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ML UK Capital Holdings Limited
Including Merrill Lynch International

Pillar 3 Disclosure

For the Quarter Ended 30 June 2020

ML UK Capital Holdings Limited – Including Merrill Lynch International

Pillar 3 Disclosure for the Quarter Ended 30 June 2020

1. Overview and Purpose of Document

This document contains certain Pillar 3 disclosures for the quarter ended 30 June 2020 of ML UK Capital Holdings Limited (“MLUKCH”), its sole operating subsidiary Merrill Lynch International (“MLI” or “the Company”) and its other non-operating subsidiaries (together “the Group” or “the MLUKCH Group”).

MLUKCH’s ultimate parent company is Bank of America Corporation (“BAC” or “the Enterprise”) and it acts predominantly as the holding company for MLI. In accordance with the Capital Requirements Regulation (“CRR”) MLUKCH complies with the Pillar 3 requirements on a consolidated basis.

In accordance with the European Banking Authority (“EBA”) guidelines on materiality, proprietary and confidentiality and on disclosure frequency relating to Pillar 3 disclosures (“the Guidelines”), MLUKCH as the parent of MLI has determined that it is appropriate to disclose the information prescribed by these guidelines on a quarterly basis. This document contains these disclosures, which includes information on capital adequacy, leverage and liquidity.

The information contained herein predominantly relates to MLI as the sole operating subsidiary of MLUKCH. For further information on MLI’s risk management objectives and policies, liquidity and asset encumbrance, please refer to the MLUKCH Group annual Pillar 3 disclosure for the year ended 31 December 2019 on BAC’s corporate website:

<http://investor.bankofamerica.com>

1.1 ML UK Capital Holdings

The MLUKCH Group is supervised on a consolidated basis in the UK by the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”). The principal activity of MLUKCH is to act as a holding company for MLI. MLUKCH also acts as a holding company for a small number of non-operating subsidiaries.

MLUKCH is not itself a risk taking entity and the risk is booked in its operating subsidiary MLI, where the business is managed.

1.2 Merrill Lynch International

MLI is a wholly owned subsidiary of MLUKCH. MLI’s ultimate parent is BAC. MLI is BAC’s largest operating subsidiary outside of the US and serves the core financial needs of global corporations and institutional investors.

MLI’s head office is in the United Kingdom with branches in Dubai and Qatar along with a representative office in Zurich. The firm has the ability to trade throughout the European Economic Area (“EEA”) and conduct business with international clients. MLI is authorised by the PRA and regulated by the FCA and PRA.

As at 30 June 2020, MLI was rated by Fitch Ratings, Inc (“Fitch”) (AA- / F1+) and Standard & Poor’s (“S&P”) (A+ / A-1).

1.3 Other Entities

Other entities, although consolidated into the Group, are not separately disclosed in this document on the grounds of materiality.

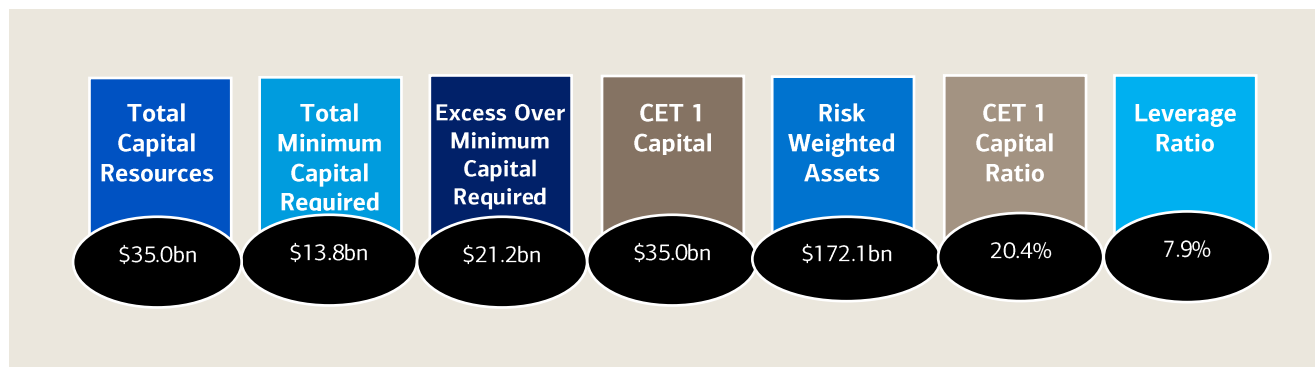
1.4 MLI’s Capital Position at 30 June 2020

Figure 1 illustrates MLI’s key capital metrics. MLI’s Capital Resources consist entirely of Common Equity Tier 1 (“CET1”) capital and MLI continues to maintain capital ratios and resources significantly in excess of its minimum requirement.

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Figure 1. Summary of MLI's Key Metrics as at 30 June 2020



Note: All of MLI's Tier 1 capital is CET1, therefore CET1 Capital Ratio and Tier 1 Capital ratio are the same.

2. Basis of Preparation

The information contained in this disclosure has been prepared in accordance with the Basel III rule framework, for the purpose of explaining the basis on which the MLUKCH Group and MLI have prepared and disclosed certain information about the application of regulatory capital adequacy rules and concepts. It therefore does not constitute any form of financial statement on MLUKCH or its subsidiaries, or of the wider Enterprise, and as such, is not prepared in accordance with International Financial Reporting Standards ("IFRS") or Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Therefore the information is not directly comparable with the annual financial statements and the disclosure is not required to be audited by external auditors.

In addition, the report does not constitute any form of contemporary or forward looking record or opinion on the Group, the Company or the Enterprise. 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.

The basis of consolidation used for the MLUKCH Group for prudential purposes is the same as the consolidation used for accounting purposes. Figures for the Group are presented on a consolidated basis. Figures for MLI are presented on a solo basis.

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

Transitional Impact of IFRS9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 – Financial Instruments: Recognition and Measurement that relates to the classification and measurement of financial instruments.

Based on materiality no further disclosures for the transitional impact of IFRS9 are made in this document.

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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.

Tier 1 capital is the primary component of MLI and the Group’s Capital Resources. All of MLI and the Group’s Tier 1 capital is made up of CET1. Table 1 shows a breakdown of the capital resources of MLI and the Group.

