

**BofA Securities Europe SA**

**FINANCIAL STATEMENTS  
FOR THE YEAR TO 31 DECEMBER 2020**

**SOCIÉTÉ ANONYME WITH SHARE CAPITAL OF EUR 5,276,300,000**

**51 RUE LA BOÉTIE, 75008 PARIS FRANCE  
RCS 842 602 690**

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**BofA Securities Europe SA**

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**STATEMENT OF ASSETS  
AS AT 31 DECEMBER 2020**

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		<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Note</b>	<b>€M</b>	<b>€M</b>
Cash and deposits with the central banks and central clearing houses	1	1,941	600
Government securities and sovereign debt	2	4,175	7,413
Debtors - Receivables from banks	3	2,622	3,841
Debtors - Receivables from other customers	4	5,501	13,317
Bonds and fixed income securities	2	428	433
Equity investments and other long-term securities	2	2,212	3,939
Investments in related companies		-	-
Shares in related companies		-	-
Intangible assets		-	-
Tangible assets		-	-
Subscribed but unpaid share capital		-	-
Settlement accounts - receivables	5	1,241	-
Other assets	6	10,678	8,382
Regularisation accounts - receivables	7	22,983	8,725
		<b>51,781</b>	<b>46,650</b>

## BofA Securities Europe SA

### STATEMENT OF LIABILITIES AS AT 31 DECEMBER 2020

	Note	31 December 2020 €M	31 December 2019 €M
Cash on account and deposits from central banks and central clearing houses		-	-
Creditors - Payables to banks	8	362	300
Creditors - Payables to other customers	9	4,603	7,997
Debts represented by a security		-	-
Other liabilities	10	17,111	23,993
Regularisation accounts - payables	11	23,348	9,189
Settlement account - payables	12	1,231	-
Provisions for liabilities and charges	13	41	22
Subordinated debts		-	-
Fund for general banking risks (FRBG)		-	-
<b>Equity excluding FRBG</b>	14	<b>5,085</b>	<b>5,149</b>
<i>Capital</i>	14	5,276	5,276
<i>Share premium</i>		-	-
<i>Reserves</i>		-	-
<i>Revaluation reserve</i>		-	-
<i>Regulated provisions and investment subventions</i>		-	-
<i>Other reserves</i>	14	(127)	-
<i>Loss for the financial period</i>	14	(64)	(127)
		<b>51,781</b>	<b>46,650</b>

## BofA Securities Europe SA

### STATEMENT OF OFF BALANCE SHEET EXPOSURES AS AT 31 DECEMBER 2020

	Note	31 December 2020 €M	31 December 2019 €M
<b>Financing commitments</b>		<b>1,735</b>	<b>890</b>
Received		1,735	890
Given		-	-
<b>Warranty commitments</b>		-	-
Received		-	-
Given		-	-
<b>Underwriting commitments</b>		-	-
Received		-	-
Given		-	-
<b>Total</b>		<b>1,735</b>	<b>890</b>

Two committed financing facilities have been granted to BofA Securities Europe SA (hereinafter “the Company”) by an affiliate (2019: one committed facility). During the current year the Company was granted a long-term subordinated debt facility by an affiliate with a credit limit of EUR 0.9 billion, this subordinated debt facility is fully undrawn. Together the two facilities represent EUR 1.7 billion of financing commitments received (2019: EUR 0.9 billion) of which EUR 0.2 million is drawn.

The Company has three non-binding loan agreements with affiliates; two as borrower and one as lender (2019: no change). The total amounts that can be requested under these uncommitted facilities is: EUR 9.2 billion in borrowing (2019: 5.4 billion) of which EUR 7.1 billion is undrawn (2019: EUR 3.9 billion). EUR 0.1 billion in lending (2019: EUR 0.1 billion) all of which is fully undrawn (2019: undrawn).

**INCOME STATEMENT  
FOR THE YEAR TO 31 DECEMBER 2020**

	Note	31 December 2020 €M	31 December 2019 €M
+ Interest and similar income	18	155	153
- Interest and similar expenses	19	253	198
+ Commissions - income	20	170	57
- Commissions - expenses	20	102	63
+/- Trading gains / (losses)	21	324	116
+/- Investment gains / (losses)		-	-
+ Other banking income	22	216	186
- Other banking expenses	22	170	54
<b>Net banking income</b>		<b>340</b>	<b>197</b>
- General operating expenses	23	404	324
- Allowances for depreciation and amortisation		-	-
<b>Net operating result</b>		<b>(64)</b>	<b>(127)</b>
+/- Cost of risk		-	-
<b>Total operating result</b>		<b>(64)</b>	<b>(127)</b>
+/- Gains / (losses) on fixed assets		-	-
<b>Result before tax</b>		<b>(64)</b>	<b>(127)</b>
+/- Exceptional gain / (loss)		-	-
- Corporate Income Tax	24	-	-
+/- contributions to / receipts from the General Banking Risk Fund (FRBG)		-	-
<b>Net result</b>	14	<b>(64)</b>	<b>(127)</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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The following notes form part of these financial statements.

**Reporting period**

These are the second financial statements for the Company covering the year to 31 December 2020. The comparative period is based on a 66 weeks period from incorporation on 25 September 2018 to the end of the accounting period on 31 December 2019.

**Accounting policies and principles**

The financial statements have been prepared in accordance with the ANC n° 2014-07 guidelines (26<sup>th</sup> November 2014) amended by the ANC n°2020-10 guidelines and French accounting principles that apply to Investment Firms.

The principal accounting policies, which have been applied consistently throughout the current period, except where noted, are set out below.

