Bank of England under real time gross settlement.

Clearing House Interbank Payments System ("CHIPS"), is a high value, real-time, multilateral transfer payment system operated by the Clearing House Payments Company L.L.C.

Electronic Payments Network ("EPN"), is one of two Automated Clearing House ("ACH") operators for U.S. ACH payments that routes and settles U.S. ACH transactions between financial institutions and is owned by the Clearing House Payments Company. The EPN ACH system exchanges batched debit and credit payments among business and consumers. It processes pre-authorized recurring payments (i.e., payroll, mortgage, and utility) and non-recurring payments and checks converted into ACH payments at a lockbox location or point of sale.

FedACH Service, is one of two ACH operators for U.S. ACH payments that routes and settles U.S. ACH transactions between financial institutions and is owned by the Federal Reserve Bank. The Fed ACH Service exchanges batched debit and credit payments among business, consumer, and government accounts. The system processes pre-authorized recurring payments such as payroll, mortgage, and utility payments as well as non-recurring payments and checks converted into ACH payments at a lockbox location or point of sale. The system also processes outbound cross-border ACH payments through the Fed Global service.

Fedwire Funds Service, is a real time gross settlement system, based in the U.S and operated by the Federal Reserve Bank. It processes high value, time critical payments, including the settlement of cross-border USD commercial transactions; the purchase and sale of federal funds; the purchase, sale, and financing of securities transactions; the disbursement or repayment of loans; and the settlement of real estate transactions.

Trans-European Automated Real-time Gross Settlement Express Transfer System ("TARGET2"), is the same day, high value EUR currency payment system in Europe, based in Germany. TARGET2 is operated by the Eurosystem across Central Banks under real time gross settlement. Participating commercial banks access the TARGET2 system through the National Central Banks of Eurozone Member States.

Clearing

CME Group Inc. ("CME Group"), provides clearing and settlement services for futures, options, and OTC derivatives products. These clearing and settlement services are provided by the CME Clearing division ("CME Clearing") of CME Group's wholly owned subsidiary, Chicago Mercantile Exchange Inc. ("CME"). CME Clearing clears and settles futures and options contracts traded on the CME and other futures and options exchanges. CME Clearing also provides the clearing and settlement services for OTC derivatives transactions.

Eurex Clearing AG ("ECAG"), is classified as a Central Counterparty ("CCP") under the European Market Infrastructure Regulation. ECAG offers clearing services across several product groups and clears equity futures/options, index futures/options, interest rate futures/options, interest rate derivatives, and equities.

Cboe Clear Europe N.V. ("Cboe Clear Europe"), is a CCP that clears equities traded on trading venues including multilateral trading facilities and other securities trading platforms. Cboe Clear Europe also clears OTC European cash equities trades provided by various brokers or matching platforms.

Fixed Income Clearing Corporation – Government Securities Division ("FICC-GSD"), is a U.S. securities clearing agency. FICC-GSD is a CCP and provides real-time trade matching, netting, and clearing services for trades in U.S. government debt issues, including repurchase agreements. Securities transactions include U.S. Treasury bills, bonds, notes, and government agency securities.

Fixed Income Clearing Corporation – Mortgage Backed Securities Division ("FICC-MBSD"), is a U.S. securities clearing agency. FICC-MBSD is a CCP that provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market.

ICE Clear Credit LLC, is a central clearing facility for North American credit default swaps (CDS). Operating in the U.S., it is a subsidiary of Intercontinental Exchange ("ICE"), which operates futures and options exchanges; trading platforms and clearing houses for global trading in commodities, and currency, credit, and equity indices.

ICE Clear Europe, is a London-based clearing house and a subsidiary of ICE. It provides clearing and settlement services for all futures and options trades on the ICE Futures Europe exchange, as well as for the energy futures contracts traded on ICE's New York-based ICE Futures U.S. exchange.

Japan Securities Clearing Corporation, is a CCP for OTC transactions of Japanese government bonds ("JGBs"), providing the clearing participant with clearing and settlement services. JGBs settle through Bank of Japan financial network system.

