Bank of America Merrill Lynch International Designated Activity Company

Pillar 3 Disclosure

For the Quarter Ended 31 March 2019

1. Overview and Purpose of Document

This document contains the Pillar 3 disclosures as at 31 March 2019 in respect of the capital and risk management of Bank of America Merrill Lynch International Designated Activity Company, ("BAMLI DAC"), an Irish credit institution.

Capital Requirements Directive IV ("CRD IV"), the European Union ("EU") legislation implementing Basel III, came into effect on 1 January 2014. This mandates the quantity and quality of capital that firms are required to hold, introducing an EU wide liquidity regime and establishing leverage requirements. This legislation consists of three Pillars. Pillar 1 is defined as "Minimum Capital Requirement", Pillar 2 "Supervisory Review Process" and Pillar 3 "Market Discipline". The aim of Pillar 3 is to encourage market discipline by allowing market participants to access key pieces of information regarding the capital adequacy of institutions through a prescribed set of disclosure requirements.

This document discloses the information prescribed by these guidelines on a quarterly basis, which includes information on capital adequacy, leverage and liquidity.

For further information on BAMLI DAC's risk management objectives and policies, liquidity and asset encumbrance, please refer to BAMLI DAC's annual Pillar 3 disclosure for the year ended 31 December 2018 on Bank of America's corporate website: http://investor.bankofamerica.com.

1.1 BAMLI DAC

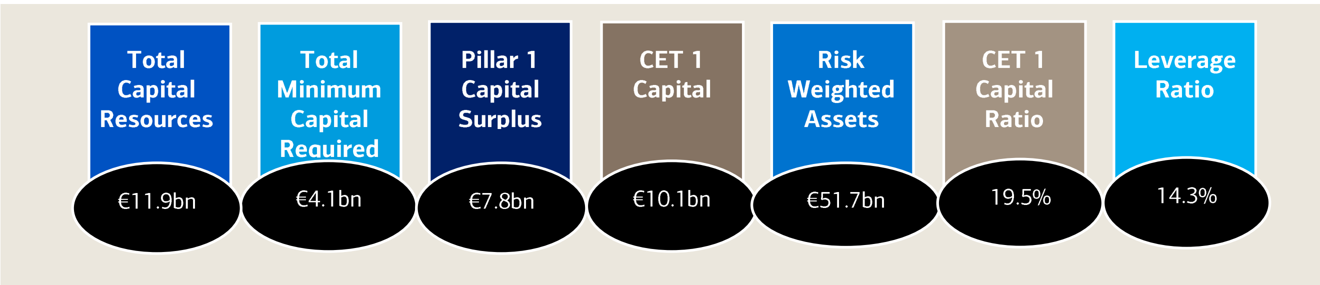
BAMLI DAC is a registered credit institution in the Republic of Ireland which is authorised and regulated by the Central Bank of Ireland ("CBI") and supervised under the single supervisory mechanism ("SSM"). BAMLI DAC is headquartered in Dublin with branches in Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Stockholm and Zurich.

BAMLI DAC is a wholly owned subsidiary of Bank of America N.A. ("BANA") and the ultimate parent continues to be Bank of America Corporation ("BAC"). As at 31 March 2019, BAMLI DAC was rated by Fitch Ratings, Inc ("Fitch") (A+ / F1).

1.2 BAMLI DAC's Capital Position at 31 March 2019

Figure 1 illustrates BAMLI DAC's key capital metrics. BAMLI DAC's Capital Resources consist of Common Equity Tier 1 ("CET1") capital and BAMLI DAC continues to maintain capital ratios and resources significantly in excess of its minimum requirement.

Figure 1. Summary of BAMLI DAC's Key Metrics as at 31 March 2019[1]



[1]All of BAMLI DAC's Tier 1 capital is CET1, therefore CET1 Capital Ratio and Tier 1 Capital ratio are the same.

2. Basis of Preparation

BAMLI DAC financial statements are prepared in accordance with Irish Companies Law and Generally Accepted Accounting Practices. In accordance with these it applies the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") that have been adopted in the EU.

The information contained in these disclosures has been prepared in accordance with the Capital Requirement Directive, on a solo basis. All tables included in these disclosures are as at 31 March 2019, with prior quarter end comparable values as at 31 December 2018.

In addition, the report does not constitute any form of forward looking record or opinion on BAMLI DAC. Although the Pillar 3 disclosure is intended to provide transparent information on a common basis, the information contained in this document may not be directly comparable with the information provided by other banks. Any financial information included herein is unaudited.

This Pillar 3 disclosure is published on BAC's corporate website: http://investor.bankofamerica.com.

3. Capital Resources

Capital Resources represent the amount of regulatory capital available to an entity to cover all risks. Defined under Capital Requirements Directive CRD IV, Capital Resources are designated into two tiers, Tier 1 and Tier 2. Tier 1 capital consists of CET1 and Additional Tier 1 ("AT1"). CET1 is the highest quality of capital and typically represents equity and audited reserves; AT1 usually represents contingent convertible bonds; Tier 2 capital typically consists of subordinated debt and hybrid debt capital instruments.

BAMLI DAC adopted IFRS9 for the accounting of financial instruments on 1 January 2018. The introduction of the expected credit loss ("ECL") model did not result in a material adjustment to equity as at the date of adoption of IFRS9. For this reason, BAMLI DAC is not applying the transitional arrangements for IFRS9.

