

BofA Securities Europe SA

Pillar 3 Disclosure

For the Quarter Ended 30 June 2024

1. Overview and Purpose of Document

This document contains certain Pillar 3 disclosures for the quarter ended 30 June 2024 of BofA Securities Europe SA (“BofASE” or “the Company”).

In accordance with Articles 433a(2) and 433a(3) of the EU’s Capital Requirements Regulation (“CRR”) as amended, BofASE is required to disclose the key metrics referred to in Article 447 on a semi-annual basis, and the information required under Article 437a on a semi-annual basis, except for the key metrics referred to in point (h) of Article 447 which are to be disclosed on a quarterly basis. This document contains these disclosures.

For further information on BofASE’s risk management objectives and policies, please refer to BofASE SA’s annual Pillar 3 disclosure for the year ended 31 December 2023 on Bank of America’s corporate website:

<http://investor.bankofamerica.com>

1.1 BofASE SA

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

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

As at 30 June 2024, BofASE was rated by Fitch Ratings, Inc (“Fitch”) (AA / F1+) and Standard & Poor’s (“S&P”) (A+ / A-1).

2. Basis of Preparation

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

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

The information contained in this Pillar 3 disclosure has been prepared in accordance with the requirements of Part Eight of the CRR, on an individual basis, for the purpose of explaining the basis on which BofASE has prepared and disclosed certain information about the application of regulatory capital adequacy rules and concepts. It therefore does not constitute any form of financial statement on BofASE, or of the wider Enterprise, and as such, is not prepared in accordance with International Financial Reporting Standards (“IFRS”) or French Generally Accepted Accounting Principles (“French GAAP”). Therefore the information is not directly comparable with the annual financial statements and the disclosure is not required to be audited by external auditors.

In addition, the report does not constitute any form of contemporary or forward looking record or opinion on the Company or the Enterprise. Although the Pillar 3 disclosure is intended to provide transparent information on a common basis, the information contained in this document may not be directly comparable with the information provided by other investment firms. Any financial information included herein is unaudited.

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

3. Disclosure Policy

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

Senior Management Attestation

“I attest that the disclosures provided in the BofASE SA Pillar 3 Disclosure for the Quarter Ended 30 June 2024 have been prepared in accordance with the internal control processes detailed in the BofASE SA Pillar 3 Disclosure Policy, which has been approved by the BofASE Board.”

The BofASE Pillar 3 Disclosures have been attested by:

BofASE Chief Financial Officer

Geoffrey Huson

4. Key Metrics

The following table shows a summary of BofASE’s key capital, leverage and liquidity metrics as at 30 June 2024.

Table 1. EU KM1 – Key Metrics Template

		a	c	e
		Q2 2024	Q4 2023	Q2 2023
<i>(Euros in Millions)</i>				
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	7,818	7,898	7,797
2	Tier 1 capital	7,818	7,898	7,797
3	Total capital	9,176	8,818	8,717
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	40,860	40,232	39,442
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	19.13%	19.63%	19.77%
6	Tier 1 ratio (%)	19.13%	19.63%	19.77%
7	Total capital ratio (%)	22.46%	21.92%	22.10%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.75%	3.69%	3.69%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.55%	2.08%	2.08%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.06%	2.77%	2.77%
EU 7d	Total SREP own funds requirements (%)	10.75%	11.69%	11.69%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%

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9	Institution specific countercyclical capital buffer (%)	0.82%	0.74%	0.55%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.32%	3.24%	3.05%
EU 11a	Overall capital requirements (%)	14.07%	14.93%	14.74%
12	CET1 available after meeting the total SREP own funds requirements (%)	11.07%	10.23%	10.41%
	Leverage ratio			
13	Total exposure measure	115,626	102,779	112,796
14	Leverage ratio (%)	6.76%	7.68%	6.91%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	8,014	7,980	8,041
EU 16a	Cash outflows - Total weighted value	12,378	11,574	9,874
EU 16b	Cash inflows - Total weighted value	9,388	8,289	6,478
16	Total net cash outflows (adjusted value)	3,422	3,484	3,543
17	Liquidity coverage ratio (%)	241.14%	237.65%	233.30%
	Net Stable Funding Ratio			
18	Total available stable funding	18,141	19,449	18,879
19	Total required stable funding	14,755	14,564	12,380
20	NSFR ratio (%)	122.95%	133.54%	152.49%