Table 1. Regulatory Capital Resources and Ratios Summary

(Dollars in Millions)	MLI	MLUKCH Group
Common Equity Tier 1 (CET1) capital before regulatory adjustments	36,361	35,544
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(1,334)	(1,334)
Common Equity Tier 1 (CET1) Capital	35,027	34,210
Additional Tier 1 (AT1) capital	-	-
Tier 1 Capital (T1 = CET1 + AT1)	35,027	34,210
Tier 2 (T2) Capital	-	800
Total Capital (TC = T1 + T2)	35,027	35,010
Total Risk Weighted Assets	172,116	171,614
Common Equity Tier 1 (as a percentage of risk exposure amount)	20.4%	19.9%
Tier 1 (as a percentage of risk exposure amount)	20.4%	19.9%
Total Capital (as a percentage of risk exposure amount)	20.4%	20.4%

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4. Minimum Capital Requirement

MLI and the Group are subject to a Minimum Capital Requirement set out in the CRR (Pillar 1 Capital Requirement). MLI and the Group are also required to hold capital in addition to the Minimum Capital Requirement to meet local PRA obligations and CRD IV buffers (Pillar 2 Capital Requirements).

The Minimum Capital Requirement principally comprises of Credit Risk, Market Risk and Operational Risk requirements.

Table 2. Overview of RWAs and Minimum Capital Requirement

	MLI			MLUKCH Group		
	RWAs		Minimum capital requirements	RWAs		Minimum capital requirements
	Q2 2020	Q1 2020	Q2 2020	Q2 2020	Q1 2020	Q2 2020
(Dollars in Millions)						
Credit risk (excluding CCR)	5,522	8,116	442	5,536	8,341	443
Of which the standardised approach	5,522	8,116	442	5,536	8,341	443
Of which the foundation IRB (FIRB) approach	-	-	-	-	-	-
Of which the advanced IRB (AIRB) approach	-	-	-	-	-	-
Of which equity IRB under the simple risk-weighted approach or the IMA	-	-	-	-	-	-
CCR	114,388	118,958	9,151	114,311	118,960	9,145
Of which mark to market	51,618	56,790	4,129	51,620	56,792	4,130
Of which original exposure	-	-	-	-	-	-
Of which: comprehensive approach for credit risk mitigation (for SFTs)	38,348	35,537	3,068	38,269	35,537	3,062
Of which internal model method (IMM)	-	-	-	-	-	-
Of which risk exposure amount for contributions to the default fund of a CCP	328	597	26	328	597	26
Of which CVA	24,094	26,033	1,928	24,094	26,033	1,928
Settlement risk	664	892	53	664	892	53
Securitisation exposures in the banking book (after the cap)	4,182	4,231	335	4,139	4,203	331
Of which IRB approach	-	-	-	-	-	-
Of which IRB supervisory formula approach (SFA)	-	-	-	-	-	-
Of which internal assessment approach (IAA)	-	-	-	-	-	-
Of which standardised approach	4,182	4,231	335	4,139	4,203	331
Market risk	36,101	37,661	2,888	36,085	37,832	2,887
Of which the standardised approach	14,971	16,565	1,198	14,955	16,735	1,196
Of which IMA	21,130	21,097	1,690	21,130	21,097	1,690
Large exposures	-	826	-	-	327	-
Operational risk	10,976	10,976	878	10,879	10,879	870
Of which basic indicator approach	-	-	-	-	-	-
Of which standardised approach	10,976	10,976	878	10,879	10,879	870
Of which advanced measurement approach	-	-	-	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	284	324	23	-	-	-
Floor adjustment	-	-	-	-	-	-
Total	172,116	181,984	13,769	171,614	181,435	13,729

4.1 Key Movements in the Quarter

MLI and the MLUKCH Group's Minimum Capital Requirement decreased during the quarter. This was primarily driven by a decrease in counterparty credit risk and CVA capital requirements due to a reduction in derivative exposures.

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Within the Group, MLI has adopted the standardised approach for calculating Counterparty Risk, Credit Risk and Operational Risk Capital Requirements. In order to adhere to the standardised rules in CRD IV, MLI uses external ratings where available from External Credit Assessment Institutions (“ECAIs”) based on a combination of Moody’s Investors Service, Inc. (“Moody’s”), S&P and Fitch.

The approach used for Market Risk is a combination of models approved by the PRA, including Value at Risk (“VaR”) and the standardised approach. The Group applies the standardised approach to all other exposures.

Table 3 presents a breakdown of MLI and the Group’s Market Risk under the standardised approach and Table 4 presents a breakdown of MLI’s Market Risk under the Internal Model Approach (“IMA”). Table 5 shows a reconciliation of movements in RWAs under the IMA for MLI’s Market Risk. Further detail on the components follows the tables.

MLI is the only entity in the Group with an internal model permission for market risk therefore Table 4 is presented for MLI only. Market Risk under the IMA is the same for MLI and the Group.

Table 3. EU MR 1 Market Risk under the Standardised Approach

	Q2 2020			
	MLI		MLUKCH Group	
	RWAs	Capital requirements	RWAs	Capital requirements
<i>(Dollars in Millions)</i>				
Outright products				
Interest rate risk (general and specific)	6,416	513	6,453	516
Equity and Collective Investment Undertakings risk (general and specific)	2,648	212	2,838	227
Foreign exchange risk	2,277	182	2,031	162
Commodity risk	2,156	172	2,156	172
Options				
Simplified approach	-	-	-	-
Delta-plus method	500	40	500	40
Scenario approach	-	-	-	-
Securitisation (specific risk)	974	78	978	78
Total	14,971	1,198	14,955	1,196

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Table 4. EU MR 2-A Market Risk under the IMA

(Dollars in Millions)	Q2 2020	
	RWAs	Capital requirements
VaR	4,608	369
Previous day's VaR (Article 365(1) of the CRR (VaRt-1))		205
Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR		369
SVaR	4,367	349
Latest SVaR (Article 365(2) of the CRR (SVaRt-1))		73
Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR)		349
IRC	2,567	205
Most recent IRC value (incremental default and migration risks calculated in accordance with Article 370 and Article 371 of the CRR)		198
Average of the IRC number over the preceding 12 weeks		205
Comprehensive risk measure	1,832	147
Most recent risk number for the correlation trading portfolio (Article 377 of the CRR)		65
Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		65
8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio (Article 338(4) of the CRR)		147
Other	7,756	620
Total	21,130	1,690

