

Country by Country Reporting

Merrill Lynch International Bank Limited

Year ended December 2014

Country by Country Reporting – Merrill Lynch International Bank Limited (“MLIB”) Reported under Irish GAAP for year ended 31 December 2014

A Country by Country Reporting (“CBCR”) obligation was introduced through Article 89 of the EU Directive 2013/36/EU, otherwise known as the Capital Requirements Directive IV (“CRD IV”). This document satisfies our reporting obligations for the 2014 financial year.

Nature of activities and geographical location

MLIB is an operating subsidiary of Bank of America Corporation (“BAC”). MLIB’s head office is in Ireland, with branches in Frankfurt, London, Milan, Rome, Singapore and Toronto. MLIB has subsidiaries in the UK being Majestic Acquisitions Limited and Wave Lending Holdings Limited. It has a further subsidiary in Ireland, Merrill Lynch Financial Services Limited.

The MLIB Group acts as principal for debt derivative and foreign exchange transactions and engages in advisory, lending, loan trading and institutional sales activity. The Group provides collateralised lending, letters of credit, guarantees and foreign exchange services to, and accepts deposits from, its clients. The Group also provides administration and servicing in the UK non-conforming residential mortgage market.

Pursuant to MLIB’s legal entity strategy, the Group transferred its market risk on Global Markets derivatives to a BAC affiliate during the year, it remains as principal on a number of transactions where the counterparties have not novated to BAC affiliates.

In addition the Group transferred most of its loan portfolio to other BAC affiliates during 2014 and is no longer actively originating new business. In August 2012, BAC announced the sale of its Global Wealth & Investment Management (“GWIM”) business based outside of the U.S. to Julius Baer. The majority of this sale, and related asset transfers have been executed and the remaining assets are scheduled to be transferred in 2015.

The Group is transferring its GWIM Global Client Segment, for non US resident clients who are serviced by Financial Advisors residing in the United States to other BAC affiliates. The transfer is anticipated to be completed by the end of 2015.

Nature of activities and geographical location (Cont'd)

The Group continues to actively rationalise its branch structure. The Amsterdam and Paris branches were closed in 2014 and the Bahrain branch was closed in March 2015. The Group expects to close the Singapore and Toronto branches in 2015.

MLIB is regulated by the Central Bank of Ireland and the Group is required to provide certain regulatory disclosures. MLIB is a private limited company incorporated in Ireland. MLIB is a wholly-owned indirect subsidiary of BAC, a regulated United States entity.

An organizational chart depicting select major operating subsidiaries of BAC is available from www.investor.bankofamerica.com.

MLIB Registered address: Central Park, Leopardstown, Dublin 18.

Country by Country Reporting for the year ended December 2014

Jurisdiction	Net operating income	Profit/(Loss) before tax	Total tax paid	Corporation tax paid	Social security paid	Irrecoverable VAT suffered	Bank Levy paid	Public subsidies received	Average number of employees excluding contractors and secondees
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
Head Office, Branches and Subsidiaries									
Ireland including subsidiary	102,687	16,572	8,765	0	4,510	1,807	2,449	0	511
Singapore	3,102	13,349	379	0	326	53	0	0	15
United Kingdom including subsidiaries	15,835	(34,379)	11,866	0	4,371	2,541	4,953	0	19
Germany	61,206	16,870	2,213	660	1,553	0	0	0	64
Canada	(8,946)	(8,951)	0	0	0	0	0	0	0
Netherlands	3,799	113	106	0	106	0	0	0	8
Italy	15,125	12,899	4,276	1,193	1,845	1,238	0	0	34
France	539	110	19	0	0	19	0	0	0
MLIB Consolidated Total	193,346	16,583	27,624	1,853	12,711	5,658	7,402	0	651

Notes to the Report

The table on page 3 contains the following for MLIB for the year ending 31 December 2014:

- The CBCR is prepared on a consolidated basis for MLIB and its subsidiaries in line with the MLIB Group financial statements.
- Total tax paid shows the total tax MLIB and its subsidiaries paid/suffered in each country in 2014. The following columns analyse this total into its components.
- Corporation tax, bank levy and social security represent the actual payments made to the tax authorities during 2014. An element of the payments will relate to prior years and therefore the figures will not represent taxes charged in the period.
- Corporation tax is lower in certain territories owing to the availability of losses brought forward and due to non-taxable gains arising on the disposal of business activities in 2014.
- Social security paid represents the payroll taxes paid or borne by MLIB based on individual country rules.
- Irrecoverable VAT ('Value Added Tax') suffered has been calculated on the basis of the amounts accrued in the profit and loss account for the period. This is considered to be an appropriate representation of cash paid by the entity. Irrecoverable VAT is the cost borne by MLIB of only being able to reclaim a proportion of the VAT we incur. The numbers do not include any element of VAT collected from others or reclaimed.
- Bank levy in the UK is paid by another group company as 'paying entity'. The amount disclosed represents the amount of the total paid which is attributable to MLIB. This tax does not relate directly to profits earned in the year and is a tax paid in the UK based on balance sheet liabilities.
- Bank Levy in Ireland consists of charges paid to the Central Bank of Ireland namely the 'Credit Institutions Resolution Fund Levy' and the 'Industry Funding Levy'. Both are based on balance sheet construction.
- The average number of employees is an average of monthly total full time equivalent employees, based on employees legally employed by MLI and its subsidiaries excluding contractors and secondees. The statutory disclosure in the MLIB financial statements states a total of 808 which is inclusive of contractors and secondees.