

The background of the slide features a complex geometric pattern of overlapping triangles and polygons in various shades of blue, ranging from dark navy to light sky blue. The pattern is most prominent on the left side and fades slightly towards the right.

**ML UK Capital Holdings Limited**  
**Including Merrill Lynch International**

# Pillar 3 Disclosure

For the Quarter Ended 30 June 2022

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

### 1. Overview and Purpose of Document

This document contains certain Pillar 3 disclosures for the quarter ended 30 June 2022 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.

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 2021 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. MLI is authorised by the PRA and regulated by the FCA and PRA.

As at 30 June 2022, 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.

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

### 2. Basis of Preparation

The Basel Capital Accords provide a series of international standards for bank regulation commonly known as Basel I, Basel II and, most recently, Basel III. Basel III was implemented in the European Union (“EU”) via the Capital Requirements Directive (“CRD”) and the Capital Requirements Regulation (“CRR”).

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.

MLI and MLUKCH disclosures have been designed to meet the current laws, rules and regulations, of which this is primarily made up of the PRA Rulebook, however any reference to an EU regulation, including to Binding Technical Standards and Guidelines, is a reference to the U.K. on-shored version of that regulation, unless otherwise stated.

The information contained in these Pillar 3 disclosures has been prepared in accordance with the requirements of Part Eight of the CRR.

It therefore does not constitute any form of financial statement of 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 contained in these disclosures may not be directly comparable with the Annual Report and 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.

For new disclosures adopted as at 30 June 2022 following amendments to the CRR, no comparative information is disclosed.

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>.

### 3. Disclosure Policy

In accordance with CRR Article 431(3), MLUKCH and MLI have adopted a formal policy to comply with the disclosure requirements included in Part Eight. The ML UK Capital Holdings Ltd and Merrill Lynch International Pillar 3 Disclosure Policy sets out the framework for assessing the appropriateness of disclosures, including the risk profile and the disclosures’ verification and frequency.

#### Senior Management Attestation

“I attest that the disclosures provided in the ML UK Capital Holdings Limited – Including Merrill Lynch International Pillar 3 Disclosure for the Quarter Ended 30 June 2022 have been prepared in accordance with the internal control processes detailed in the ML UK Capital Holdings Ltd and Merrill Lynch International Pillar 3 Disclosure Policy, which has been approved at the management body level as amended for non-material changes.”

The ML UK Capital Holdings Limited – Including Merrill Lynch International Pillar 3 Disclosures have been attested by:

ML UK Capital Holdings Limited Chief Financial Officer and Member of the Board

Martin Butler

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

### 4. Key Metrics

The below table shows a summary of MLI and MLUKCH Group's key capital, leverage and liquidity metrics as at 30 June 2022.

Table 1. UK KM1 – Key Metrics Template

(USD in Millions)		Q2 2022	
		MLI	MLUKCH Group
	<b>Available own funds (amounts)</b>		
1	Common Equity Tier 1 (CET1) capital	33,397	33,444
2	Tier 1 capital	33,397	33,444
3	Total capital	33,397	33,444
	<b>Risk-weighted exposure amounts</b>		
4	Total risk-weighted exposure amount	149,997	149,452
	<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
5	Common Equity Tier 1 ratio (%)	22.26%	22.38%
6	Tier 1 ratio (%)	22.26%	22.38%
7	Total capital ratio (%)	22.26%	22.38%
	<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>		
UK 7a	Additional CET1 SREP requirements (%)	1.83%	1.83%
UK 7b	Additional AT1 SREP requirements (%)	0.61%	0.61%
UK 7c	Additional T2 SREP requirements (%)	0.81%	0.81%
UK 7d	Total SREP own funds requirements (%)	11.25%	11.25%
	<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
8	Capital conservation buffer (%)	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.05%	0.05%
UK 9a	Systemic risk buffer (%)	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%
UK 10a	Other Systemically Important Institution buffer	0.00%	0.00%
11	Combined buffer requirement (%)	2.55%	2.55%
UK 11a	Overall capital requirements (%)	13.79%	13.80%
12	CET1 available after meeting the total SREP own funds requirements (%)	11.01%	11.13%
	<b>Leverage ratio</b>		
13	Total exposure measure excluding claims on central banks	366,740	362,483
14	Leverage ratio excluding claims on central banks (%)	9.11%	9.23%
	<b>Additional leverage ratio disclosure requirements *</b>		
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)		
14b	Leverage ratio including claims on central banks (%)		
14c	Average leverage ratio excluding claims on central banks (%)		

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

14d	Average leverage ratio including claims on central banks (%)		
14e	Countercyclical leverage ratio buffer (%)		
	<b>Liquidity Coverage Ratio</b>		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	30,873	30,873
UK 16a	Cash outflows - Total weighted value	47,073	47,028
UK 16b	Cash inflows - Total weighted value	33,604	33,604
16	Total net cash outflows (adjusted value)	13,657	13,618
17	Liquidity coverage ratio (%)	227.58%	228.24%
	<b>Net Stable Funding Ratio **</b>		
18	Total available stable funding		
19	Total required stable funding		
20	NSFR ratio (%)		

\* Note that MLI and the Group are not currently in scope for disclosure of additional leverage ratio disclosure requirements as this only applies to LREQ firms as defined in the PRA Rulebook. Therefore these disclosures are not currently made.

