



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

27 March 2026

ECB sanctions BofA Securities Europe SA for breaching reporting requirements

- BofA Securities Europe SA intentionally breached market risk reporting requirements
- ECB imposes penalty of €6.2 million

The European Central Bank (ECB) has imposed an administrative penalty of €6.2 million (€6,200,000) on BofA Securities Europe SA after the bank reported wrongly calculated risk-weighted assets for market risk.

Between 2022 and 2024, for six consecutive reporting periods, the bank reported lower risk-weighted assets for market risk than it should have. When calculating its risk-weighted assets for market risk, the bank included sovereign bond option positions under the internal models approach, despite being aware that these were not covered by its supervisory permission. This resulted in inaccurate calculation and reporting of the bank's risk-weighted assets for market risk.

Risk-weighted assets are a measure of the risks a bank has on its books. They serve as basis for banks to calculate their capital requirements. Underestimating risk-weighted assets means the bank did not calculate its capital requirements correctly and reported a higher Common Equity Tier 1 (CET1) ratio than it should have done. The CET1 ratio is a key indicator of a bank's capital strength and its ability to absorb losses.

When deciding on the amount of a penalty to sanction a bank, the ECB applies its [Guide to the method of setting administrative pecuniary penalties](#). Out of the severity categories “minor”, “moderately severe”, “severe”, “very severe” and “extremely severe”, the ECB classified this breach as severe. More details on sanctions imposed by the ECB are available on the [ECB's banking supervision website](#).

The bank has the right to challenge the ECB's decision before the Court of Justice of the European Union.

European Central Bank

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