Table 5. EU MR 2-B RWA Flow Statements of Market Risk Exposures under the IMA

(Dollars in Millions)	MLI						Total Capital Requirements
	VaR	SVaR	IRC	CRM	Other	Total RWAs	
RWAs at previous quarter end	1,986	4,571	4,072	1,665	8,802	21,096	1,688
Regulatory adjustment ⁽¹⁾	(882)	(2,894)	(1,435)	(225)	-	(5,436)	(435)
RWAs at the previous quarter-end (end of the day)	1,104	1,677	2,637	1,440	8,802	15,661	1,253
Movement in the risk levels	461	(241)	(106)	(610)	1,824	1,328	106
Model updates/changes	996	(522)	(59)	(20)	38	433	35
Methodology and policy	-	-	-	-	(2,908)	(2,908)	(233)
RWAs at the end of the reporting period (end of the day)	2,561	914	2,473	810	7,756	14,514	1,161
Regulatory adjustment ⁽¹⁾	2,047	3,453	94	1,022	-	6,616	529
RWAs at the end of the reporting period	4,608	4,367	2,567	1,832	7,756	21,130	1,690

⁽¹⁾ Regulatory adjustment accounts for the difference between the RWA calculated based on the end-of-day position, compared with the RWA calculated based on the 60-day average in the case of VaR/SVaR, and 12-week average measure or the floor measure in the case of IRC and CRM. The regulatory adjustments also account for the multiplication factors mc and ms, per Article 366 of the CRR, for the VaR, SVaR and Other respectively.

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Market risk capital requirements under the IMA were broadly flat at the end of Q2 compared to the end of Q1. VaR increased following implementation of an equity volatility model update in the quarter, which was approved by the PRA, offset by a reduction in IRC and Risks not in VaR (“RNIVs”) in the quarter.

The reduction in RNIVs, shown in the above table as methodology and policy changes in the quarter, reflects part of a number of different regulatory updates to facilitate market continuation in response to the significant economic impact and market volatility caused by the COVID-19 pandemic. The PRA published a statement detailing a temporary approach to VAR back-testing exceptions on 30 March 2020, which allows the impact of increased back-testing exceptions on the VaR multiplier to be offset by a reduction in RNIVs.

Table 6 shows MLI’s maximum, minimum, average and period-end values for regulatory VaR and Stressed VaR, and risk numbers for the IRC and CRM models for the six months to 30 June 2020.

Table 6. MR 3 IMA Values for Trading Portfolios

	Q2 2020
<i>(Dollars in Millions)</i>	
VaR (10 day 99%)	
Maximum value	208
Average value	76
Minimum value	16
Period end	205
SVaR (10 day 99%)	
Maximum value	247
Average value	109
Minimum value	44
Period end	73
IRC (99.9%)	
Maximum value	415
Average value	266
Minimum value	125
Period end	198
Comprehensive risk capital charge (99.9%)	
Maximum value	115
Average value	70
Minimum value	55
Period end	65

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Backtesting

The VaR methodology is evaluated through a daily backtesting process, which compares the daily VaR results, utilizing a one-day holding period, against a comparable subset of trading Profit and Loss (“P&L”).

As required by the CRR, backtesting uses the ‘Hypothetical’ and ‘Actual’ definitions of the P&L. Hypothetical P&L is the P&L from the move in the value of the portfolio on the current day assuming unchanged positions from the end of the previous day. Actual P&L and Hypothetical P&L exclude fees, commissions and net interest income.

A backtesting overshooting occurs when a trading loss on day N exceeds the VaR value of the portfolio on day N-1. These overshootings are evaluated to understand the positions and market moves that produced the trading loss and to ensure that the VaR methodology accurately represents those losses.

The number of backtesting overshootings observed can differ from the statistically expected number of overshootings for a number of reasons. When this occurs, analysis is done to assess the model’s performance.

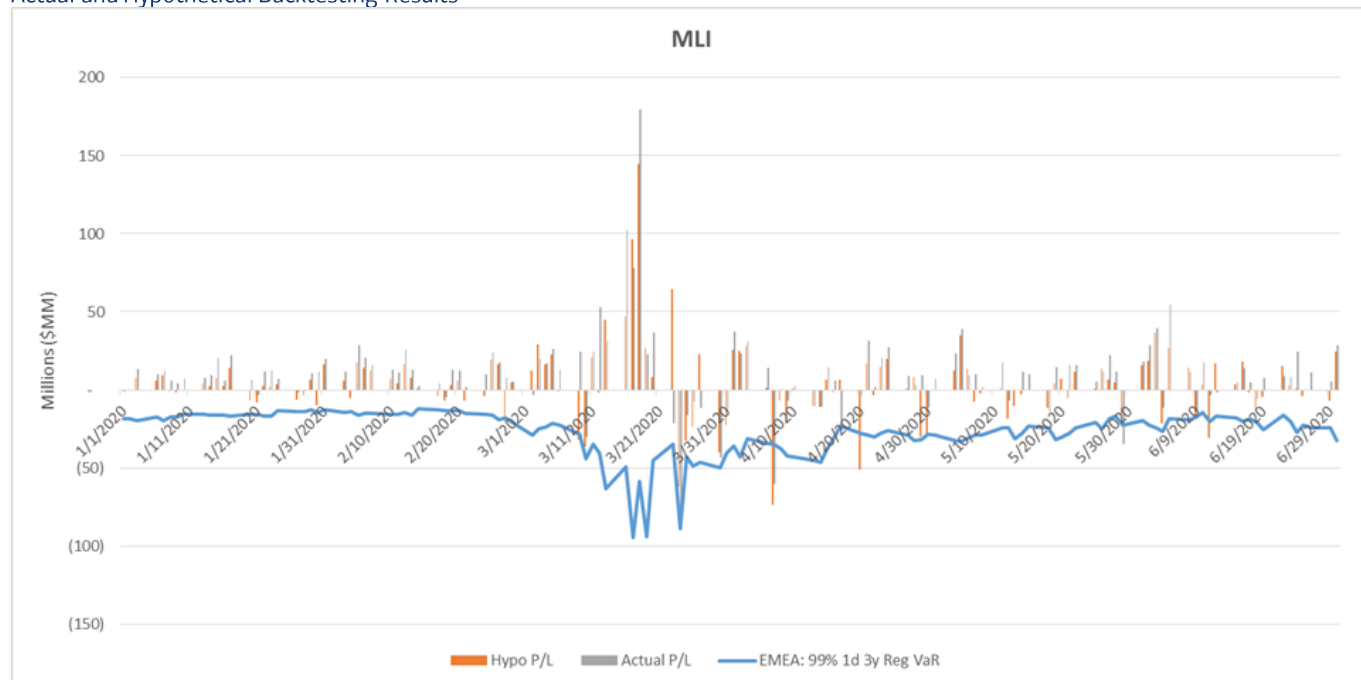
In the six months ending 30 June 2020, MLI trading losses as measured by Hypothetical P/L exceeded the prior day’s VaR on six occasions, and as measured by Actual P/L exceeded the prior day’s VaR on three occasions. The number of overshootings corresponds to the Amber zone.

