

BofA Securities Europe SA

Pillar 3 Disclosure

For the Half Year Ended 30 June 2023

1. Overview and Purpose of Document

This document contains certain Pillar 3 disclosures for the half year ended 30 June 2023 of BofA Securities Europe SA (“BofASE” or “the Company”).

In accordance with Article 433a(2) of the EU’s Capital Requirements Regulation (“CRR”) as amended by the Capital Requirements Regulation 2 (“CRR2”), BofASE is required to disclose the key metrics referred to in Article 447 of CRR on a semi-annual basis. This document contains these disclosures, which includes information on capital adequacy, leverage and liquidity.

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 2022 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 2023, 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”) and the Capital Requirements Regulation (“CRR”), as amended by the Capital Requirements Regulation 2 (“CRR 2”), (collectively known as the Capital Requirements Directive IV (“CRD IV”) as amended by Capital Requirements Directive V (“CRD V”). The CRD IV requirements took effect from 1 January 2014. The CRR 2 entered into force in June 2019 (with most provisions effective from 28 June 2021), while CRD V was transposed into French law in line with the EU transposition deadline of 29 December 2020. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR 2.

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

The information contained in this Pillar 3 disclosure has been prepared in accordance with 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 by CRR 2, BofASE has adopted a formal policy to comply with the disclosure requirements included in Part Eight of the CRR. The BofA Securities Europe SA Pillar 3 Disclosure Policy sets out the internal processes, systems and controls used to verify that the disclosures are appropriate and in compliance with regulatory requirements, and that the disclosures convey BofASE's risk profile comprehensively to market participants.

Senior Management Attestation

"I attest that the disclosures provided in the BofASE SA Pillar 3 Disclosure for the Half Year Ended 30 June 2023 have been prepared in accordance with the internal control processes detailed in the BofASE SA Pillar 3 Disclosure Policy, which has been approved at the management body level as amended for non-material changes."

The BofASE Pillar 3 Disclosures have been attested by:

BofASE Chief Financial Officer and Member of the Board

Geoffrey Huson

4. Key Metrics

The following table shows a summary of BofASE's key capital, leverage and liquidity metrics as at 30 June 2023.

Table 1. EU KM1 – Key Metrics Template

		a	b	c	d	e
		Q2 2023	Q4 2022	Q2 2022	Q4 2021	Q2 2021
<i>(Euros in Millions)</i>						
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	7,797	7,803	6,808	6,008	6,054
2	Tier 1 capital	7,797	7,803	6,808	6,008	6,054
3	Total capital	8,717	8,723	7,728	6,928	6,054
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	39,442	35,549	38,682	30,434	28,722
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19.77%	21.95%	17.60%	19.74%	21.08%
6	Tier 1 ratio (%)	19.77%	21.95%	17.60%	19.74%	21.08%
7	Total capital ratio (%)	22.10%	24.54%	19.98%	22.76%	21.08%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.69%	3.69%	3.69%	3.69%	3.69%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.08%	2.08%	2.08%	2.08%	2.08%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.77%	2.77%	2.77%	2.77%	2.77%

EU 7d	Total SREP own funds requirements (%)	11.69%	11.69%	11.69%	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%	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%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.55%	0.22%	0.08%	0.10%	0.10%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.05%	2.72%	2.58%	2.60%	2.60%
EU 11a	Overall capital requirements (%)	14.74%	14.41%	14.27%	14.29%	14.29%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.41%	12.85%	8.29%	11.07%	9.39%
Leverage ratio						
13	Total exposure measure	112,796	87,836	113,096	70,770	74,731
14	Leverage ratio (%)	6.91%	8.88%	6.02%	8.49%	8.10%
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%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	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%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	8,041	7,165	6,314	5,345	4,475
EU 16a	Cash outflows - Total weighted value	9,874	7,591	6,476	4,912	4,520
EU 16b	Cash inflows - Total weighted value	6,478	4,023	3,022	2,111	1,923
16	Total net cash outflows (adjusted value)	3,543	3,568	3,454	2,802	2,596
17	Liquidity coverage ratio (%)	233.30%	208.05%	187.81%	193.07%	174.69%
Net Stable Funding Ratio						
18	Total available stable funding	18,879	15,086	15,171	12,788	11,312
19	Total required stable funding	12,380	11,375	10,892	10,261	9,466
20	NSFR ratio (%)	152.49%	132.63%	139.28%	124.63%	119.50%

Total Risk-weighted Exposure Amounts (“RWAs”) increased by €3.9bn in the half year ended 30th June 2023. This was mainly driven by an increase in Counterparty Credit Risk due to an increase in securities financing exposures, as well as an increase in RWAs for Credit Valuation Adjustment in the period.

The leverage ratio exposure measure also increased in the period by €25.0bn. This was primarily driven by an increase in on-balance sheet exposures for securities financing and other assets.