New and amended standards adopted by the Company

The Company has adopted the ANC n°2020-10 guidelines which include amendments to the ANC n° 2014-07 guidelines. The amendments include changes to the way the Company accounts for non cash settled securities borrowed. From 31 December 2020 the Company can offset the asset in the securities portfolio resulting from non cash settled securities borrowed transactions with the corresponding liability which represents the securities owed in "Other Liabilities". This change in accounting is prospective only and is not required to be retrospectively applied.

In accordance with the Art. L 123-17 of the French Trade Code (Code de Commerce), the impact of the change in accounting on the Financial Statements and Notes is shown here by illustrating what the comparatives would have been had the guidelines been in force for the prior year:

*Selected Line Items from the Statements of Assets and Liabilities*

	<b>31 December 2020</b>	<b>31 December 2019</b>	<b>31 December 2019 - presented under new guidelines</b>
	€M	€M	€M
<b>Statement of Assets</b>			
Government securities and sovereign debt	4,175	7,413	3,858
Bonds and fixed income securities	428	433	429
Equity investments and other long-term securities	2,212	3,939	1,900
	6,815	11,785	6,187
<b>Statement of Liabilities</b>			
Other liabilities	17,111	23,993	18,395

**NOTES TO THE FINANCIAL STATEMENTS  
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As itemised on within Note 2: Bonds and fixed income securities & Equity investments and other long-term securities

	31 December 2020	31 December 2019	31 December 2019 - presented under new guidelines
	€M	€M	€M
Transaction Portfolio	5,918	10,729	5,131
<i>Government securities and sovereign debt</i>	3,278	6,357	2,802
<i>Bonds and other fixed income securities</i>	428	433	429
Equity investments and other long-term securities	2,212	3,939	1,900
Placement Portfolio	897	1,056	1,056
<i>Government securities and sovereign debt</i>	897	1,056	1,056
	<b>6,815</b>	<b>11,785</b>	<b>6,187</b>

As itemised on within note 10: Other Liabilities

	31 December 2020	31 December 2019	31 December 2019 - presented under new guidelines
	€M	€M	€M
Non-linear / Conditional derivatives sold	1,929	1,987	1,987
<i>Interest rate option contracts</i>	675	402	402
<i>Foreign exchange option contracts</i>	222	152	152
<i>Other contracts</i>	1,032	1,433	1,433
Short Sales	2,306	8,683	8,683
Securities owed	786	5,654	56
Cash collateral received on deposit	9,060	5,629	5,629
Other various creditors	2,285	2,040	2,040
Other liabilities	745	-	-
	<b>17,111</b>	<b>23,993</b>	<b>18,395</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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Trade date and settlement dated transactions

Sales/purchases of inventory are accounted for following the article 2371-4 of the Regulation ANC 2014-07.

- Funding financial instruments (e.g. securities financing transactions) are recognised and derecognised on the statement of financial position on a settlement date basis.
- Trading Financial Instruments are recognised and derecognised on the statement of financial position on a trade date basis. The Company records securities sales by derecognising the corresponding security from inventory.

Bonds and fixed income securities & Equities other variable income securities

The inventory portfolio is made up of two different securities type:

- Transaction securities:

The securities are recognised / derecognised at their fair value including interest (if any). Acquisition costs are recorded in the Income Statement under “commissions”.

The fair values of long and short inventory positions are primarily determined based on actively traded markets where prices are based on either direct market quotes or observed transactions. The securities are valued daily and the changes in fair value are recorded in “trading gains / (losses)”.

- Placement securities:

The placement securities portfolio was comprised entirely of Government securities and sovereign debt for the duration of the period.

The securities are recorded in the “placement” securities portfolio on the trade date at their acquisition price, which includes acquisition costs.

When the purchase price of fixed income securities exceeds the amount to be received at final repayment, the difference is amortised over the residual life of the securities. In the event that the acquisition price of fixed income security is less than the redemption amount, the difference will crystallise through the income statement over the residual life of the security.

At each reporting date the Company reviews its placement securities portfolio; unrealised losses resulting from differences between the book value and the fair value of each security are taken to the income statement and the book value of the affected security is permanently written down. Unrealised gains on similar securities cannot be recognised or used to offset or defer losses from being taken to the income statement.

Repurchase and reverse repurchase transactions

The Company enters into resale and repurchase agreements and securities borrow and loan transactions to accommodate customers and earn interest rate spreads (also referred to as “matched-book transactions”), to obtain securities for settlement and to finance inventory positions. Resale and repurchase agreements are accounted for at fair value as “reverse repurchase agreements with banks” and “reverse repurchase agreements with other customers”. All the repurchase transactions are accounted for in accordance with the Regulation ANC 2014-07.

Securities received under reverse repurchase agreements (and securities delivered under repurchase agreements respectively) are not recognised (and derecognised respectively) on the balance sheet because there is a commitment from the lender to repurchase the underlying securities at a fixed price.

Income on these transactions is accounted for as “interest on securities delivered or received under a repurchase agreement”.

**NOTES TO THE FINANCIAL STATEMENTS  
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Securities Lending and Borrowing

Securities lent are derecognised and replaced by a receivable which is initially recorded at (and subsequently revalued to) the same book value as the underlying security.

The securities borrowed are recognised in the securities portfolio only when the agreements provide the borrower the right of re-hypothecation over the securities (as per the French Code *monétaire et financier*, art. L 211-38.III). A payable is also recognised (recorded at the same book value as the securities and accounted for in "other liabilities"). From 31 December 2020 the asset in the securities portfolio and payables in liability in other liabilities in respect of non cash settled securities borrowed transactions are offset to the extent permitted in accordance with ANC n°2020-10 guidelines.

The income is recognised in Income Statement as an "interest income" on a prorata basis.

