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This document, for which we and our Guarantor accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Rules**”) for the purpose of giving information with regard to us and our Guarantor. We and our Guarantor, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire the Warrants.

Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in the Base Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the Warrants.

The Warrants constitute general unsecured contractual obligations of us as the Issuer and our Guarantor and of no other person and will rank equally among themselves and with all our and our Guarantor’s other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon the creditworthiness of us and our Guarantor, and have no rights under the Warrants against the Fund which has issued the underlying Units, the trustee or manager of the Fund or any other person. If we become insolvent or default on our obligations under the Warrants or our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you may not be able to recover all or even part of the amount due under the Warrants (if any).

Non-collateralised Structured Products Second Supplemental Listing Document for Further Warrants over Exchange Traded Fund (“ETF”)

Issuer: Merrill Lynch International & Co. C.V.

(a Curaçao limited partnership)

Guarantor: Bank of America Corporation

(incorporated in the State of Delaware, United States of America)

Manager: Merrill Lynch Far East Limited

Key Terms

The Further Warrants will be consolidated and form a single series with the existing 70,000,000 European style cash settled call warrants (the “**Existing Warrants**”, and together with the Further Warrants, the “**Warrants**”). The Further Warrants are issued pursuant to Condition 14 and the terms and conditions of the Further Warrants shall be identical in all material respects to the terms and conditions of the Existing Warrants.

Further Warrants	
Stock code	16549
Liquidity Provider broker ID	9657
Issue size (Warrants)	150,000,000
Style	European style cash settled
Type	Call
Company	iShares FTSE A50 China Index ETF (“ Fund ”)
Shares	Units
Units	Existing issued units of the Fund
Board Lot (Warrants)	1,000
Issue Price per Further Warrant (HK\$)	0.067
Cash Settlement Amount per Board Lot (if any) payable at expiry	For a series of call Warrants: $\frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$
	For a series of put Warrants: $\frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$

Further Warrants	
Stock code	16549
Exercise Price (HK\$)	13.04 per ten warrants
Average Price	The average Closing Price of one Unit over the 5 consecutive Stock Exchange Business Days immediately preceding the Expiry Date.
Closing Price	For each Stock Exchange Business Day, closing price of the Units as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any capitalization, rights issue, distribution or the like.
Entitlement	One Unit
Number of Warrant(s) per Entitlement	Ten Warrants
Maximum number of Units to which the Warrants relate	15,000,000
Launch Date	6 February 2013
Issue Date	8 February 2013
Listing Date	14 February 2013
Valuation Date¹	Each of the five Business Days immediately preceding the Expiry Date
Expiry Date²	11 November 2013
Business Day	A day (other than a Saturday) on which the Stock Exchange is open for dealings in Hong Kong and banks are open for business in Hong Kong.
Settlement Date	No later than 3 Business Days after the Expiry Date
Settlement Currency	Hong Kong dollars

¹ Subject to any potential postponement upon the occurrence of a Market Disruption Event, provided that no Valuation Date shall fall on or after the Expiry Date. Please see Condition 4 for details.

² If such day is not a Business Day, the immediately succeeding Business Day.

IMPORTANT INFORMATION

The Warrants are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What documents should you read before investing in the Warrants?

You must read this document together with the supplemental listing document dated 31 January 2012 (the “**Supplemental Listing Document**”) and our base listing document dated 19 March 2012 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the section “Terms and Conditions of the Cash-Settled Stock Warrants” (the “**Conditions**”) set out in Annex 1 to this document. This document (as read in conjunction with the Supplemental Listing Document and our Base Listing Document and each addendum referred to in the section headed “Product Summary Statement”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the Warrants. We cannot give you investment advice. You must decide whether the Warrants meet your investment needs before investing in the Warrants.

Is there any guarantee or collateral for the Warrants?

Our obligations under the Warrants are unconditionally and irrevocably guaranteed by our Guarantor. If we become insolvent or default on our obligations under the Warrants and our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as an unsecured creditor of the Issuer and our Guarantor. In such event, you may not be able to recover all or even part of the amount due under the Warrants (if any).

What are our Guarantor’s credit ratings?

Our Guarantor’s long term senior unsecured debt ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody’s Investors Service, Inc.	Baa2 (with negative outlook)
Standard and Poor’s	A- (with negative outlook)
Financial Services LLC	

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Warrants;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and

- a high credit rating is not necessarily indicative of low risk. Our Guarantor’s credit ratings as of the Launch Date are for reference only. Any downgrading of our Guarantor’s ratings could result in a reduction in the value of the Warrants.

The Warrants are not rated.