Overages throughout the first half of 2020 reflect increasing market volatility caused by Covid-19, related to equity directional (spot and dividends) and volatility risks; corporate credit spreads; and flight-to-quality rally in rates risk factors as well as USD funding concerns.

The results are illustrated in the chart below.

Figure 2. EU MR 4 Comparison of VaR Estimates with Gains/Losses

Actual and Hypothetical Backtesting Results



The actual and hypothetical P&L shown in the above graph is only for positions covered by the VaR model, and not for the entirety of MLI. The VaR measure shown is for regulatory VaR using a three year look-back period, and one day holding period.

Capital requirements covered by the VaR model (Pillar 1 capital requirements for VaR and Stressed VaR) total 25% of MLI’s Pillar 1 capital requirements for market risk, and 5% of MLI’s total Pillar 1 capital requirements.

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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 in 2014 as part of the CRR, and amended by the European Commission Delegated Act (EU) 2015/62 in 2015.

The CRR does not currently include a binding minimum Leverage Ratio requirement. In June 2019, amendments to the CRR were published in the Official Journal of the EU as Regulation (EU) 2019/876. These amendments included a binding minimum Leverage Ratio requirement of 3%, as well as a number of changes to the calculation of the exposure measure. These amendments apply from 28th June 2021. MLI's and the Group's leverage ratios are in excess of the incoming minimum requirement at 7.9% and 7.8% respectively, calculated based on the current CRR exposure measure.

Table 7. Leverage Ratio Summary

	MLI	MLUKCH Group
<i>(Dollars in Millions)</i>		
Tier 1 Capital	35,027	34,210
Total Leverage Ratio Exposures	441,246	437,055
Leverage Ratio	7.9%	7.8%

6. Liquidity Coverage Ratio ("LCR") Disclosures

The MLUKCH Group is subject to the LCR, which requires the Group 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.

Table 8 discloses average weighted values of the liquidity buffer, total net cash outflows and the LCR of MLI and of the MLUKCH Group.

Table 8. LCR Disclosure

	MLI			
<i>(USD in Millions)</i>	Total weighted value (average)			
Quarter ending on	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Number of data points used in the calculation of averages	12	12	12	12
Liquidity Buffer	29,155	29,962	29,868	31,620
Total Net Cash Outflows	12,720	13,886	14,493	16,247
Liquidity Coverage Ratio (%)	232%	219%	209%	198%

	MLUKCH			
<i>(USD in Millions)</i>	Total weighted value (average)			
Quarter ending on	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Number of data points used in the calculation of averages	12	12	12	12
Liquidity Buffer	29,155	29,962	29,868	31,620
Total Net Cash Outflows	12,697	13,860	14,464	16,218
Liquidity Coverage Ratio (%)	232%	219%	209%	198%

Note: 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.

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7. Additional Detail on Capital Resources and Leverage

7.1 Additional Detail on Capital Resources

The below table shows a reconciliation between the accounting balance sheet values and the regulatory capital values of the items included in MLI's and the Group's capital resources. Further details on the composition of MLI's and the Group's capital resources are shown in tables 10, 11 and 12.

Table 9. Regulatory Capital Resources and Reconciliation to Unaudited Balance Sheet

	Q2 2020	
	MLI	MLUKCH Group
<i>(Dollars in Millions)</i>		
Ordinary Share Capital	7,933	2,926
Share Premium	4,499	-
Other Reserves	9,187	1,082
Profit and Loss Account	13,976	30,770
<i>Profit and Loss Account (Accounting Balance Sheet Value)</i>	14,880	31,626
<i>Debit Valuation Adjustment</i>	(118)	(118)
<i>Prudential Valuation Adjustment</i>	(648)	(648)
<i>Current Year Unaudited Profit</i>	(143)	(96)
<i>Other Current Year Unaudited (Gains) / Losses</i>	5	5
Tier 1 Capital Before Deductions	35,596	34,779
<i>Deferred Tax Asset</i>	(342)	(342)
<i>Defined Benefit Pension Fund Asset (net of associated deferred tax liability)</i>	(227)	(227)
Tier 1 Capital	35,027	34,210
Subordinated Liabilities (After Regulatory Adjustments)	-	800
<i>Subordinated Liabilities (Accounting Balance Sheet Value)</i>	-	800
<i>Amortisation and Other Adjustments</i>	-	-
Tier 2 Capital	-	800
Total Capital Resources (net of deductions)	35,027	35,010

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Table 10. MLUKCH Group Capital Instruments and Eligible Liabilities Features