LCH Limited, provides CCP clearing for a wide range of products including: commodities (exchange-traded and OTC); equities (including transactions executed on the London Stock Exchange); energy; fixed income (including its RepoClear service); forex contracts (ForexClear service for OTC non-deliverable forwards); freight; and interest rate and credit default swaps (including its SwapClear service for OTC interest rate swaps).

LCH SA, is a CCP that provides securities clearing services for regulated markets in France, the Netherlands, Belgium, and Portugal through its clearing services: CDSClear, RepoClear SA, EquityClear SA, and CommodityClear SA.

National Securities Clearing Corporation ("NSCC"), a U.S. securities clearing agency and a subsidiary of the Depository Trust & Clearing Corporation, provides clearing, settlement, risk management; CCP services; and a guarantee of completion for certain transactions for virtually all U.S. broker-to-broker trades involving equities, corporate and municipal debt, American depositary receipts, exchange-traded funds, and unit investment trusts.

Options Clearing Corporation, is a U.S. futures and options clearing agency, and provides CCP clearing and settlement services for securities lending transactions.

Settlement

CLS Bank International ("CLS Bank"), operates a global multi-currency cash settlement system in the U.K, supporting settlements related to foreign exchange spot contracts, forwards, and swaps, mitigating settlement risk through payment versus payment settlement over CLS central bank accounts.

Euroclear U.K. and International Ltd ("CREST"), is the U.K.'s central securities depository ("CSD") and provides facilities for the dematerialized holding of U.K. equities, exchange-traded funds, gilt securities, and money market instruments (as well as certain non-U.S. securities through CREST depository instruments). CREST is also the securities settlement system for the settlement of these instruments.

The Depository Trust Company ("DTC"), is a CSD operating in the U.S., providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers.

Euroclear Bank, operates in Belgium and provides International Central Securities Depository services and settlement services for cross-border transactions involving domestic and international bonds, equities, derivatives, and investment funds. It is a primary provider of settlement services for Eurobonds.

Fedwire Securities Service, conducts real-time transfers of securities and related funds, on a gross basis. Fedwire Securities Service provides for the issuance, maintenance, safekeeping, transfer, and settlement for U.S. Treasury securities for many federal government agency and government-sponsored enterprise mortgage-backed securities, and for certain international organizations' securities.

Other

The Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), is a member-owned co-operative subject to Belgian law. It provides a global messaging network between participating financial institutions, enabling the ability to communicate both U.S. and cross-border payment instructions, and also provides additional messaging interfaces for queries to facilitated payment infrastructures.

Financial Institutions

The Bank of New York Mellon Corporation, is an U.S.-based global financial services company. It acts as a tri-party agent and settles Fedwire eligible securities, also providing collateral management, asset management, and safekeeping services.

BNP Paribas, is the sub-custodian / agent bank based in France that provides cash and securities settlement services. BNP Paribas has an interface to market infrastructures such as CCPs and CSDs and facilitates clearing and settlement requirements in each market it supports. Additionally, they provide other value-add services such as liquidity, market infrastructure connectivity, local regulatory compliance (e.g., bank license), asset servicing, and local presence.

C. GLOSSARY OF TERMS

This *Glossary of Terms* excludes the terms used solely in the *Appendix – Memberships in Material Payment, Clearing, and Settlement Systems* section above and the Material Entity acronyms in the table above.

165(d) Rule: See "Dodd-Frank Wall Street Reform and Consumer Protection Act."

2021 Resolution Plan: BAC's Resolution Plan dated July 1, 2021, submitted confidentially to the Agencies.

2023 Resolution Plan: BAC's Resolution Plan dated July 1, 2023, submitted confidentially to the Agencies.

Agencies: The collective term for the FRB and the FDIC.

Asia Pacific: A business region consisting of the whole of Asia, as well as the countries of the Pacific Rim.

ATM: Automated Teller Machine.

BAC: Bank of America Corporation.

BAC's 2022 Annual Report: BAC's Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC.

BAC Board: BAC Board of Directors, oversees the management of BAC and consists of a substantial majority of independent directors.