Our Guarantor’s credit ratings and rating outlook are subject to change or withdrawal at any time within each rating agency’s sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to our Guarantor’s ratings and rating outlook from time to time.

Is the Issuer or our Guarantor regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

Neither we nor our Guarantor is regulated by any bodies referred to in Rule 15A.13(2) or (3). Our Guarantor is a corporation organised under the laws of the State of Delaware, and certain of its affiliates are registered as broker dealers and investment advisers with the United States Securities and Exchange Commission (“**US SEC**”).

Is the Issuer or our Guarantor subject to any litigation?

Save as disclosed in the Listing Documents, to the best of our and of our Guarantor’s knowledge and belief, neither we nor our Guarantor is aware of any litigation or claims of material importance in the context of the issue of any series of warrants pending or threatened against us or our Guarantor and its subsidiaries on a consolidated basis.

Has our or our Guarantor’s financial position changed since last financial year-end?

Save as disclosed in the Listing Documents, there has been no material adverse change in our or our Guarantor’s financial position since 31 December 2011, being the date of the most recently published audited financial statements of our Guarantor and its subsidiaries on a consolidated basis, that would have a material adverse effect on our Guarantor’s ability to perform its obligations in the context of the Guarantee in respect of any series of warrants.

PRODUCT SUMMARY STATEMENT

The Warrants are listed structured products which involve derivatives. This statement provides you with key information about the Warrants. You should not invest in the Warrants based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.

Overview of the Warrants

- **What is a derivative warrant?**

A derivative warrant is an instrument which gives the holder a right to “buy” or “sell” an underlying asset at a pre-set price called the exercise price on or prior to the expiry date. Investing in a derivative warrant does not give you any right in the underlying asset. Derivative warrants usually cost a fraction of the price of the underlying asset and may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A call warrant is designed for an investor holding a view that the price of the underlying asset will increase during the term of the warrant.

A put warrant is designed for an investor holding a view that the price of the underlying asset will decrease during the term of the warrant.

- **How and when can you get back your investment?**

The Warrants are European style cash settled derivative warrants linked to the underlying Unit. European style warrants can only be exercised on the expiry date. When the Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the terms and conditions in the Listing Documents. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses, you will lose all of your investment in the Warrants.**

- **How do the Warrants work?**

The potential payoff at expiry for the Warrants is calculated by reference to the difference between the Exercise Price and the Average Price of the underlying Unit.

A call Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Unit is greater than the Exercise Price. The more the Average Price is above the Exercise Price, the higher the payoff at expiry. If the Average Price is at or below the Exercise Price, you will lose all of your investment in the call Warrant.

A put Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Unit is below the Exercise Price. The more the Average Price is below the Exercise Price, the higher the payoff at expiry. If the Average Price is at or above the Exercise Price, you will lose all of your investment in the put Warrant.

- **Can you sell the Further Warrants before the Expiry Date?**

Yes. We have made an application for listing of, and permission to deal in, the Further Warrants on the Stock Exchange. All necessary arrangements have been made to enable the Further Warrants to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the Further Warrants is conditional upon listing approval being granted. From the Listing Date up to the last trading day of the Further Warrants (both dates inclusive), you may sell or buy the Further Warrants on the Stock Exchange. There shall be three CCASS Settlement Days between the last trading day of the Further Warrants and the Expiry Date. No application has been made to list the Further Warrants on any other stock exchange.

The Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Warrants takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the Warrants by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

The maximum loss in the Warrants will be your entire investment amount plus any transaction costs.

• **What are the factors determining the price of a derivative warrant?**

The price of a derivative warrant generally depends on the price of the underlying asset (being the underlying Unit for the Warrants). However, throughout the term of a derivative warrant, its price will be influenced by a number of factors, including:

- the exercise price of the derivative warrants;
- the value and volatility of the price of the underlying asset (being a measure of the fluctuation in the price of the underlying asset over time);
- the time remaining to expiry: generally, the longer the remaining life of the derivative warrant, the greater its value;
- the interim interest rates and expected distributions on the underlying asset;
- the liquidity of the underlying asset;
- the supply and demand for the derivative warrant;
- our related transaction cost; and
- the creditworthiness of the issuer of the derivative warrant and our Guarantor.

As the price of a derivative warrant is not only affected by the price of the underlying asset, movements in the price of a derivative warrant may not be proportionate or may even be opposite to the price movement of the underlying asset. For example:

- if the price of the underlying asset increases (in respect of a call warrant) or decreases (in respect of a put warrant), but the volatility of the price of the underlying asset decreases, the price of the warrant may decrease;
- if a warrant is deep-out-of-the-money (eg. when the fair market value is less than HK\$0.01), the price of the warrant may be insensitive to any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset;
- if the outstanding volume of a series of warrants in the market is high, the supply and demand of the warrant may have a greater impact on the warrant price than the price of the underlying asset; and/or
- the decrease in time value may offset any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset, especially when the warrant is close to its expiry where the time value decreases at a faster pace.