		MLUKCH Group			
Capital Instruments Main Features		CET1	AT1	T2	Eligible Liability
1	Issuer	ML UK Capital Holdings	N/a	ML UK Capital Holdings	Merrill Lynch International
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Private Placement	N/a	Private Placement	Private Placement
3	Governing law(s) of the instrument	English	N/a	English	English
Regulatory Treatment					
4	Transitional CRR rules	CET1	N/a	T2	Eligible Liability
5	Post-transitional CRR rules	CET1	N/a	T2	Eligible Liability
6	Eligible at solo(sub-)consolidated/ solo & (sub-)consolidated	Consolidated	N/a	Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares with full voting rights	N/a	Subordinated Loan T2	Subordinated Loan Non-T2
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	\$2,926m comprising nominal and premium	N/a	USD 800m	USD 2,500
9	Nominal amount of instrument	\$1.00	N/a	USD 800m	USD 2,500
9a	Issue price	\$1.00 30 Dec 2015	N/a	USD 800m	USD 2,500
9b	Redemption price	N/a	N/a	USD 800m	USD 2,500
10	Accounting classification	Shareholders equity	N/a	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	30-Dec-15	N/a	27-Nov-15	26-Feb-20
12	Perpetual or dated	Perpetual	N/a	Dated	Dated
13	Original maturity date	No maturity	N/a	27-Nov-26	25-Feb-22
14	Issuer call subject to prior supervisory approval	No	N/a	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/a	N/a	No issuer call date. However, may repay in whole or in part at par on any date if a Regulatory Event or Tax Event occurs, subject to prior supervisory approval.	No issuer call date. However, may repay in whole or in part at par on any date subject to prior supervisory approval.
16	Subsequent call dates, if applicable	N/a	N/a	N/a	N/a
Coupons / Dividends					
17	Fixed or floating dividend/coupon	N/a	N/a	Floating	Floating
18	Coupon rate and any related index	N/a	N/a	1month USD LIBOR plus 227 bps per annum	Federal Funds rate plus 76.7 bps
19	Existence of a dividend stopper	No	N/a	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/a	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	N/a	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	N/a	No	No
22	Noncumulative or cumulative	Non-cumulative	N/a	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	N/a	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/a	N/a	N/a	N/a
25	If convertible, fully or partially	N/a	N/a	N/a	N/a
26	If convertible, conversion rate	N/a	N/a	N/a	N/a
27	If convertible, mandatory or optional conversion	N/a	N/a	N/a	N/a
28	If convertible, specify instrument type convertible into	N/a	N/a	N/a	N/a
29	If convertible, specify issuer of instrument it converts into	N/a	N/a	N/a	N/a
30	Write-down features	No	N/a	No	Yes
31	If write-down, write-down trigger(s)	N/a	N/a	N/a	BoE as the UK Resolution Authority has the authority to trigger the write down of the instrument under the contractual terms if they deem the entity is failing or likely to fail, or if the BAC resolution entity enters into resolution.
32	If write-down, full or partial	N/a	N/a	N/a	Partial
33	If write-down, permanent or temporary	N/a	N/a	N/a	Permanent
34	If temporary write-down, description of write-up mechanism	N/a	N/a	N/a	N/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Loan T2	N/a	Subordinated Loan Non-T2	Senior Liabilities
36	Non-compliant transitioned features	No	N/a	No	No
37	If yes, specify non-compliant features	N/a	N/a	N/a	N/a
38	TLAC Eligibility	Yes	N/a	No	Yes

(*) Insert 'N/A' if the question is not applicable

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Table 11. MLI Capital Instruments and Eligible Liabilities Features

		MLI			
Capital Instruments Main Features		CET1	AT1	T2	Eligible Liability
1	Issuer	Merrill Lynch International	N/a	N/a	Merrill Lynch International
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Private Placement	N/a	N/a	Private Placement
3	Governing law(s) of the instrument	English	N/a	N/a	English
Regulatory Treatment					
4	Transitional CRR rules	CET1	N/a	N/a	Eligible Liability
5	Post-transitional CRR rules	CET1	N/a	N/a	Eligible Liability
6	Eligible at solo(sub-consolidated) solo & (sub-)consolidated	Solo	N/a	N/a	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares with full voting rights	N/a	N/a	Subordinated Loan Non-T2
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	\$12,432m comprising nominal and premium	N/a	N/a	USD 2,500
9	Nominal amount of instrument	\$1.00	N/a	N/a	USD 2,500
9a	Issue price	\$1.00 19 Dec 2012 \$4.76 18 Nov 2014	N/a	N/a	USD 2,500
9b	Redemption price	N/a	N/a	N/a	USD 2,500
10	Accounting classification	Shareholders equity	N/a	N/a	Liability - amortised cost
11	Original date of issuance	\$6,735m 19 Dec 2012 \$1,198m 18 Nov 2014	N/a	N/a	26-Feb-20
12	Perpetual or dated	Perpetual	N/a	N/a	Dated
13	Original maturity date	No maturity	N/a	N/a	25-Feb-22
14	Issuer call subject to prior supervisory approval	No	N/a	N/a	Yes
15	Optional call date, contingent call dates and redemption amount	N/a	N/a	N/a	No issuer call date. However, may repay in whole or in part at par on any date subject to prior supervisory approval.
16	Subsequent call dates, if applicable	N/a	N/a	N/a	N/a
Coupons / Dividends					
17	Fixed or floating dividend/coupon	N/a	N/a	N/a	Floating
18	Coupon rate and any related index	N/a	N/a	N/a	Federal Funds rate plus 76.7 bps
19	Existence of a dividend stopper	No	N/a	N/a	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/a	N/a	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	N/a	N/a	Mandatory
21	Existence of step up or other incentive to redeem	No	N/a	N/a	No
22	Noncumulative or cumulative	Non-cumulative	N/a	N/a	Cumulative
23	Convertible or non-convertible	Non-convertible	N/a	N/a	Non-convertible
24	If convertible, conversion trigger(s)	N/a	N/a	N/a	N/a
25	If convertible, fully or partially	N/a	N/a	N/a	N/a
26	If convertible, conversion rate	N/a	N/a	N/a	N/a
27	If convertible, mandatory or optional conversion	N/a	N/a	N/a	N/a
28	If convertible, specify instrument type convertible into	N/a	N/a	N/a	N/a
29	If convertible, specify issuer of instrument it converts into	N/a	N/a	N/a	N/a
30	Write-down features	No	N/a	N/a	Yes
31	If write-down, write-down trigger(s)	N/a	N/a	N/a	BoE as the UK Resolution Authority has the authority to trigger the write down of the instrument under the contractual terms if they deem the entity is failing or likely to fail, or if the BAC resolution entity enters into resolution.
32	If write-down, full or partial	N/a	N/a	N/a	Partial
33	If write-down, permanent or temporary	N/a	N/a	N/a	Permanent
34	If temporary write-down, description of write-up mechanism	N/a	N/a	N/a	N/a
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Loan Non-T2	N/a	N/a	Senior Liabilities
36	Non-compliant transitioned features	No	N/a	N/a	No
37	If yes, specify non-compliant features	N/a	N/a	N/a	N/a
38	TLAC Eligibility	Yes	N/a	N/a	Yes
(†) Insert 'N/A' if the question is not applicable					

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Table 12. Own Funds Disclosure Template (Dollars in Millions) ⁽¹⁾