BAC Enterprise Risk Committee: A committee of the BAC Board that is responsible for overseeing the Company's overall Risk Framework, risk appetite, and the Chief Executive Officer's, the Chief Risk Officer's and senior management's identification of, measurement of, monitoring of, and control of, key risks.

BAC Financial Contingency and Recovery Plan: Sets forth management's strategy to respond to and withstand periods of financial stress.

BAC Management Risk Committee: A management committee that reports to the BAC Enterprise Risk Committee.

Bankruptcy Court: The federal court where BAC would file a Chapter 11 bankruptcy proceeding under the U.S. Bankruptcy Code.

Bankruptcy & ISDA Protocol Playbook: Sets forth the steps the Company would take and the timeline it would follow in the event BAC were to file bankruptcy.

BAU: Business-as-usual.

Board Playbooks: Board governance playbooks developed for each Material Entity board; a roadmap for each respective Material Entity board to enable timely decision-making and undertaking of critical actions through triggers, notifications, and communications protocols.

BofAS: BofA Securities, Inc.

BofAS Europe: BofA Securities Europe SA.

Chapter 11: A chapter of Title 11 of the U.S. Bankruptcy Code, which permits reorganization of a business under the bankruptcy laws of the U.S.

Chapter 11 Papers: A comprehensive list of agreements and pleadings, including all factual and financial schedules and exhibits anticipated to be needed if BAC were to file bankruptcy proceedings.

Company: Refers to Bank of America Corporation and its subsidiaries.

Consumer Banking: One of four business segments through which BAC manages its business; it offers a diversified range of credit, banking, and investment products and services to consumers and small businesses.

Continuing Subsidiaries: Under BAC's single point of entry resolution strategy, certain Material Entities would continue to operate as fully capitalized entities. Currently planned Continuing Subsidiaries: BACANA, BACI, BACNA, BANA, BANA-L, BofA Europe, MAA, MLGS, MLPFS (the GWIM business only), and NB Holdings.

Core Business Lines: Business lines, including associated operations, services, functions, and support that, upon resolution, would result in a material loss of revenue, profit, or franchise value. A financial institution is required to identify Core Business Lines as part of the Resolution Plan process.

Crisis Continuum: Utilized to illustrate the different stages of the Company's financial health, from the Stable phase through the Resolution phase.

Critical Operation: An operation, including associated services, functions, and support, that failure or discontinuance of which, in the view of the Company or as jointly directed by the Agencies, would pose a threat to the U.S. financial system.

Critical Service: A service, process, or operation that is necessary to continue the day-to-day operations of the Company.

Derivatives Booking Framework: Design and implementation of sound derivatives booking practices that reflect the Company's legal entity rationalization criteria, reduce complexity, and improve resolvability.

Derivatives Booking Policy: Establishes requirements to conduct certain derivatives activities in BAC subsidiaries in accordance with approved derivatives booking protocols.

Divestiture Option Playbooks: Playbooks that contemplate specific tactical considerations for each of the Company's identified divestiture options.

Dodd-Frank Wall Street Reform and Consumer Protection Act: Resolution plans are required by the Joint Resolution Plan Rule of the Agencies under Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the 165(d) Rule), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act, which mandates that bank holding companies with assets of $250 billion or more develop a plan for a rapid and orderly resolution in the event of material financial distress or non-viability; and provides the Agencies with discretion in applying the requirement to bank holding companies with assets between $100 – $250 billion.

Global Response Team: The Global Response team acts as the central point of contact, in coordination with the FSE Response team, to facilitate the Company's tactical response to any type of financial stress event.

EMEA: A business region consisting of Europe, the Middle East, and Africa.

Enterprise Employee Retention Playbook: Provides the actions needed to execute and monitor retention agreements.

Enterprise Event Communications Plan: Provides strategic guidance and resources for communications to facilitate the Company's communication response to an escalating issue.

Enterprise Response Framework: The Company's approach to crisis response management; provides for centralized command and control for any type of event, including financial stress.