Total Risk-weighted Exposure Amounts (“RWAs”) increased by €0.6bn in the half year ended 30th June 2024. This was mainly driven by an increase in Counterparty Credit Risk due to an increase in securities financing and derivative exposures in the period.

The leverage ratio exposure measure also increased in the period by €12.8bn. This was primarily driven by an increase in on-balance sheet exposures for securities financing and other assets.

5. Minimum Requirements for Own Funds and Eligible Liabilities

As part of amendments to the CRR which were published in the Official Journal of the EU as Regulation (EU) 2019/876, the international standard to meet a minimum amount of Total Loss Absorbing Capacity (“TLAC”) became effective for certain types of Investment Firms and Credit Institutions in June 2019. In the CRR this is referred to as Minimum Requirements for Own Funds & Eligible Liabilities (“MREL”).

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

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

Table 2 discloses the own funds and eligible liabilities, the total risk exposure amount and the total exposure amount, the ratio of own funds and eligible liabilities and the requirements for BofASE as at 30 June 2024.

Table 3 discloses the creditor insolvency ranking for internal MREL by maturity. The ranking is presented from the most junior to the most senior. The amount attributable to each ranking is further broken down into amounts owned by the resolution entity and other.

Table 4 discloses the main features of the regulatory own funds instruments and eligible liabilities instruments.

Table 2. – EU ILAC Internal Loss Absorbing Capacity: Internal MREL and, where applicable, Requirement for Own Funds and Eligible Liabilities for Non-EU G-SIIs (€ millions)

		a	b	c
Q2 2024		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N)			Y
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			I
EU-2a	Is the entity subject to an internal MREL? (Y/N)			N
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			n/a
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)		7,818	
EU-4	Eligible Additional Tier 1 capital			
EU-5	Eligible Tier 2 capital		1,358	
EU-6	Eligible own funds		9,176	
EU-7	Eligible liabilities		2,377	
EU-8	of which permitted guarantees			

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EU-9a	(Adjustments)			
EU-9b	Own funds and eligible liabilities items after adjustments		11,553	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)		40,860	
EU-11	Total exposure measure (TEM)		115,626	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA		28.27%	
EU-13	of which permitted guarantees			
EU-14	Own funds and eligible liabilities as a percentage of the TEM		9.99%	
EU-15	of which permitted guarantees			
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements		11.08%	
EU-17	Institution-specific combined buffer requirement		3.32%	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	n/a	16.20%	
EU-19	of which part of the requirement that may be met with a guarantee	n/a		
EU-20	Requirement expressed as percentage of the TEM	n/a	6.08%	
EU-21	of which part of the requirement that may be met with a guarantee	n/a		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		110,232	

Table 3. – EU TLAC2a Creditor Ranking: Entity That is Not a Resolution Entity (€ millions)

Q2 2024		Insolvency ranking						Sum of 1 to n
		1	1	6	6	7	7	
		(most junior)	(most junior)			(most senior)	(most senior)	
		Resolution entity	Other	Resolution entity	Other	Resolution entity	Other	
1	Empty set in the EU							
2	Description of insolvency rank (free text)	Equity	Equity	Subordinated creditors	Subordinated creditors	Senior non-preferred unsecured claims	Senior non-preferred unsecured claims	
3	Liabilities and own funds		7,818		1,358		2,377	11,553
4	of which excluded liabilities							
5	Liabilities and own funds less excluded liabilities		7,818		1,358		2,377	11,553
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of [choose as appropriate: internal MREL/internal TLAC]		7,818		1,358		2,377	11,553
7	of which residual maturity ≥ 1 year < 2 years							
8	of which residual maturity ≥ 2 year < 5 years						2,377	2,377
9	of which residual maturity ≥ 5 years < 10 years				931			931
10	of which residual maturity ≥ 10 years, but excluding perpetual securities				426			426
11	of which perpetual securities		7,818					7,818

