

Country by Country Reporting

Bank of America Merrill Lynch International Limited

Year ended December 2016

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

Reported under UK GAAP for year ended 31 December 2016

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 2016 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. BAMLI is a direct subsidiary of Bank of America, N.A. (‘BANA’). BAMLI’s head office is in the United Kingdom, with branches in Republic of Ireland, Spain, France, Belgium, Netherlands, Germany, Italy and Switzerland.

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 and Republic of Ireland; 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, Merrill Lynch (Camberley) Limited and Merrill Lynch Financial Services Limited. Merrill Lynch Financial Services Limited was purchased in 2016.

BAMLI Primary Business Activities are as follows:

- Banking activities including corporate and institutional unsecured lending, global transaction services, leasing and investment banking advisory and loan syndication services
- Support services arrangements to other group companies

Country by Country reporting for year ended December 2016

Jurisdiction	Net operating income	Profit/(Loss) before tax	Total tax paid	Corporation tax paid	Social security paid	Irrecoverable VAT	Bank Levy paid	Average number of employees
2016	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
United Kingdom (includes subsidiaries)	2,066,432	399,582	152,359	19,876	85,703	45,464	1,316	4,365
Republic of Ireland	84,571	202	4,897	42	4,127	728	0	516
France	62,997	(22,090)	17,832	5,653	12,072	107	0	96
Germany	34,237	(4,297)	899	0	790	109	0	49
Netherlands	30,388	9,210	314	0	234	80	0	23
Spain	19,265	10,957	5,065	4,506	294	265	0	21
Italy	14,736	4,179	353	0	265	88	0	13
Switzerland	5,901	(5,628)	134	0	134	0	0	9
Belgium	2,765	(130)	259	0	199	60	0	5
Consolidated	(17,761)	0	0	0	0	0	0	0
BAMLI Consolidated Total	2,303,531	391,985	182,112	30,077	103,818	46,901	1,316	5,097

Notes to the Country by Country report

The table above contains the following for BAMLI for the year ending 31 December 2016:

- 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 2016. The above columns analyse this total into its components.
- Corporation tax and social security are actual payments made to the tax authorities during 2016. 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 paid by another group company as 'paying entity'. The amount disclosed represents the amount of the total paid which is attributable to BAMLI.
- Corporation tax and social security paid represents the taxes paid or borne by BAMLI based on individual country rules.
- BAMLI's corporation tax paid in 2016 in the United Kingdom was reduced by relief obtained via utilisation of losses from other group entities.
- 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'. The amount disclosed represents the amount of the total paid which is attributable to BAMLI. 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.
- 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 Bank of America Merrill Lynch International Limited ("BAMLI")

We have audited the accompanying schedule of BAMLI for the year ended 31 December 2016 ("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.

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

Auditors' report (Cont'd)

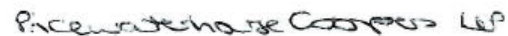
Opinion

In our opinion, the country-by-country information in the schedule as at 31 December 2016 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
8 March 2017