Enterprise Services Framework and Taxonomy Policy: Establishes a framework that will support efforts to drive cohesive governance practices for all services by defining common definitions, terminology, and core components.

ETM: Emergency transfer motion, the document BAC would file with the Bankruptcy Court to facilitate the reorganization of the Company.

EU: European Union.

Executive Summary: Refers to this document, a public summary of the confidential 2023 Resolution Plan.

FDIC: Federal Deposit Insurance Corporation, an independent agency that insures deposits in banks and thrifts ("insured depository institutions"), that has examination and supervisory authority over insured depository institutions, and that manages the receivership of failed insured depository institutions.

FHLB: Federal Home Loan Banks, U.S. government-sponsored banks that provide a reliable source of liquidity to financial institutions.

FHLB-SF: Federal Home Loan Bank of San Francisco.

Federal Deposit Insurance Act: The Federal Deposit Insurance Act of 1950, enacted September 21, 1950, is a statute that governs the FDIC.

Financial Stability Board: An international body that monitors and makes recommendations about the global financial system to promote international financial stability.

Financial Systemic Event Engagement Model: Sets forth the Company's communication protocols for key stakeholder groups across the Crisis Continuum, from the Stress phase through the Resolution phase.

Financial Systemic Event and Resolution Communications Playbook: Sets forth detailed internal and external communication protocols to be used during a severe financial stress event.

Financial Systemic Event Response Playbook: Used by the FSE Response team to mitigate risk during an event that could materially impact the Company's financial viability.

FMU: Financial market utilities and financial institutions, multilateral systems that provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system.

FMU Continuity Playbooks: Provide a set of actionable steps across various categories of interaction with FMUs and explains how the Company would continue to meet FMU requirements in times of stress; there is an FMU playbook for each material FMU.

FRB: The Board of Governors of the Federal Reserve System, commonly known as the Federal Reserve Board, an independent agency that, among other things, has primary regulatory, examination, and supervisory authority over bank holding companies, and / or one or several of the Federal Reserve Banks, as appropriate.

FSE: Financial Systemic Event.

FX: Foreign exchange.

Global Banking: One of four business segments through which BAC manages its business. Global Banking provides a wide range of lending-related products and services, integrated working capital management and treasury solutions, and underwriting and advisory services. Global Banking includes Global Corporate Banking, Global Commercial Banking, and Business Banking.

Global Markets: One of four business segments through which Global Markets manages its business. Global Markets offers sales and trading services, including research, to institutional clients across fixed income, credit, currency, commodity, and equity businesses.

Global Recovery and Resolution Planning – Enterprise Policy: Outlines the required internal governance, controls, and risk management practices to manage recovery and resolution planning risk.

GSIB: Global systemically important bank.

GWIM: Global Wealth and Investment Management, one of four business segments through which BAC manages its business. GWIM provides highly customized comprehensive wealth management services to individuals, businesses and institutions.

ISDA: International Swaps and Derivatives Association.

ISDA Protocol: ISDA 2015 Universal Resolution Stay Protocol and / or the ISDA 2018 U.S. Resolution Stay Protocol, both of which enables parties to amend the terms of their protocol covered agreements to contractually recognize the cross-border application of special resolution regimes applicable to certain financial companies and support the resolution of certain financial companies under the U.S. Bankruptcy Code.

Inter-affiliate Services – Enterprise Policy: Outlines the requirements for relationships between entities for the delivery of services to manage the associated risk.

Latin America: A business region consisting of Latin America and the Caribbean.

Lead Restructuring Officer: A professional not currently employed by the Company that is qualified to advise BAC with a Chapter 11 proceeding.

Legal Entity Capital and Liquidity Contribution Playbook: Outlines the necessary execution steps and protocols for providing capital and liquidity support to the Material Entities.

LESG Forum: Legal Entity Strategy and Governance Forum, a group that focuses on legal entity strategy matters and serves as an escalation point for legal entity strategy topics. It is comprised of cross-functional leaders, which support coordination across the front line units and control functions.

Material Entity: Determined based on the definition in the 165(d) Rule: “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.”