The treatment described above applies equally to securities lent or borrowed as collateral and reused.

Derivatives

During the period all derivatives traded by the Company were on the "Organised Market" or over the counter. The Company does not adopt hedge accounting for any derivatives transaction.

For listed derivatives ("Organised markets"), valuations are primarily based on direct market quotes or observed transactions. The fair values of derivative assets and liabilities traded in the over-the-counter ("OTC" as defined by the article 2515-1&2 of the Regulation ANC-2014-07) market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices, and indices to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third party pricing services. When third party pricing services are used, the methods and assumptions are reviewed by the Company. The fair value of derivative assets and liabilities include adjustments for market liquidity, counterparty credit quality and other deal specific factors, where appropriate.

In addition, the Company incorporates within its fair value measurements of OTC derivatives a valuation adjustment to the net position.

- For the purposes of assessing the credit risk valuation adjustment ("CVA"), positions are netted by counterparty, and the fair value for net long exposures is adjusted for counterparty credit risk whilst the fair value for net short exposures is adjusted for the Company's own credit risk.
- The Company also incorporates a Funding Valuation Adjustment ("FVA") within its fair value measurements to include funding costs on uncollateralised derivatives and derivatives where the Company is not permitted to use the collateral it receives. An estimate of severity of loss is also used in the determination of fair value, primarily based on market data.
- The Company also incorporates a valuation adjustment to provide for future management costs.

At initial recognition, the notional amounts underlying a derivative are recorded "off-balance sheet".

The Company enters into ISDA master agreements or their equivalent ("master netting agreements") with its derivative counterparties. These agreements are commonly used to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations. In addition, to reduce the risk of loss, the Company usually requires collateral that is permitted by documentation such a Credit Support Annex to an ISDA.

The premiums paid or received when purchasing or selling options are accounted for on the face of the financial statements in "Other Assets / Other Liabilities". Differences resulting from changes in the fair value of premiums for options contracts, determined by reference to market pricing, are reflected in income statement ("Trading gains / (losses) "). The corresponding revaluation of the premium is presented on the balance sheet by a reduction to or increase to the "Other Assets / Other Liabilities".

**NOTES TO THE FINANCIAL STATEMENTS  
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Linear derivatives are recorded at fair value, with those that are receivable booked to regularisation receivables accounts and those that are payable booked in regularisation payable accounts. The fair value movements on linear derivatives (derivatives term instruments) contracts (mainly swaps and futures) are reflected in the income statement (Trading gains / (losses)). The corresponding adjustment to the balance sheet is recorded in the relevant Regularisation accounts ("Comptes de régularisation").

Transactions in foreign currency

The financial statements have been presented in EUR, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are subsequently re-translated into the functional currency using the exchange rates prevailing at the reporting date. Exchange gains and losses on monetary assets and liabilities are recognised "Gains / (losses) from foreign exchange transactions".

Awards of BAC shares to employees

The Company awards Bank of America Corporation ("BAC") stock-based awards, including restricted stock and restricted stock units ("RSUs") to its employees as part of the incentive compensation plans. A liability for the cost of compensating BAC for the share issuance is provided for on the balance sheet in "Provisions for Liabilities and Charges" and expensed through "General operating expenses".

For most awards, the expense is generally recognised proportionately over the vesting period, net of estimated forfeitures. The expense for the share award is adjusted monthly during the vesting period by reference to the market value of the underlying shares and reflects the actual expense when the shares vest.

For awards to employees that meet retirement eligibility criteria, BAC accrues the expense in the period prior to grant. For employees that become retirement eligible during the vesting period, the Company recognises expense from the grant date to the date on which the employee becomes retirement eligible, net of estimated forfeitures.

Tangible and intangible assets

The Company does not have any tangible or intangible assets. The Company is charged rental and occupancy costs for the use of the building under a sub-lease agreement and charged for the use of equipment and other services via service agreements with an affiliate. The resulting expenses are reflected in the line "General operating expenses" in the Income statement

Accounting for revenues and expenses

Interest and similar income and expense

Interest and similar income and interest expense comprises interest calculated using the effective interest rate method.

Trading gains / (losses)

Trading gains / (losses) comprises realised and unrealised gains and losses on trading, including dividend income on cash equities. Unrealised gains, which represents changes in fair value of inventories, are recognised within trading revenue as they arise.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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Other banking income and Other banking expenses

Included within Other Banking income and Other banking expenses are:

- Investment banking fees from third parties, reflecting fee income resulting from the Company's investment banking activities, which primarily comprised equity underwriting fees.
- Charges made to/from affiliates to remunerate the Company for services provided or to reimburse the Company for expenditure incurred, are recognised on an accruals basis. This income is generated through the Company's services to the broader BAC group. Service fee income is computed under arm's length principles in accordance with BAC's Global Transfer Pricing Policy.

Commissions

*Investment and brokerage services*

Commissions earned on fulfilling customer orders is recognised on an accrual basis. Commission revenue earned from certain customer equity transactions is recorded gross of related brokerage, clearing and exchange fees.

*Investment banking income*

Investment banking income includes Equity & Debt Capital Market activities. The revenues from these services are recognised when the performance obligations related to the underlying transactions are completed.

*Retirement indemnity*

The Company measures its future retirement indemnity liability on the basis of actuarial assumptions using the Projected Credit Units method. Each year, the Company computes its exposure to future retirement indemnity (based on future discounted salaries) corresponding to the rights acquired by its employees during the accounting period. The calculation of this charge is based on assumptions of discount rates, staff turnover rates, salary levels or changes in wages and payroll taxes validated by the Company. The current estimate of the future liability is disclosed in note 13 Provisions for liabilities and charges.