Own Funds Disclosure Template	Amount at Disclosure Date	
	MLI	MLUKCH Group
Capital instruments and the related share premium accounts	12,432	2,926
of which: Ordinary shares with full voting rights	12,432	2,926
Retained earnings	14,881	31,680
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	9,048	939
Common Equity Tier 1 (CET1) capital before regulatory adjustments	36,361	35,544
Common Equity Tier 1 (CET1) Capital: Regulatory Adjustments		
Prudential valuation adjustment	(648)	(648)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(33)	(33)
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(118)	(118)
Defined-benefit pension fund assets (negative amount)	(227)	(227)
Deferred tax assets arising from temporary differences	(309)	(309)
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(1,334)	(1,334)
Common Equity Tier 1 (CET1) Capital	35,027	34,210
Additional Tier 1 (AT1) capital: Instruments	-	-
Tier 1 Capital (T1 = CET1 + AT1)	35,027	34,210
Tier 2 (T2) Capital: Instruments and Provisions		
Capital instruments and the related share premium accounts	-	800
Tier 2 (T2) Capital	-	800
Total Capital (TC = T1 + T2)	35,027	35,010
Total Risk Weighted Assets	172,116	171,614
Capital Ratios and Buffers		
Common Equity Tier 1 (as a percentage of risk exposure amount)	20.4%	19.9%
Tier 1 (as a percentage of risk exposure amount)	20.4%	19.9%
Total Capital (as a percentage of risk exposure amount)	20.4%	20.4%
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	7.0%	7.0%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	0.0%	0.0%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	12.4%	12.4%
Amounts below the thresholds for deduction (before risk weighting)		
Direct, indirect and synthetic holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,212	1,212
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	114	-
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	-
Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,197	1,193

(1) There are no own funds items or adjustments that are subject to pre-regulation (EU) No 575 / 2013 treatment or prescribed residual amount of regulation (EU) No 575 / 2013 in MLI or the Group.

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7.2 Additional Detail on Leverage Ratio

Leverage Approach

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

The leverage ratio is monitored in line with regulatory requirements. Exposure is typically managed through a combination of mechanisms including risk appetite limits, collateralisation and netting arrangements.

Tables 13, 14 and 15 below give detailed disclosure of the elements included in the leverage ratio calculation.

Table 13. Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures ⁽¹⁾

<i>(Dollars in Millions)</i>	MLI
Total Assets as per Balance Sheet	446,686
Adjustments for Derivative Financial Instruments	(36,086)
Adjustments for Securities Financing Transactions	20,550
Adjustment for Off-Balance Sheet Items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4,935
Other Adjustments	5,160
Leverage Ratio Exposure	441,246

⁽¹⁾ In accordance with article 4(2) of Regulation (EU) 2016/200 on the disclosure of leverage ratio, this table is not disclosed for the Group as the Group does not publish financial statements at the consolidated level.

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Table 14. Leverage Ratio Common Disclosure

(Dollars in Millions)	MLI	MLUKCH Group
On-Balance Sheet Exposures (excluding derivatives and SFTs)		
On-balance Sheet Items (excluding Derivatives, SFTs and fiduciary assets, but including Collateral)	139,014	134,908
Asset Amounts Deducted in Determining Tier 1 Capital	(1,217)	(1,217)
Total On-Balance Sheet Exposures (excluding derivatives, SFTs and fiduciary assets)	137,797	133,691
Derivative Exposures		
Replacement Cost Associated with Derivatives Transactions (net of Eligible Cash Variation Margin)	20,603	20,665
Add-on Amounts for PFE Associated with Derivatives Transactions (Mark-to-Market method)	124,578	124,696
Gross-up for Derivatives Collateral provided where deducted from the Balance Sheet Assets pursuant to the Applicable Accounting Framework	-	-
(Deductions of Receivables Assets for Cash Variation Margin provided in Derivatives Transactions)	(36,476)	(36,476)
(Exempted CCP leg of Client-Cleared Trade Exposures)	(12,444)	(12,444)
Adjusted Effective Notional Amount of Written Credit Derivatives	235,643	235,640
(Adjusted Effective Notional Offsets and Add-On Deductions for Written Credit Derivatives)	(169,448)	(169,447)
Total Derivative Exposure	162,457	162,634
Securities Financing Transaction Exposures		
Gross SFT Assets (With No Recognition of Netting), after Adjusting for Sales Accounting Transactions	216,824	216,824
(Netted Amounts of Cash Payables and Cash Receivables of Gross SFT Assets)	(101,318)	(101,318)
Counterparty Credit Risk Exposure for SFT Assets	20,550	20,471
Total Securities Financing Transaction Exposures	136,057	135,978
Off-Balance Sheet Exposures		
Off-balance Sheet Exposures at Gross Notional Amount	16,323	14,490
Adjustments for Conversion to Credit Equivalent Amounts	(11,387)	(9,737)
Total Off-Balance Sheet Exposures	4,935	4,752
Capital and Total Exposures		
Tier 1 Capital	35,027	34,210
Total Leverage Ratio Exposures	441,246	437,055
Leverage Ratio		
Leverage Ratio	7.9%	7.8%

Table 15. Split of On-Balance Sheet Exposures (excluding derivatives, SFTs and exempted exposures)

(Dollars in Millions)	MLI	MLUKCH Group
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	97,602	93,496
Trading Book Exposures	69,896	69,899
Banking Book Exposures, of which:	27,706	23,598
Exposures treated as Sovereigns	9,764	9,764
Exposures to Regional Governments, MDB, International Organisations and PSE not treated as Sovereigns	372	372
Institutions	1,983	2,030
Secured by Mortgages of Immovable Properties	2	216
Corporate	13,524	9,189
Exposures in Default	6	6
Other Exposures (Eg Equity, Securitisations, and other Non-Credit Obligation Assets)	2,056	2,021

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7.3 Additional Detail on Minimum Requirements for Own Funds & Eligible Liabilities

As part of amendments to the CRR which were published in the Official Journal of the EU as Regulation (EU) 2019/876, the international standard to meet a minimum amount of Total Loss Absorbing Capacity (“TLAC”) became effective for certain types of Investment Firms and Credit Institutions in June 2019. In the CRR this is referred to as Minimum Requirements for Own Funds & Eligible Liabilities (“MREL”).

