Country by Country Reporting

Merrill Lynch International

Year ended December 2014

Country by Country Reporting – Merrill Lynch International (“MLI”)

Reported under UK 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

MLI is Bank of America Corporation’s (“BAC”) largest operating subsidiary outside of the United States and was incorporated in 1988. MLI’s head office is in the United Kingdom, with branches in Milan, Rome, Amsterdam, Stockholm and Dubai, and a representative office in Zurich. MLI has a subsidiary, Merrill Lynch Pierce Fenner & Smith Limited (‘MLPF&S’). MLI disposed of another subsidiary, Secured Asset Finance Company BV (‘SAFCO’) in February 2014.

MLI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference Number: 147150). It is a Private unlimited company incorporated in England and Wales (Registered Number: 2312079). MLI 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 I +44 (0) 20 7628 1000.

MLI Primary Business Activities are as follows:

- Broker and dealer in Equities and Fixed Income, Currency and Commodities financial instruments
- Investment Banking Advisory and Underwriting services
- Post trade related services
- Equity and Fixed Income Research

Country by Country Reporting for the year ended December 2014

Jurisdiction	Net operating income $000s	Profit/(Loss) before tax $000s	Total tax paid $000s	Corporation tax paid $000s	Social security paid $000s	Irrecoverable VAT suffered $000s	Bank Levy paid $000s	Withholding tax suffered $000s	Public subsidies received $000s	Average number of employees
Head Office, Branches and Subsidiaries										
United Kingdom (includes MLPF&S)	4,399,265	367,513	275,109	0	151,653	28,476	47,503	47,477	0	1,541
United Arab Emirates	40,416	8,033	0	0	0	0	0	0	0	52
Italy	7,021	(21,988)	2,449	0	2,432	17	0	0	0	19
Netherlands (includes SAFCO)	14,394	2,408	200	69	131	0	0	0	0	1
Sweden	7,156	1,412	738	0	652	86	0	0	0	5
Consolidation	(58,700)	(123)	(33)	0	0	(33)	0	0	0	0
MLI Consolidated Total	**4,409,552**	**357,256**	**278,463**	**69**	**154,868**	**28,546**	**47,503**	**47,477**	**0**	**1,618**

Notes to the Country by Country Report

The table above contains the following for MLI for the year ending 31 December 2014:

- The CBCR is prepared on a consolidated basis for MLI and its subsidiaries. (Note that MLI's published financial statements are not consolidated as MLI is not required to prepare group accounts).
- Total tax paid shows the total tax MLI and its subsidiaries paid/suffered in each country in 2014. The following columns analyse this total into its components.
- Corporation tax, bank levy, withholding tax 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.
- MLI has not paid corporation tax in 2014 owing to the relief obtained via the utilisation of historical losses brought forward. The corporation tax paid in the Netherlands all related to SAFCO.
- Social security paid represents the payroll taxes paid or borne by MLI 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 MLI 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 MLI. 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.
- Withholding tax represents overseas tax suffered on dividends or other income received by the Head Office or branch that cannot be recovered by the company.
- 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 MLI financial statements states a total of 2,085 which is inclusive of contractors and secondees.

Auditors’ Report

Independent auditors’ report to the Directors of Merrill Lynch International (MLI)

We have audited the accompanying schedule for the year ended 31 December 2014 (“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 27 March 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 MLI. 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

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27 March 2015