The Company's current policy is to not accrue for any future retirement indemnity and to instead book the full expense for retirement indemnity at the point that an eligible employee retires, this is based on the current estimate of future liability. No employees retired in the current period.

The Company continues to monitor its exposure and keep this policy under review.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

**1 Cash and deposits with the central banks and central clearing houses**

	31 December 2020 €M	31 December 2019 €M
Due from central banks	1,941	600
<b>Total</b>	<b>1,941</b>	<b>600</b>

Cash and Deposits due from central bank represents the balance on account with the Banque de France EUR 1.9 billion (2019: EUR 0.6 billion).

**2 Bonds and fixed income securities & Equity investments and other long-term securities**

The securities included in this balance are wholly comprised of listed equity and debt that belong to the “Transaction Portfolio” (Portefeuille de transaction).

The securities held in the “placement” portfolio is made of government bonds held for treasury management purposes.

Refer to the accounting policies and principles section “Bonds and fixed income securities & Equities other variable income securities” for accounting treatments for transaction and placement portfolios.

Securities portfolio by type of issuer

31 December 2020

	Issued by public bodies €M	Issued by other issuers €M	Total €M
Transaction Portfolio	3,278	2,640	5,918
<i>Government securities and sovereign debt</i>	3,278	-	3,278
<i>Bonds and other fixed income securities</i>	-	428	428
<i>Equity investments and other long-term securities</i>	-	2,212	2,212
Placement Portfolio	897	-	897
<i>Government securities and sovereign debt</i>	897	-	897
<b>Total</b>	<b>4,175</b>	<b>2,640</b>	<b>6,815</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**2 Bonds and fixed income securities & Equity investments and other long-term securities  
(continued)**

31 December 2019

	Issued by public bodies	Issued by other issuers	Total
	€M	€M	€M
Transaction Portfolio	6,357	4,372	10,729
<i>Government securities and sovereign debt</i>	6,357	-	6,357
<i>Bonds and other fixed income securities</i>	-	433	433
<i>Equity investments and other long-term securities</i>	-	3,939	3,939
Placement Portfolio	1,056	-	1,056
<i>Government securities and sovereign debt</i>	1,056	-	1,056
<b>Total</b>	<b>7,413</b>	<b>4,372</b>	<b>11,785</b>

Included in the securities portfolio is EUR 1.0 billion of loaned securities (2019: EUR 4.1 billion). Comprised of:

- Government securities and sovereign debt of EUR 0.5 billion (2019: EUR 1.7 billion);
- Equity investments and other long-term securities of EUR 0.4 billion (2019: EUR 2.4 billion).

The value of the securities portfolio at 31 December 2020 is after the effect of offsetting EUR 1.5 billion (2019: no offset permissible) in non cash settled securities borrowed transactions to the extent permitted in accordance with ANC n°2020-10 guidelines.

Interest receivables on the securities portfolio is EUR 26 million (2019: EUR 0.5 million).

Bonds and other fixed income securities – maturity table

31 December 2020

	Due in less than 3 months	Due between 3 months and 12 months	Due between 1 year and 5 years	Due after more than 5 years	Total
	€M	€M	€M	€M	€M
Bonds and other fixed income securities	56	33	149	190	428
<b>Total</b>	<b>56</b>	<b>33</b>	<b>149</b>	<b>190</b>	<b>428</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**2 Bonds and fixed income securities & Equity investments and other long-term securities  
(continued)**

31 December 2019

	Due in less than 3 months  €M	Due between 3 months and 12 months  €M	Due between 1 year and 5 years  €M	Due after more than 5 years  €M	Total  €M
Bonds and other fixed income securities	95	4	85	249	433
<b>Total</b>	<b>95</b>	<b>4</b>	<b>85</b>	<b>249</b>	<b>433</b>

**3 Debtors - Receivables from banks**

	31 December 2020 €M	31 December 2019 €M
Ordinary accounts receivable	408	311
Reverse repurchase agreements with banks	2,214	3,530
<b>Total</b>	<b>2,622</b>	<b>3,841</b>

Receivables from banks represent EUR 2.2 billion of securities received in relation to reverse repurchase agreements (2019: EUR 3.5 billion) and EUR 0.4 billion of cash at bank (2019: EUR 0.3 billion).

Reverse repurchase agreement receivables from banks - Maturity table

31 December 2020

	Due in less than 3 months  €M	Due between 3 months and 12 months  €M	Due between 1 year and 5 years  €M	Due after more than 5 years  €M	Total  €M
Reverse repurchase agreements with banks	2,014	-	200	-	2,214
<b>Total</b>	<b>2,014</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>2,214</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**3 Debtors - Receivables from banks (continued)**

31 December 2019

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Reverse repurchase agreements with banks	3,530	-	-	-	3,530
<b>Total</b>	<b>3,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,530</b>

**4 Debtors - Receivables from other customers**

	31 December 2020 €M	31 December 2019 €M
Reverse repurchase agreements with other customers	5,501	12,985
Other	-	332
<b>Total</b>	<b>5,501</b>	<b>13,317</b>

Receivables from other customers comprises EUR 5.5 billion of securities received in relation to reverse purchase agreements with clients (2019: EUR 13.0 billion).

Other in the prior year comprises fail to deliver receivables which are classified and present within note 5 Settlement accounts receivables for the current year.

