

Country by Country Reporting

Bank of America Merrill Lynch International Limited

Year ended December 2015

Country by Country Reporting – Bank of America Merrill Lynch International Limited (“BAMLI”)

Reported under UK GAAP for year ended 31 December 2015

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 2015 financial year.

Nature of activities and geographical location

BAMLI is Bank of America Corporation’s (‘BAC’) primary Europe, Middle East and Africa (‘EMEA’) bank subsidiary and was incorporated in 1971. BAMLI was renamed in December 2013 having been formerly called Banc of America Securities Limited (‘BASL’). BAMLI is a direct subsidiary of Bank of America, N.A. (‘BANA’). BAMLI’s head office is in the United Kingdom, with branches in Dublin, Madrid, Amsterdam and Paris. The branches were all opened in 2015.

BAMLI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference Number: 124509). It is a Private limited company incorporated in England and Wales (Registered Number: 01009248). BAMLI is a wholly-owned indirect subsidiary of BAC, a regulated United States entity. An organisational chart depicting select major operating subsidiaries of BAC is available at www.investor.bankofamerica.com. Registered address: 2 King Edward Street, London, EC1A 1HQ, United Kingdom. Contact number: +44 (0) 20 7628 1000.

BAMLI has the following subsidiary undertakings in the United Kingdom; Alie Street Investments Limited, Alie Street Investments 6 Limited, Alie Street Investments 8 Limited, Alie Street Investments 12 Limited, Alie Street Investments 16 Limited, Alie Street Investments 24 Limited, Fugu Credit Limited and Merrill Lynch (Camberley) Limited. Merrill Lynch (Camberley) Limited was purchased in 2015.

BAMLI Primary Business Activities are as follows:

- Banking activities including corporate and institutional lending, commercial cards and leasing
- Corporate Finance services

Country by Country Reporting for the year ended December 2015

Jurisdiction	Net operating income \$000s	Profit/(Loss) before tax \$000s	Total tax paid \$000s	Corporation tax paid \$000s	Social security paid \$000s	Irrecoverable VAT paid \$000s	Average number of employees
United Kingdom (includes subsidiaries)	1,750,086	169,175	137,187	0	94,468	42,719	4,189
France	83,758	(8,072)	1,363	0	1,326	37	68
Ireland	73,014	1,034	5,494	560	4,139	795	535
Spain	8,212	4,049	502	188	127	187	8
Netherlands	521	(2,127)	55	0	48	7	5
Consolidation	(272)	0	0	0	0	0	0
BAMLI Consolidated Total	1,915,319	164,059	144,601	748	100,108	43,745	4,805

Notes to the Country by Country Report

The table above contains the following for BAMLI for the year ending 31 December 2015:

- The CBCR is prepared on a consolidated basis for BAMLI and its subsidiaries. Note that BAMLI's published financial statements are not consolidated as BAMLI is not required to prepare group accounts.
- Net operating income is stated before credit provision.
- Total tax paid shows the total tax BAMLI and its subsidiaries paid/suffered in each country in 2015. The following columns analyse this total into its components.
- Corporation tax and social security are actual payments made to the tax authorities during 2015. An element of the payments will relate to prior years and therefore the figures will not represent taxes charged in the period.
- BAMLI has not paid corporation tax in 2015 in the United Kingdom owing to the relief obtained via utilisation of losses from other group entities. There were local taxes paid in Spain and Ireland.
- Social security paid represents the taxes paid or borne by BAMLI 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 BAMLI 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 is paid by another group company as 'paying entity'. No bank levy costs were recharged to BAMLI during 2015.
- The average number of employees is an average of monthly total full time equivalent employees, based on employees legally employed by BAMLI and its subsidiaries excluding contractors. The financial statements include contractors.

Auditors' Report

Independent auditors' report to the Directors of BAMLI

We have audited the accompanying schedule for the year ended 31 December 2015 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

Auditors' Report (Cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the country-by-country information in the schedule as at 31 December 2015 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to page 3 of the schedule, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of BAMLI. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.



PricewaterhouseCoopers LLP
Chartered Accountants

7 More London Riverside,
SE1 2RT

7 April 2016