\*\* Also, in accordance with the PRA's Policy Statement PS17/21, MLI and the Group are required to disclose the Net Stable Funding Ratio and related elements thereof, calculated as an average of four quarter ends, with the first disclosures being required after 1 January 2023. Therefore disclosure of key metrics relating to the Net Stable Funding Ratio are not currently made.

## 5. 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-UK Global Systemically Important Institution ("G-SII") per the CRR definition are required to hold a minimum amount of MREL. BAC is a non-UK 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 had \$2.5bn of eligible liabilities in issuance at the end of June 2022. Total MREL resources for MLI and the Group are equal to Tier 1 capital, plus eligible liabilities issued. Table 1 shows MLI and MLUKCH's key metrics relating to MREL requirements.

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

Table 2. Key metrics – MREL Requirements

(USD in Millions)	Q2 2022	
	MLI	MLUKCH Group
Total MREL Resources Available	35,897	35,944
Total RWA	149,997	149,452
MREL as a percentage of RWA	23.93%	24.05%
Leverage Ratio Exposure Measure	366,740	362,483
MREL as a percentage of Leverage Ratio Exposure Measure	9.79%	9.92%
Excluded Liabilities	357,699	353,852

In the quarter ended Q2 2022, total RWA decreased for MLI and the Group by \$15.8bn and \$14.9bn respectively. This was mainly driven by a reduction in counterparty credit risk due to a reduction in derivative and securities financing exposure in the period. RWA for Large Exposure Risk also decreased in the quarter due to implementation of MLI's updated Non-Core Large Exposure Group waiver following approval from the PRA in the period.

The leverage ratio exposure measure also decreased in the period by \$31.2bn for both MLI and the Group. This was primarily driven by a reduction in on-balance sheet exposures for securities financing and other assets in the quarter.

The following tables provide information on the key features of the capital instruments and eligible liabilities issued by MLI and the MLUKCH Group.

Table 3. MLUKCH Group Capital Instruments & Eligible Liabilities Key Features

Capital Instruments Main Features		MLUKCH Group			
		CET1	AT1	T2	Eligible Liability
1	Issuer	ML UK Capital Holdings	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
2a	Public or private placement	Private	N/a	N/a	Private
3	Governing law(s) of the instrument	English	N/a	N/a	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/a	N/a	N/a	Yes
<b>Regulatory Treatment</b>					
4	Current treatment taking into account, where applicable, 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	Consolidated	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)	\$2,926m comprising nominal and premium	N/a	N/a	USD 2,500m
9	Nominal amount of instrument	\$1.00	N/a	N/a	USD 2,500m

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

UK-9a	Issue price	\$1.00 30 Dec 2015	N/a	N/a	USD 2,500m
UK-9b	Redemption price	N/a	N/a	N/a	USD 2,500m
10	Accounting classification	Shareholders equity	N/a	N/a	Liability - amortised cost
11	Original date of issuance	30-Dec-15	N/a	N/a	23-Feb-22
12	Perpetual or dated	Perpetual	N/a	N/a	Dated
13	Original maturity date	No maturity	N/a	N/a	23-Feb-24
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
<b>Coupons / Dividends</b>					
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	SOFR plus 53 bps
19	Existence of a dividend stopper	No	N/a	N/a	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/a	N/a	Mandatory
UK-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	Fully or Partially
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
34a	Type of subordination (only for eligible liabilities)	N/a	N/a	N/a	Contractual

# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

UK-34b	Ranking of the instrument in normal insolvency proceedings	Equity	N/a	N/a	Subordinated Claim
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
37a	Link to the full term and conditions of the instrument (signposting)	<a href="http://investor.bankofamerica.com">http://investor.bankofamerica.com</a>	N/a	N/a	<a href="http://investor.bankofamerica.com">http://investor.bankofamerica.com</a>
(') Insert 'N/A' if the question is not applicable					

Table 4. MLI Capital Instruments & Eligible Liabilities Key Features

Capital Instruments Main Features		MLI			
		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
2a	Public or private placement	Private	N/a	N/a	Private
3	Governing law(s) of the instrument	English	N/a	N/a	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/a	N/a	N/a	Yes
<b>Regulatory Treatment</b>					
4	Current treatment taking into account, where applicable, 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 2,500m
9	Nominal amount of instrument	\$1.00	N/a	N/a	USD 2,500m
UK-9a	Issue price	\$1.00 19 Dec 2012 \$4.76 18 Nov 2014	N/a	N/a	USD 2,500m
UK-9b	Redemption price	N/a	N/a	N/a	USD 2,500m
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	23-Feb-22
12	Perpetual or dated	Perpetual	N/a	N/a	Dated
13	Original maturity date	No maturity	N/a	N/a	23-Feb-24
14	Issuer call subject to prior supervisory approval	No	N/a	N/a	Yes



# ML UK Capital Holdings Limited – Including Merrill Lynch International

## Pillar 3 Disclosure for the Quarter Ended 30 June 2022

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
<b>Coupons / Dividends</b>					
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	SOFR plus 53 bps
19	Existence of a dividend stopper	No	N/a	N/a	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	N/a	N/a	Mandatory
UK-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	Fully or Partially
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
34a	Type of subordination (only for eligible liabilities)	N/a	N/a	N/a	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	Equity	N/a	N/a	Subordinated Claim
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
37a	Link to the full term and conditions of the instrument (signposting)	<a href="http://investor.bankofamerica.com">http://investor.bankofamerica.com</a>	N/a	N/a	<a href="http://investor.bankofamerica.com">http://investor.bankofamerica.com</a>
(') Insert 'N/A' if the question is not applicable					