Reverse repurchase agreement receivables from other customers - Maturity table

31 December 2020

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Reverse repurchase agreements with other customers	5,501	-	-	-	5,501
<b>Total</b>	<b>5,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,501</b>



NOTES TO THE FINANCIAL STATEMENTS  
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4 Debtors - Receivables from other customers (continued)

31 December 2019

	Due in less than 3 months	Due between 3 months and 12 months	Due between 1 year and 5 years	Due after more than 5 years	Total
	€M	€M	€M	€M	€M
Reverse repurchase agreements with other customers	11,970	-	-	1,015	12,985
<b>Total</b>	<b>11,970</b>	<b>-</b>	<b>-</b>	<b>1,015</b>	<b>12,985</b>

5 Settlement accounts - receivables

	31 December 2020 €M	31 December 2019 €M
Settlement account - receivables - trades not yet settled	1,040	-
Fail to deliver trades	201	-
<b>Total</b>	<b>1,241</b>	<b>-</b>

Settlement account – receivables – trades not yet settled represents unsettled amounts due from other brokers and dealers arising from regular-way security sale transactions.

Settlement account – receivables – trades not yet settled of EUR 1.0 billion (2019: EUR 1.0 billion) and Fail to deliver receivables of EUR 0.2 billion (2019: EUR 0.3 billion) are classified and presented within Settlement accounts receivables at the balance sheet date whereas in the prior period they were classified and presented within Regularisation accounts – Receivables and Debtors - Receivables from other customers respectively.

**NOTES TO THE FINANCIAL STATEMENTS  
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**6 Other assets**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Non-linear / Conditional derivatives purchased	1,846	1,889
<i>Interest rate option contracts</i>	661	427
<i>Foreign exchange option contracts</i>	235	151
<i>Other contracts</i>	950	1,311
Margin call cash accounts	8,014	5,568
Other various debtors	818	925
<b>Total</b>	<b>10,678</b>	<b>8,382</b>

- Other conditional contracts includes equities options and index options totalling EUR 0.8 billion (2019: EUR 1.2 billion).
- Margin call cash accounts includes cash collateral posted for trading purposes.
- Other various debtors is largely comprised of balances receivable from affiliates for margin placed with affiliates or intercompany receivables in respect of recharges for intragroup services.

**7 Regularisation accounts - receivables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Linear derivatives	22,921	8,595
<i>Foreign exchange contracts</i>	7,211	3,664
<i>Other underlying instruments</i>	15,710	4,931
Other regularisation accounts	62	130
<b>Total</b>	<b>22,983</b>	<b>8,725</b>

Linear derivatives includes swaps, forwards and futures held at fair value.

Other underlying instruments is primarily comprised of interest rate swaps.

Linear derivatives – other underlying instruments in the prior year included EUR 1.0 billion of trade date receivables which are classified and presented within note 5 Settlement accounts receivables for the current year.

**NOTES TO THE FINANCIAL STATEMENTS  
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**8 Creditors - Payables to banks**

	31 December 2020 €M	31 December 2019 €M
Repurchase agreements with banks	362	300
<b>Total</b>	<b>362</b>	<b>300</b>

Repurchase agreements with banks - Maturity table

31 December 2020

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Repurchase agreements with banks	162	-	200	-	362
<b>Total</b>	<b>162</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>362</b>

31 December 2019

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Repurchase agreements with other customers	300	-	-	-	300
<b>Total</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**9 Creditors - Payables to other customers**

	31 December 2020 €M	31 December 2019 €M
Repurchase agreements with other customers	4,603	7,934
Other	-	63
<b>Total</b>	<b>4,603</b>	<b>7,997</b>

Other balances in the prior year comprises fail to receive liabilities which are classified and presented within note 12 Settlement accounts - payables for the current year.

Repurchase agreements with other customers - Maturity table

31 December 2020

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Repurchase agreements with other customers	4,603	-	-	-	4,603
<b>Total</b>	<b>4,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,603</b>

31 December 2019

	Due in less than 3 months €M	Due between 3 months and 12 months €M	Due between 1 year and 5 years €M	Due after more than 5 years €M	Total €M
Repurchase agreements with other customers	7,916	-	18	-	7,934
<b>Total</b>	<b>7,916</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>7,934</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**10 Other liabilities**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Non-linear / Conditional derivatives sold	1,929	1,987
<i>Interest rate option contracts</i>	675	402
<i>Foreign exchange option contracts</i>	222	152
<i>Other contracts</i>	1,032	1,433
Short Sales	2,306	8,683
Financing of securities borrowed	786	5,654
Cash collateral received on deposit	9,060	5,629
Other various creditors	2,285	2,040
Other liabilities	745	-
<b>Total</b>	<b>17,111</b>	<b>23,993</b>

Other liabilities includes:

- Other conditional contracts includes derivatives on equities options and index options totalling EUR 0.9 billion (2019: EUR 1.3 billion).
- Financing of securities borrowed EUR 0.8 billion (2019: EUR 5.7 billion) represents amounts due to lenders for securities borrowed, the 31 December 2020 balance is after offsetting EUR 1.5 billion (2019: no offset permissible) against the corresponding assets in the securities portfolio Note 2 Bonds and fixed income securities & Equity investments and other long-term securities in accordance with ANC n°2020-10.
- Other various creditors includes EUR 2.1 billion drawn down on the financing facilities from affiliates wholly owned by BAC (2019:1.5 billion). The remaining EUR 0.2 billion represents other amounts payable to affiliates (2019: 0.5 billion).

**11 Regularisation accounts - payables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Linear derivatives	23,223	9,078
<i>Foreign exchange contracts</i>	7,016	4,768
<i>Other underlying instruments</i>	16,207	4,310
Other regularisation accounts	125	111
<b>Total</b>	<b>23,348</b>	<b>9,189</b>

Linear derivatives – other underlying instruments is primarily comprised of interest rate swaps, in the prior year the balance included EUR 1.0 billion of trade date payables which are classified and presented within note 12 Settlement accounts - payables for the current year.