MBAM: Municipal Banking and Markets.

MIS: Management information systems.

NewCo: A Delaware corporation that would be formed and then held in trust for the sole and exclusive benefit of BAC’s bankruptcy estate.

NewCo Trust: A trust that would be owned and managed by independent trustees for the sole benefit of the BAC bankruptcy estate.

OCC: Office of the Comptroller of the Currency, an independent bureau within the Department of the Treasury that regulates, supervises, and examines bank subsidiaries that are organized as national banking associations.

Operational Continuity Playbooks: Guides for management which contain the high-level steps needed to execute each Material Entity's respective resolution strategy.

OTC: Over-the-counter, trading that is done directly between two parties, without supervision of an exchange.

Parent Final Contribution: BAC's obligation under the Secured Support Agreement to transfer its remaining cash and other financial assets, less a holdback for expected bankruptcy administrative expenses, to NB Holdings immediately prior to resolution.

Parent Survival Horizon: measures the number of days until NB Holdings' liquid assets would no longer fully support the aggregate post-BAC bankruptcy liquidity needs of the Material Entities, thus indicating when BAC would need to file for bankruptcy.

Post-Stabilization period: A portion of the Resolution phase along the Crisis Continuum that would occur when liquidity outflows stabilize, which is expected to occur after the Solvent Wind-down Subsidiaries have stabilized.

Preferred Service Providers: Material Entities (BANA, BANA-L, MLPFS, BACI, MAA, and MLGS) that are resolution-resilient and preferred to provide Critical Services to support other Material Entities within the Company

QFC Stay Rules: Rules issued individually by the OCC, FRB, and FDIC designed to improve the resolvability and resilience of U.S. global systemically important banking organizations (G-SIBs) and the U.S. operations of foreign G-SIBs by mitigating the risk of destabilizing closeouts of qualified financial contracts.

RCAP: Resolution capital adequacy and positioning, estimates the amount of capital each Material Entity and the Company, on a consolidated basis, is expected to need to withstand severe financial stress.

RCEN: Resolution capital execution need, estimated minimum amount of capital that each of the Material Entities is expected to need in order to be able to successfully execute the single point of entry resolution strategy.

Recovery phase: A phase along the Crisis Continuum where actions are taken in connection with BAC's Financial Contingency and Recovery Plan to recover the Company's financial health.

Resolution phase: A phase along the Crisis Continuum that begins when BAC commences bankruptcy proceeding by filing a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code.

Resolution Plan (also known as a "living will"): The FRB and the FDIC generally require plans from U.S. bank holding companies and foreign banking organizations with $250 billion or more in assets or $100 billion in assets with additional risk-based factors. Each plan, commonly known as a living will, is a playbook for rebalancing or ultimately dismantling a large bank without causing harm to the taxpayers or the global financial system – and without relying on government intervention. Resolution Plans must include both public and confidential sections.

Risk Appetite Statement: Our risk appetite is formally articulated in the Risk Appetite Statement, which includes both qualitative statements and quantitative limits. Qualitative statements describe our approach to managing risks throughout the Company consistent with Responsible Growth. Quantitative limits indicate the amount of risk we are willing to take for specific metrics identified to measure and monitor our material risks across legal entities and lines of business.

Risk Framework: Serves as the foundation for consistent and effective management of risks facing the Company. It sets forth roles and responsibilities for the management of risk by lines of businesses, independent risk management, other control functions, and Corporate Audit; and provides a blueprint for how the boards of directors, through delegation of authority to committees and executive officers, establish risk appetite and associated limits for our activities.

RLAP: Resolution liquidity adequacy and positioning, estimates how much liquidity both the consolidated enterprise and each Material Entity would need over a specified time horizon to withstand a severe financial stress; informs appropriate liquidity positioning across the Material Entities.

RLEN: Resolution liquidity execution need, estimates how much liquidity each Material Entity would need to execute its specific role in our resolution strategy.