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Table 4. – EU CCA: Main Features of Regulatory Own Funds Instruments and Eligible Liabilities Instruments

		a	b	c	c	c	d
Capital Instruments Main Features		CET1	AT1	T2	T2	T2	Eligible Liabilities
1	Issuer	BofA Securities Europe SA	N/A	BofA Securities Europe SA	BofA Securities Europe SA	BofA Securities Europe SA	BofA Securities Europe SA
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A
2a	Public or private placement	Private Placement	N/A	Private Placement	Private Placement	Private Placement	Private Placement
3	Governing law(s) of the instrument	French	N/A	French	French	French	French
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	Yes	Yes	Yes	Yes
Regulatory treatment							
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1	N/A	T2	T2	T2	Eligible Liabilities
5	Post-transitional CRR rules	CET1	N/A	T2	T2	T2	Eligible Liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	N/A	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares with full voting rights	N/A	Subordinated Loan T2	Subordinated Loan T2	Subordinated Loan T2	Senior Non-preferred Unsecured Loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 7,976M	N/A	EUR 931M	EUR 406M	EUR 20M	EUR 2,377M
9	Nominal amount of instrument	EUR 10.00	N/A	EUR 920M	EUR 400M	EUR 20M	EUR 2,377M
EU-9a	Issue price	EUR 10.00	N/A	EUR 920M	EUR 400M	EUR 20M	EUR 2,377M
EU-9b	Redemption price	N/A	N/A	EUR 920M	EUR 400M	EUR 20M	EUR 2,377M
10	Accounting classification	Shareholders equity	N/A	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost

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11	Original date of issuance	EUR 0.05M 25 September 2018 EUR 540M 19 November 2018 EUR 2,086M 14 January 2019 EUR 2,650M 19 July 2019 EUR 1,100M 21 June 2021 EUR 900M 12 May 2022 EUR 700M 18 November 2022	N/A	15 October 2021	7 March 2024	7 March 2024	6 December 2023
12	Perpetual or dated	Perpetual	N/A	Dated	Dated	Dated	Dated
13	Original maturity date	No maturity	N/A	31 March 2032	18 November 2034	8 June 2035	7 December 2026
14	Issuer call subject to prior supervisory approval	No	N/A	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.	No issuer call date. However, may repay in whole but not in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A
Coupons / dividends							
17	Fixed or floating dividend/coupon	N/A	N/A	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	N/A	N/A	€STR + 102bps	€STR + 175bps	€STR + 211bps	€STR + 104bps
19	Existence of a dividend stopper	No	N/A	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/A	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	N/A	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	N/A	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	N/A	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	N/A	Non-convertible	Non-convertible	Non-convertible	Non-convertible

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24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	N/A	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1 - Equity	N/A	6 - Subordinated creditors	6 - Subordinated creditors	6 - Subordinated creditors	7 - Senior non-preferred unsecured claim
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated liabilities	N/A	Senior non-preferred unsecured liabilities	Senior non-preferred unsecured liabilities	Senior non-preferred unsecured liabilities	Senior Liabilities
36	Non-compliant transitioned features	No	N/A	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	http://investor.bankofamerica.com	N/A	http://investor.bankofamerica.com	http://investor.bankofamerica.com	http://investor.bankofamerica.com	http://investor.bankofamerica.com
(1) Insert 'N/A' if the question is not applicable							