**NOTES TO THE FINANCIAL STATEMENTS  
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**12 Settlement account - payables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Settlement account - payables - trades not yet settled	1,175	-
Fail to receive trades	56	-
<b>Total</b>	<b>1,231</b>	<b>-</b>

Settlement account – payables – trades not yet settled represents unsettled amounts due to other brokers and dealers arising from regular-way security purchase transactions.

Settlement account – payables – trades not yet settled of EUR 1.2 billion (2019: EUR 1.0 billion) and Fail to receive payables of EUR 0.1 billion (2019: EUR 0.1 billion) are classified and presented within Settlement accounts at the balance sheet date whereas in the prior period they were classified and presented within Regularisation accounts - payables and Creditors - payables to other customers respectively.

**13 Provisions for liabilities and charges**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Balance at the beginning of the period	22	-
Provisioning in the year	31	22
Reversals in the year	(9)	-
Exchange Differences	(3)	-
<b>Balance at the end of the period</b>	<b>41</b>	<b>22</b>

Provisions for liabilities and charges comprises employee incentive share scheme liabilities.

Provisions for liabilities and charges does not include a provision for retirement indemnities. The Company calculates its retirement indemnity liabilities as EUR 4.7 million (2019: EUR 3.4 million) on the basis of actuarial assumptions using the Projected Credit Units method. Each year, the Company computes its exposure to future retirement indemnity (based on future discounted salaries) corresponding to the rights acquired by its employees during the accounting period. The calculation is based on assumptions of discount rates, staff turnover rates, salary levels or changes in wages and payroll taxes.

**NOTES TO THE FINANCIAL STATEMENTS  
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**14 Equity excluding FRBG**

Schedule of changes in equity

	Called up Share Capital	Share Premium	Other Reserves	Profit and Loss Account	Total
	€M	€M	€M	€M	€M
<b>At 25 September 2018</b>	<b>0</b>	-	-	-	<b>0</b>
New shares issued	5,276	-	-	-	5,276
Loss for the financial period	-	-	-	(127)	(127)
<b>At 31 December 2019</b>	<b>5,276</b>	-	-	<b>(127)</b>	<b>5,149</b>
2019 loss allocated to other reserves	-	-	(127)	127	-
Loss for the financial period	-	-	-	(64)	(64)
<b>At 31 December 2020</b>	<b>5,276</b>	-	<b>(127)</b>	<b>(64)</b>	<b>5,085</b>

Throughout the period and at 31 December 2020 99.90% of the share capital was held by NB Holdings Corporation and the remaining 0.10% of the share capital was held by Merrill Lynch Group Holdings I, L.L.C.

The prior year loss of EUR 127 million was fully allocated to other reserves by resolution of the shareholders following the approval of the 2019 financial statements.

**15 Balance sheet by currency**

*31 December 2020*

	EUR	Other currencies	Total
	€M	€M	€M
<b>Total Balance Sheet</b>	<b>20,066</b>	<b>31,715</b>	<b>51,781</b>

*31 December 2019*

	EUR	Other currencies	Total
	€M	€M	€M
<b>Total Balance Sheet</b>	<b>29,110</b>	<b>17,540</b>	<b>46,650</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**16 Derivatives notionals by type of market and underlying instruments**

Below is a summary of the derivative notionals by type of market, instrument and maturity at the balance sheet date.

31 December 2020

	Due in less than 3 months	Due between 3 months and 12 months	Due between 1 year and 5 years	Due after more than 5 years	Total
	€M	€M	€M	€M	€M
<b>Linear derivatives</b>	<b>429,817</b>	<b>120,573</b>	<b>190,076</b>	<b>211,267</b>	<b>951,733</b>
<u>Organised market</u>	<b>2,037</b>	-	-	-	<b>2,037</b>
Interest rate contracts	2,037	-	-	-	2,037
<u>OTC market</u>	<b>427,780</b>	<b>120,573</b>	<b>190,076</b>	<b>211,267</b>	<b>949,696</b>
Interest rate contracts	52,812	46,720	128,438	207,066	435,036
Foreign exchange contracts	360,371	46,867	8,878	664	416,780
Other underlying instruments	14,597	26,986	52,760	3,537	97,880
<b>Non linear derivatives</b>	<b>53,949</b>	<b>79,996</b>	<b>107,589</b>	<b>41,885</b>	<b>283,419</b>
<u>Organised market</u>	<b>21,714</b>	<b>32,137</b>	<b>14,439</b>	<b>171</b>	<b>68,461</b>
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Other underlying instruments	21,714	32,137	14,439	171	68,461
<u>OTC market</u>	<b>32,235</b>	<b>47,859</b>	<b>93,150</b>	<b>41,714</b>	<b>214,958</b>
Interest rate contracts	11,451	17,847	72,890	39,587	141,775
Foreign exchange contracts	17,031	24,117	5,538	835	47,521
Other underlying instruments	3,753	5,895	14,722	1,292	25,662
<b>Total</b>	<b>483,766</b>	<b>200,569</b>	<b>297,665</b>	<b>253,152</b>	<b>1,235,152</b>

At 31 December 2020 over a third of the derivatives notionals have a maturity of less than 3 months compared with almost half at 31 December 2019. Growth in the total derivatives exposure is driven by derivatives on interest rate contracts.