BAMLI DAC's Capital Resources of €11.9bn (Q4 2018: €11.7bn) consist of Tier 1 and Tier 2 capital. All of BAMLI DAC's Tier 1 capital is made up of CET1, and Tier 2 capital is comprised of subordinated debt.

The increase in capital resources is driven by movements in exchange rates.

Table 1. Regulatory Capital Resources and Ratios Summary

(Euros in Millions)	**Q1 2019**
Common Equity Tier 1 (CET1) capital before regulatory adjustments	10,130
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(35)
Common Equity Tier 1 (CET1) Capital	**10,095**
Additional Tier 1 (AT1) capital	-
Tier 1 Capital (T1 = CET1 + AT1)	**10,095**
Tier 2 (T2) Capital	1,780
Total Capital (TC = T1 + T2)	**11,875**
Total Risk Weighted Assets	**51,671**
Common Equity Tier 1 (as a percentage of risk exposure amount)	19.5%
Tier 1 (as a percentage of risk exposure amount)	19.5%
Total Capital (as a percentage of risk exposure amount)	23.0%

4. Minimum Capital Requirement

BAMLI DAC is subject to a Minimum Capital Requirement set out in the CRR and CBI requirements in order to meet its total SREP capital requirement. BAMLI DAC is required to hold capital in addition to its Minimum Capital Requirement to meet CRD IV buffers and local CBI obligations.

The Minimum Capital Requirement principally comprises of Credit Risk, Counterparty Credit Risk, and Operational Risk requirements. BAMLI DAC has a minimum capital requirement of €4.1bn (Q4 2018: €3.7bn) comprising of the risk requirements outlined in Table 2.

Table 2. Overview of RWAs and Minimum Capital Requirement

	RWAs		Minimum capital requirements
(Euros in Millions)	Q1 2019	Q4 2018	Q1 2019
Credit risk (excluding CCR)	**40,187**	**35,710**	**3,215**
Of which the standardised approach	40,187	35,710	3,215
CCR	**1,557**	**1,450**	**125**
Of which mark to market	597	562	48
Of which CVA	950	878	76
Of which master netting agreements for credit risk mitigation (for SFTs)	10	10	1
Securitisation exposures in the banking book (after the cap)	**4,832**	**4,648**	**387**
Of which standardised approach	4,832	4,648	387
Market risk	**285**	**154**	**23**
Of which the standardised approach	285	154	23
Large exposures	**-**	**-**	-
Operational risk	**4,810**	**4,260**	**385**
Of which standardised approach	4,810	4,260	385
Total	**51,671**	**46,222**	**4,135**

4.1 Key Movements in the Quarter

BAMLI DAC's Minimum Capital Requirement increase of €0.4bn during the quarter was primarily driven by an increase in Credit Risk (excluding CCR) capital requirements; €3.2bn as at Q1 2019 (Q4 2018 €2.9bn).

4.2 Minimum Capital Requirement Approach

BAMLI DAC has adopted the standardised approach for calculating Counterparty Credit Risk, Credit Risk, Operational Risk and Market Risk Capital Requirements. In order to adhere to the standardised rules set out in the CRR, BAMLI DAC uses ratings from External Credit Assessment Institutions ("ECAIs") this includes, Moody's Investors Service, Inc. ("Moody's"), S&P and Fitch. ECAI ratings are used where available for all exposure classes.

5. Leverage Ratio

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under the CRR rules.

The requirement for the calculation and reporting of leverage ratios was introduced as part of CRD IV in 2014, and amended by the European Commission Delegated Act (EU) 2015/62 in 2015.

CRD IV does not currently include a minimum Leverage Ratio requirement. In November 2016 the European Commission published a legislative proposal to amend various elements of CRD IV, which included a binding minimum Leverage Ratio requirement of 3%, as well as a number of changes to the calculation of the exposure measure. Based on the draft text of the proposal, it is currently expected that these amendments will become effective from the second quarter of 2021. BAMLI DAC's leverage ratio is in excess of the proposed minimum at 14.3% (Q4 2018 15.7%).

Table 3. Leverage Ratio Summary

(Euros in Millions)	Q1 2019
Tier 1 Capital	10,095
Total Leverage Ratio Exposures	70,766
Leverage Ratio	14.3%

6. Liquidity Coverage Ratio ("LCR") Disclosures

6.1 LCR Disclosure Guidelines

BAMLI DAC is subject to the LCR, which requires BAMLI DAC to hold a sufficient buffer of eligible High Quality Liquid Assets ("HQLA") to cover potential cash outflows during the first 30 days of a liquidity stress event.

6.2

Table 4 discloses average weighted values of the liquidity buffer, total net cash outflows and the LCR of BAMLI DAC.

Table 4. LCR Disclosure[1]

(Euros in Millions)	Total weighted value (average)			
Quarter ending on	**30-Jun-18**	**30-Sep-18**	**31-Dec-18**	**31-Mar-19**
Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**
Liquidity Buffer	1,102	1,110	2,409	5,726
Total Net Cash Outflows	220	163	1,061	3,348
Liquidity Coverage Ratio (%)	595%	733%	780%	641%

[1]The disclosed values and figures within the liquidity buffer, total net cash outflows, and LCR are simple averages of the preceding twelve LCR monthly reporting observations for each quarter. The twelve month average LCR of 641% includes 4 months of activity following the Cross Border Merger with Bank of America Merrill Lynch International Limited, which was completed on 1 December 2018. As at 31 March 2019, BAMLI DAC's LCR was 162%.