RRP Exercise Framework: Holistic and comprehensive requirements and guidelines for the owners of recovery and resolution planning capabilities across the Company to demonstrate the operational viability of each capability and to improve upon them by capturing lessons learned and implementing enhancements, as appropriate.

Runway phase: A phase along the Crisis Continuum in which the Company continues taking actions to recover its financial health while also preparing for potential resolution.

SEC: U.S. Securities and Exchange Commission, an independent agency that regulates broker-dealer subsidiaries and derivatives activity.

Secured Support Agreement: A secured capital and liquidity agreement that requires BAC to contribute to NB Holdings a specified amount of cash and other financial assets under certain circumstances. In addition, NB Holdings is required to provide capital and liquidity support to our Material Entities consistent with the terms of the agreement.

Shared Services Model: The Company's set of Critical Services which facilitates implementation and sustainability of key capabilities across Material Entities while enabling appropriate oversight.

Solvent Wind-down Subsidiaries: Under BAC's single point of entry resolution strategy, some Material Entities would cease to operate and would be wound down outside of resolution proceedings. Solvent Wind-down Subsidiaries: BofAS, BofAS Europe, BofAS Japan, MLCS, MLI, and MLPRO.

Stable phase: A phase along the Crisis Continuum in which the Company's financial health is normal, with limited or no concern.

Stabilization period: The length of time it would take for each Material Entity's financial position to stabilize following BAC's bankruptcy.

Stress phase: A phase along the Crisis Continuum in which the Company's financial health deteriorates progressively; it is divided into the Deterioration phase and the Recovery phase.

Title I Resolution Plan: See "Resolution Plan."

TLAC: Total loss-absorbing capacity, represents capital and long-term debt of a parent company that can be used to recapitalize a subsidiary.

U.K.: United Kingdom.

U.S.: United States.

U.S.: Bankruptcy Code: The law relating to bankruptcy which is codified and enacted as Title 11 of the U.S. Code, entitled Bankruptcy.

Where you can find more information

BAC files annual, quarterly, and current reports, proxy statements, and other information with the SEC, including reports that are filed under Sections 13(a), 13(c), 14, and 15(d) of the Securities Exchange Act of 1934. The filings may be inspected over the Internet at the SEC's website, www.sec.gov. The reports and other information BAC files with the SEC also are available at its website, www.bankofamerica.com. Except as specifically incorporated by reference into this document, information contained in those filings is not part of this document.

In this document, we discuss the Company's Resolution Plan and strategies. We do not believe a resolution as discussed herein is imminent or expected. Investors in BAC's securities are encouraged to review BAC's reports filed with the SEC under the Exchange Act and /or registration statements (including any prospectus or prospectus supplement related thereto) filed with the SEC under the Securities Act of 1933 for information regarding the most significant factors that make holding or investing in BAC's securities speculative or risky.

Forward Looking Statements

This document may contain certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "plan," "believe," "expect," "intend," "anticipate," "estimate," "project," "potential," "possible," and other similar expressions, or future or conditional verbs such as "will," "may," "might," "should," "would," and "could." All forward-looking statements, by their nature, are subject to risks and uncertainties. Forward-looking statements represent BAC's current expectations, plans or forecasts. Forward-looking statements are not guarantees of future outcomes or results and involve certain known and unknown risks, uncertainties, and assumptions that are difficult to predict and are often beyond BAC's control and are inherently uncertain. Actual outcomes or results may differ materially from those expressed in, or implied by, forward-looking statements. As a large, international financial services company, BAC faces risks that are inherent in the businesses and market places in which it operates.

Information regarding important factors that could cause BAC's future financial performance to vary from that described in the forward-looking statements is contained in the 2022 Form 10-K and 2023 First Quarter Form 10-Q, as well as in subsequent filings made with the SEC. Reliance should not be placed on any forward-looking statements, which speak only as of the dates they are made. Except to the extent required by applicable law or regulation, BAC undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. BAC's Resolution Plan, which is summarized in this document, is not binding on the Bankruptcy Court or other resolution authority and the failure scenario and associated assumptions outlined herein are hypothetical and do not necessarily reflect an event or events to which BAC is or may become subject.