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FOR THE PERIOD ENDED 31 DECEMBER 2020

16 Derivatives notionals by type of market and underlying instruments (continued)

31 December 2019

	Due in less than 3 months	Due between 3 months and 12 months	Due between 1 year and 5 years	Due after more than 5 years	Total
	€M	€M	€M	€M	€M
<b>Linear derivatives</b>	<b>338,539</b>	<b>86,640</b>	<b>101,450</b>	<b>168,530</b>	<b>695,159</b>
<u>OTC market</u>	<b>338,539</b>	<b>86,640</b>	<b>101,450</b>	<b>168,530</b>	<b>695,159</b>
Interest rate contracts	4,600	24,090	71,921	146,036	246,647
Foreign exchange contracts	317,553	43,085	10,371	782	371,790
Other underlying instruments	16,386	19,465	19,158	21,712	76,722
<b>Non linear derivatives</b>	<b>83,075</b>	<b>48,223</b>	<b>61,651</b>	<b>25,393</b>	<b>218,342</b>
<u>Organised market</u>	<b>34,001</b>	<b>15,205</b>	<b>21,269</b>	<b>217</b>	<b>70,693</b>
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Other underlying instruments	34,001	15,205	21,269	217	70,693
<u>OTC market</u>	<b>49,074</b>	<b>33,018</b>	<b>40,382</b>	<b>25,176</b>	<b>147,649</b>
Interest rate contracts	3,536	17,248	23,577	19,204	63,566
Foreign exchange contracts	33,694	11,327	5,227	755	51,002
Other underlying instruments	11,844	4,443	11,578	5,217	33,081
<b>Total</b>	<b>421,614</b>	<b>134,863</b>	<b>163,101</b>	<b>193,923</b>	<b>913,501</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**17 Derivatives Trading**

The Company enters into International Swaps and Derivatives Association, Inc. ("ISDA") master agreements or their equivalent ("master netting agreements") with its derivative counterparties. Master netting agreements provide protection in bankruptcy in certain circumstances and, in some cases, enable receivables and payables with the same counterparty to be offset for risk management purposes. Agreements are negotiated bilaterally and can require complex terms. The enforceability of master netting agreements under bankruptcy laws in certain countries is not free from doubt, and receivables and payables with counterparties in these countries are accordingly recorded on a gross basis for risk assessment purposes. In addition, to reduce the risk of loss, the Company usually requires collateral that is permitted by documentation such as repurchase agreements or a Credit Support Annex to an ISDA. From an economic standpoint, the Company evaluates risk exposures net of related collateral that meets specified standards.

31 December 2020

	Notional €M	Derivatives Assets €M	Derivatives Liabilities €M
<b>Linear derivatives</b>	<b>951,733</b>	<b>22,921</b>	<b>23,223</b>
Foreign exchange contracts	416,780	7,211	7,016
Other underlying instruments	534,953	15,710	16,207
<b>Non linear derivatives</b>	<b>283,419</b>	<b>1,846</b>	<b>1,929</b>
Interest rate contracts	141,775	661	675
Foreign exchange contracts	47,521	235	222
Other underlying instruments	94,123	950	1,032
<b>Total</b>	<b>1,235,152</b>	<b>24,767</b>	<b>25,152</b>

31 December 2019

	Notional €M	Derivatives Assets €M	Derivatives Liabilities €M
<b>Linear derivatives</b>	<b>695,159</b>	<b>8,595</b>	<b>9,078</b>
Foreign exchange contracts	371,790	3,664	4,768
Other underlying instruments	323,369	4,931	4,310
<b>Non linear derivatives</b>	<b>218,342</b>	<b>1,889</b>	<b>1,987</b>
Interest rate contracts	63,566	427	402
Foreign exchange contracts	51,002	151	152
Other underlying instruments	103,774	1,311	1,433
<b>Total</b>	<b>913,501</b>	<b>10,484</b>	<b>11,065</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**18 Interest and similar income**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Interest income from banks	-	4
Interest income from customers	95	48
Interest income from fixed income securities	60	101
	<b>155</b>	<b>153</b>

**19 Interest and similar expenses**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Interest expense from banks	82	4
Interest expense from customers	145	94
Interest expense from fixed income securities	23	99
Other interest expenses	3	1
	<b>253</b>	<b>198</b>

**20 Commissions income and expenses**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Income from securities financing transactions	38	27
Income from the provision of financial services	132	30
<b>Commissions - income</b>	<b>170</b>	<b>57</b>
Operating expenses	52	25
Clearing and exchange expenses	50	38
<b>Commissions - expenses</b>	<b>102</b>	<b>63</b>

Commissions income and expenses primarily relates to brokerage fees arising from the Company's activities in fulfilling client orders for purchases and sales of global equities and traded bonds on global exchanges.

Income from the provision of financial services includes EUR 78 million (2019: EUR 3 million) in respect of debt underwriting and advisory fees.

Brokerage fees income totals EUR 63 million (2019: EUR 42 million).

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**21 Trading gains / (losses)**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Gains / (losses) from securities transactions	55	40
Gains / (losses) from derivatives transactions	216	77
Gains / (losses) from foreign exchange transactions	53	(1)
	<b>324</b>	<b>116</b>

This income reflects the performance of the Company's trading businesses. These businesses largely operate through derivative contracts with corporate or institutional investors.

**22 Other banking income & other banking expenses**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Other banking operating revenues	216	186
<b>Other banking income</b>	<b>216</b>	<b>186</b>
Other banking operating expenses	170	54
<b>Other banking expenses</b>	<b>170</b>	<b>54</b>

Other banking income comprises banking fees of EUR 27 million (2019: nil) and intercompany service fee income of EUR 189 million (EUR 186 million).

Other banking expenses comprises intercompany service fee expenses of EUR 170 million (2019: EUR 54 million).

Intercompany service fee income and expenses include:

- Remote trading service fee income of EUR 67 million (2019: EUR 73 million) and expenses of EUR 71 million (2019: EUR 29 million),
- Sales service fee income of EUR 83 million arising on sales (2019: EUR 75 million) and expenses EUR 10 million (2019: EUR 11 million),
- Brokerage service fee income of EUR 25 million for (2019: EUR 23 million) and expenses of EUR 20 million (2019: EUR 11 million).
- Banking service fee income of EUR 7 million (2019: EUR 7 million) and expenses of EUR 64 million (2019: EUR 2 million).