Firms that are material subsidiaries of a non-EU Global Systemically Important Institution (“G-SII”) per the CRR definition are required to hold a minimum amount of MREL. BAC is a non-EU G-SII and MLI and the MLUKCH Group meet the definition of material subsidiary, and are therefore subject to this requirement.

MREL resources are comprised of qualifying capital resources and eligible liabilities. In order for liabilities that are not capital resources to qualify as eligible, they must meet certain criteria such as having a minimum residual maturity of at least one year, and being subordinated to other operating liabilities.

MLI and the MLUKCH Group issued \$2.5bn of eligible liabilities in Q1 2020. Total MREL resources for MLI and the Group are equal to Tier 1 capital, plus eligible liabilities issued. Table 16 shows MLI and MLUKCH’s key metrics relating to MREL requirements.

Table 16. Key metrics – MREL Requirements

	Q2 2020	
	MLI	MLUKCH Group
<i>(Dollars in Millions)</i>		
Total MREL Resources Available	37,527	36,710
Total RWA	172,116	171,614
MREL as a percentage of RWA	21.8%	21.4%
Leverage Ratio Exposure Measure	441,246	437,055
MREL as a percentage of Leverage Ratio Exposure Measure	8.5%	8.4%
Excluded Liabilities	384,401	380,412

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Appendix – Supplementary Disclosure Templates

Table 17. EU CR1-A Credit quality of Exposures by Exposure Class and Instrument

	Q2 2020					
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period
(Dollars in Millions)	Defaulted exposures	Non-defaulted exposures				
Central governments or central banks	0	9,820	-	-	-	9,820
Institutions	3	4,317	-	-	-	4,320
Corporates	1	24,128	-	-	-	24,128
Claims on institutions and corporate with a short-term credit assessment	-	1,549	-	-	-	1,549
Other exposures	2	1,537	-	-	-	1,539
Exposures in default ⁽¹⁾	6	-	-	-	-	6
Total	6	41,351	-	-	-	41,357
of which: Loans	3	5,018	-	-	-	5,021
of which: Debt Securities	3	6,366	-	-	-	6,369
of which: Off-balance-sheet exposures	-	15,170	-	-	-	15,170

⁽¹⁾ In line with EBA guidance, Defaulted exposures are shown both as "Exposures in Default" and in the Exposure Class that corresponded to the exposure before default. Any duplication is not included in the "Total" row.

Table 18. EU CR1-B Credit Quality of Exposures by Industry or Counterparty Types

	Q2 2020					
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period
(Dollars in Millions)	Defaulted exposures	Non-defaulted exposures				
Bank	1	3,277	-	-	-	3,279
Broker Dealer	2	5,403	-	-	-	5,405
Other Financial	2	20,939	-	-	-	20,940
Sovereign & Government Related	1	10,246	-	-	-	10,246
Other ⁽¹⁾	0	1,486	-	-	-	1,486
Total	6	41,351	-	-	-	41,357

⁽¹⁾ Industry classification of "Other" comprises of Energy & Commodities, Industrial & Commercial Companies, Insurance, Central Counterparties and Hedge Fund.

Table 19. EU CR1-C Credit Quality of Exposures by Geography

	Q2 2020					
	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period
(Dollars in Millions)	Defaulted exposures	Non-defaulted exposures				
EMEA	3	23,373	-	-	-	23,376
United Kingdom	0	11,916	-	-	-	11,916
Luxembourg	-	2,187	-	-	-	2,187
France	-	1,686	-	-	-	1,686
Germany	0	1,214	-	-	-	1,214
South Africa	-	1,208	-	-	-	1,208
Netherlands	2	1,191	-	-	-	1,192
Saudi Arabia	-	1,151	-	-	-	1,151
Other EMEA Countries ⁽¹⁾	1	2,820	-	-	-	2,821
Americas	2	14,475	-	-	-	14,477
United States Of America	2	7,227	-	-	-	7,229
Curacao	-	6,588	-	-	-	6,588
Other Americas Countries ⁽¹⁾	1	660	-	-	-	661
Asia	0	3,144	-	-	-	3,144
Japan	-	1,811	-	-	-	1,811
Other Asia Countries ⁽¹⁾	0	1,332	-	-	-	1,333
Other Geographical Areas ⁽²⁾	-	359	-	-	-	359
Total	6	41,351	-	-	-	41,357

⁽¹⁾ Only countries which have exposures greater than \$1bn have been disclosed separately. Other countries within a given region have been aggregated together as "Other Countries".

⁽²⁾ "Other Geographical Areas" comprises of exposures to Multilateral Development Banks and International Organisations.

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No template for EU CR1-D Ageing of Past-Due Exposures is included in this document because there are no balances past due to disclose.

Table 20. EU CR1-E Non-Performing and Forborne Exposures

	Q2 2020											
	Gross carrying amount of performing and non-performing exposures						Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collateral and financial guarantees received	
		Of which performing but past due > 30 days and <= 90 days	Of which performing forbome	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures	Of which forbome exposures
				Of which defaulted	Of which impaired	Of which forbome		Of which forbome		Of which forbome		
(Dollars in Millions)												
Loans	5,021	-	-	3	3	-	-	-	-	-	-	-
Debt Securities	6,369	-	-	3	3	-	-	-	-	-	-	-
Off-balance-sheet exposures	15,170	-	-	-	-	-	-	-	-	-	-	-

No template for EU CR2-A Changes in Stock of General and Specific Credit Risk Adjustment is included in the document because there are no credit risk adjustments to disclose.

Table 21. EU CR2-B Changes in the Stock of Defaulted and Impaired Loans and Debt Securities

	Q2 2020
	Gross carrying value defaulted exposures
(Dollars in Millions)	
Opening balance	6
Loans and debt securities that have defaulted or impaired since the last reporting period	-
Returned to non-defaulted status	-
Amounts written off	-
Other changes	0
Closing balance	6

Table 22. EU CR3 CRM Techniques – Overview

	Q2 2020				
	Exposures unsecured – Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
(Dollars in Millions)					
Total loans	911	-	4,110	-	-
Total debt securities	6,369	-	-	-	-
Total exposures	7,280	-	4,110	-	-
Of which defaulted	6	-	-	-	-

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Table 23. EU CR4 Standardised approach – Credit Risk Exposure and CRM Effects

