

Country by Country Reporting

Merrill Lynch International Bank Limited

Year ended December 2015

Country by Country Reporting – Merrill Lynch International Bank Limited (“MLIB”)

Reported under IFRS 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

MLIB is an operating subsidiary of Bank of America Corporation (“BAC”). MLIB’s head office is in Ireland, with branches in Frankfurt, London, Milan and Rome. 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. MLIB branches in Paris, Singapore and Toronto were closed in 2015, Amsterdam branch closed in 2014. An organisational chart depicting select major operating subsidiaries of BAC is available from www.investor.bankofamerica.com.

Merrill Lynch International Bank Limited is a credit institution and is registered as a licensed bank pursuant to section 9 Central Bank Act 1971. Merrill Lynch International Bank Limited is regulated by the Central Bank of Ireland. MLIB has largely migrated or de-risked itself from Global Banking and Markets (“GBAM”) and all new business has now ceased. It retains residual rates and currencies counterparties where the market risk is hedged, a Global Wealth Management portfolio (“GWIM”) that will be fully exited in 2016 and a small legacy loan portfolio all of which are being run off based on maturity or migrated to group affiliates.

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At this stage, the MLIB London Branch, which is registered in the UK, comprises:

- A small number of GBAM derivative clients, who for various different reasons have not yet been migrated to other affiliates
- A substantially reduced portfolio of GWIM clients, who have obtained loans or placed deposits with the MLIB London Branch, and which are expected to migrate to other affiliates or be closed out by the end of June 2016
- A small number of loans/ loan facilities, which the Bank of America Merrill Lynch is either actively seeking to migrate to other affiliates or close out in the next few years

Country by Country reporting for the year ended December 2015

Jurisdiction	Net operating income	Profit/(Loss) before tax	Total tax paid	Corporation tax paid	Social security paid	Irrecoverable VAT paid	Bank Levy paid	Public subsidies received	Average number of employees
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
Ireland	24,872	(42,642)	1,409	151	456	802	0	0	31
Germany	44,428	9,104	8,048	7,418	1,036	(406)	0	0	64
United Kingdom	34,971	17,752	2,980	0	879	1,466	635	0	11
Singapore	(2,055)	(2,936)	(893)	(893)	0	0	0	0	0
France	(173)	(235)	0	0	0	0	0	0	0
Italy	(361)	(5,641)	714	0	582	132	0	0	15
Netherlands	0	0	27	27	0	0	0	0	0
Canada	0	0	(4,447)	(4,447)	0	0	0	0	0
MLIB Consolidated Total	101,682	(24,598)	7,838	2,256	2,953	1,994	635	0	121

Notes to the Report

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

- 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 2015. 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 2015. 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.
- 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.
- The average number of employees is an average of monthly total full time equivalent employees, based on employees legally employed by MLIB and its subsidiaries excluding contractors. The financial statements include contractors.