This intercompany service fee income / expense is generated through services that the Company provides to and receives from the broader BAC group. Service fee income / expense is computed under arm's length principles in accordance with BAC's Global Transfer Pricing Policy.

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**23 General operating expenses**

**Staff Costs**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Personnel costs	117	95
Defined contribution pension expenses	13	7
Other social charges	34	31
Taxes on remuneration	4	3
Rights to shares	22	26
<b>Staff costs</b>	<b>190</b>	<b>162</b>

Average head count for the period was 332 employees (2019: 154) and there were a total of 326 employees at 31 December 2020 (2019: 292).

Other social charges mainly include social security contributions for employees (mainly URSSAF: Organisations for the Collection of Social Security and Family Benefit Contributions).

**Other administrative charges**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<i>€M</i>	<i>€M</i>
Tax	37	39
External services	25	17
Other operating expenses	152	106
<b>Other administrative charges</b>	<b>214</b>	<b>162</b>

Tax includes irrecoverable VAT, levies for CVAE and C3S and Financial Transactions Taxes.

Other operating expenses includes legal entity shared expenses of EUR 143 million (2019: EUR 98 million). Legal entity shared service expenses relate to the purchase of services from other affiliates in the BAC group. The charges are computed under arm's length principles reflecting the economic contribution of the affiliate in accordance with BAC's Global Transfer Pricing Policy.

**NOTES TO THE FINANCIAL STATEMENTS  
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**24 Corporate Income Tax**

The Company is in a tax loss position for the period, after the book-to-tax adjustments (add backs of the non-deductible net financial expenses, provisions for bonus and other variable remunerations as well as to the corresponding provision for the amount of company social solidarity contribution to be paid in 2021 for 2020 accounting period). Therefore, no CIT charge has been booked by the Company for 2020 (2019: nil).

**25 Auditor remuneration**

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

*31 December 2020*

	<b>BDO</b>	<b>PwC</b>	<b>Total</b>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
Audit of the financial statements for the period ended 31 December 2020	250	441	691
Other services	15	43	58
<b>Total</b>	<b>265</b>	<b>484</b>	<b>749</b>

Included within fees payable to the Company's auditors for other services was EUR 58 thousand in relation to services provided for Client Asset Assurance reporting to the ACPR and AMF.

*31 December 2019*

	<b>BDO</b>	<b>PwC</b>	<b>Total</b>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
Audit of the financial statements for the period ended 31 December 2019	250	352	602
Other services	-	7	7
<b>Total</b>	<b>250</b>	<b>359</b>	<b>609</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**26 Segmental breakdown**

The Company's results are wholly derived from the Global Banking and Markets business which represents a single class of business. Within Global Banking and Markets, three principal business divisions operate within the Company. The company's business lines include Equity Sales and Trading, Fixed-Income Currencies & Commodities ("FICC") Sales and Trading, and Global Banking.

The Company operates in three geographic regions, being Europe, Middle East and Africa ("EMEA"), the Americas and Asia Pacific ("APAC"). Due to the highly integrated nature of international financial markets, the Company identifies its geographic performance based on the business unit structure used to manage the capital or expense deployed in the region as applicable.

The table below presents the total revenues of the Company by geographic region:

*31 December 2020*

	<b>EMEA</b> €M	<b>Americas</b> €M	<b>APAC</b> €M	<b>Total</b> €M
+ Interest and similar income	146	9	-	155
+ Commissions - income	157	7	6	170
+/- Trading gains / (losses)	328	(8)	4	324
+ Other banking income	175	41	-	216
<b>Total</b>	<b>806</b>	<b>49</b>	<b>10</b>	<b>865</b>

*31 December 2019*

	<b>EMEA</b> €M	<b>Americas</b> €M	<b>APAC</b> €M	<b>Total</b> €M
+ Interest and similar income	147	6	-	153
+ Commissions - income	53	2	2	57
+/- Trading gains / (losses)	101	13	2	116
+ Other banking income	152	34	-	186
<b>Total</b>	<b>453</b>	<b>55</b>	<b>4</b>	<b>512</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**27 Counterparty risk**

**Credit risk**

Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations.

Credit risk is created when the Company commits to, or enters into, an agreement with a borrower or counterparty. The Company defines credit exposure to a borrower or counterparty as the loss potential arising from loans, leases, derivatives and other extensions of credit.

Credit risk management includes the following processes:

- Credit origination
- Portfolio management
- Loss mitigation activities

The Company is Bank of America's primary sales and trading entity for servicing European Union ("EU"), clients and for providing access to EU markets for global clients. The Company offers a full suite of products across Equity Sales & Trading, Fixed Income Currencies and Commodities ("FICC") Sales & Trading, and Capital Markets. Traded products therefore account for the majority of the Company's credit exposure.

**28 Consolidating entity**

The Company is a wholly owned subsidiary of Bank of America Corporation (headquarters: Bank of America Corporate Center, 100 North Tryon Street, Charlotte, NC 28255), which prepares consolidated financial statements that include the Company. These financial statements present information about the Company as an individual undertaking.

**29 Directors' remuneration**

The executive directors are not specifically remunerated for their social corporate mandate. The allowance paid to non-executive directors amounts to EUR 382,708 (2019: EUR 360,010).

**30 Cash advance granted to directors**

In compliance with French trade code (article L.227-10), no cash advance or loan has been granted to any of the directors.

**31 Subsequent events**

No significant events have occurred since the accounts have been closed.