	Q2 2020					
	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
<i>(Dollars in Millions)</i>						
Central governments or central banks	9,705	115	9,705	115	413	4%
Regional governments or local authorities	0	11	0	11	11	100%
Public sector entities	55	-	55	-	-	0%
Multilateral development banks	129	-	129	-	-	0%
International organisations	230	-	230	-	-	0%
Institutions	1,475	2,842	1,475	293	737	42%
Corporates	13,140	10,988	2,432	531	2,914	98%
Retail	-	-	-	-	-	0%
Secured by mortgages on immovable property	2	-	2	-	2	100%
Exposures in default	6	-	6	-	9	150%
Items associated with particularly high risk	70	-	70	-	105	150%
Covered bonds	-	-	-	-	-	0%
Claims on institutions and corporate with a short-term credit assessment	1,153	395	1,154	349	1,045	70%
Collective investments undertakings	-	-	-	-	-	0%
Equity exposures	214	800	214	160	545	146%
Other Items	6	19	6	19	25	100%
Total	26,187	15,170	15,480	1,477	5,806	34%

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Table 24. EU CR5 Standardised Approach

	Q2 2020																Total	Of which unrated
	Risk Weight																	
(Dollars in Millions)	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted		
Central governments or central banks	8,218	-	-	-	1,487	-	-	-	-	115	0	-	-	-	-	-	9,820	78
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	11	-	-	-	-	-	-	11	11
Public sector entities	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55	-
Multilateral development banks	129	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	129	-
International organisations	230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230	-
Institutions	-	-	-	-	1,309	-	57	-	-	399	-	-	-	4	-	-	1,769	538
Corporates	-	-	-	-	2	-	109	-	-	2,842	10	-	-	0	-	-	2,963	2,811
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	2	2
Exposures in default	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	6	6
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	70	-	-	-	-	-	70	70
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	0	-	1,122	-	-	173	207	-	-	-	-	-	1,503	-
Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-	261	-	114	-	-	-	-	374	374
Other Items	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-	25	25
Total	8,633	-	-	-	2,798	-	1,288	-	-	3,828	293	114	-	4	-	-	16,958	3,916

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Table 25: EU CCR1 Analysis of CCR Exposure by Approach

	Q2 2020						
	Notional	Replacement Cost/Current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
(Dollars in Millions)							
Mark to market		13,157	177,064			83,600	50,798
Original exposure	n/a					n/a	n/a
Standardised approach		n/a		n/a	n/a	n/a	n/a
IMM (for derivatives & SFTs)				n/a	n/a	n/a	n/a
Financial collateral simple method (for SFTs)						n/a	n/a
Financial collateral comprehensive method (for SFTs)						49,643	38,277
VaR for SFTs						n/a	n/a
Total							89,075

Table 26: EU CCR2 – CVA Capital Charge

	Q2 2020	
	Exposure value	RWAs
(Dollars in Millions)		
Total portfolios subject to the advanced method	-	-
(i) VaR component (including the 3× multiplier)	-	-
(ii) SVaR component (including the 3× multiplier)	-	-
All portfolios subject to the standardised method	68,451	24,094
Based on the original exposure method	-	-
Total subject to the CVA capital charge	68,451	24,094

Table 27: EU CCR8 – Exposures to CCPs

	Q2 2020	
	EAD post CRM	RWAs
(Dollars in Millions)		
Exposures to QCCPs (total)		1,301
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	38,368	767
(i) OTC derivatives	24,297	486
(ii) Exchange-traded derivatives	10,532	211
(iii) SFTs	3,539	71
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	-
Non-segregated initial margin	10,264	205
Prefunded default fund contributions	1,078	328
Alternative calculation of own funds requirements for exposures		7,848
Exposures to non-QCCPs (total)		-

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Table 28. EU CCR3 Standardised Approach – CCR Exposures by Regulatory Portfolio and Risk

(Dollars in Millions)	Q2 2020												
	Risk Weight											Total	Of which unrated
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		
Central governments or central banks	1,277	-	-	-	7	669	-	-	5,636	-	-	7,589	6,076
Regional governments or local authorities	40	-	-	-	61	-	-	-	82	-	-	183	127
Public sector entities	276	-	-	-	516	-	-	-	22	-	-	814	538
Multilateral development banks	120	-	-	-	0	-	-	-	-	-	-	120	0
International organisations	15	-	-	-	-	-	-	-	-	-	-	15	15
Institutions	-	48,632	-	-	19,307	22,345	-	-	574	16	-	90,873	55,721
Corporates	-	-	-	-	1,463	5,254	-	-	50,220	54	-	56,991	47,104
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	420	22,558	-	-	1,540	698	-	25,217	-
Other Items	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,728	48,632	-	-	21,775	50,827	-	-	58,073	768	-	181,803	109,580

Table 29. EU CCR5-A Impact of Netting and Collateral Held on Exposure Values

	Q2 2020					
	Gross positive fair value or net carrying amount	Netting benefits		Netted current credit exposure	Collateral held	
		Applied	Not Applied		Used	Not Used
(Dollars in Millions)						
Derivatives	236,008	(195,965)	(360)	40,020	(30,909)	(29,317)
SFTs	575,317	(548,545)	(3,295)	26,771	-	(26,468)
Total	811,325	(744,511)	(3,654)	66,792	(30,909)	(55,785)

These values can differ from the accounting balance sheet for example, due to differences in netting and off balance sheet items.

ML UK Capital Holdings Limited – Including Merrill Lynch International

Pillar 3 Disclosure for the Quarter Ended 30 June 2020

Table 30. EU CCR5-B Composition of Collateral for Exposures to CCR

(Dollars in Millions)	Q2 2020			
	Collateral used in derivative transactions		Collateral used in SFTs	
	Fair Value of collateral received	Fair Value of collateral posted	Fair Value of collateral received	Fair Value of collateral posted
Cash	47,063	42,905	244,520	278,538
Non Cash	17,263	13,292	389,579	296,779
Total	64,326	56,198	634,100	575,317

Table 31. EU CCR6 Credit Derivatives Exposures

(Dollars in Millions)	Q2 2020		
	Credit derivative hedges		Other credit derivatives
	Protection bought	Protection sold	
Notionals			
Single-name credit default swaps	9,243	6,745	128,223
Index credit default swaps	2,833	1,241	276,748
Other credit derivatives	249	404	43,903
Total Notional	12,325	8,391	448,874
Fair Values	-	-	-
Positive fair value (asset)	502	341	5,319
Negative fair value (liability)	(122)	(338)	(5,732)