Risks of investing in the Warrants

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document. You should consider all these factors collectively when making your investment decision.

Liquidity

• **How to contact the Liquidity Provider for quotes?**

Liquidity Provider: Merrill Lynch Far East Limited
Address: 15th Floor, Citibank Tower, 3 Garden Road, Central, Hong Kong
Telephone Number: (+852) 3602 1600

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. It is an affiliate of the Issuer and will act as our agent in providing quotes. You can request a quote by calling the Liquidity Provider at the telephone number above.

• **What is the Liquidity Provider’s maximum response time for a quote?**

The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange’s designated stock page for the Warrants.

• **Maximum spread between bid and ask prices: 20 spreads**

• **Minimum quantity for which liquidity will be provided: 20 Board Lots**

• **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**

There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:

- (i) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day;
- (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- (iii) when the Warrants or the underlying Unit are suspended from trading for any reason;
- (iv) when there are no Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Warrants available for market making activities;

- (v) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (vi) if the underlying Unit or the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider's ability to source a hedge or unwind an existing hedge; or
- (vii) if the theoretical value of the Warrants is less than HK\$0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

You should read the sub-section entitled "Possible limited secondary market" under the "Key Risk Factors" section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

How can you obtain further information?

- **Information about the underlying Fund and the underlying Units**

You may obtain information on the underlying Units (including the underlying Fund's financial statements) by visiting the Stock Exchange's website at www.hkex.com.hk or (if applicable) the underlying Fund's website(s) as follows:

<i>Underlying Fund</i>	<i>Website</i>
iShares FTSE A50 China Index ETF	www.ishares.com.hk

- **Information about the Warrants after issue**

You may visit the Stock Exchange's website at www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm or our website at www.mlwarrants.com.hk to obtain information on the Warrants or any notice given by us or the Stock Exchange in relation to the Warrants.

- **Information about us and our Guarantor**

You should read the section "Updated Information about Us and our Guarantor" in this document. You may visit www.bankofamerica.com to obtain general corporate information about us and our Guarantor.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. We accept no responsibility for the accuracy or completeness of the information appearing on those websites. You should conduct your own due diligence (including without limitation web searches) to ensure that you are viewing the most up-to-date information.

What are the fees and charges?

- **Trading Fees and Levies**

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Warrants. The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount (if any). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Warrants).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled warrants (including the Warrants).

You should note that any transaction cost will reduce your gain or increase your loss under your investment in the Warrants.

What is the legal form of the Further Warrants?

The Further Warrants will be represented by a global certificate in the name of HKSCC Nominees Limited who is the only legal owner of the Further Warrants. We will not issue definitive certificates for the Further Warrants. You may arrange for your broker to hold the Further Warrants in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the Further Warrants to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the Further Warrants.

Can we adjust the terms or early terminate the Warrants?

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Fund, a subdivision or consolidation of the underlying Unit or a restructuring event affecting the Fund) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Units.

We may early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to Conditions 6, 12 and 13 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

Mode of settlement for the Warrants

The Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive. If the Cash Settlement Amount is zero or negative, or is equal to or less than the Exercise Expenses, you will lose all of your investment.

We will deliver a cash amount in the Settlement Currency equal to the Cash Settlement Amount net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the Warrants), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Cash Settlement Amount (if any) is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Cash Settlement Amount (if any) may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Condition 4 for further information.

Where can you inspect the relevant documents of the Warrants?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at 15th Floor, Citibank Tower, 3 Garden Road, Central, Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - the Supplemental Listing Document
 - our Base Listing Document
 - the first addendum to our Base Listing Document dated 1 June 2012
 - the second addendum to our Base Listing Document dated 15 June 2012
 - the third addendum to our Base Listing Document dated 10 September 2012
 - the fourth addendum to our Base Listing Document dated 12 December 2012;
- our and our Guarantor's latest audited consolidated financial statements and any interim or quarterly financial statements;
- our by-laws;
- our Guarantor's certificate of incorporation and by-laws, each as amended;
- the Guarantee in connection with the issuance of the structured products dated 19 March 2012;
- the consent letter from PricewaterhouseCoopers LLP, U.K., our auditor consenting to the reproduction of its audit report for the financial year ended 31 December 2010 in our Base Listing Document;
- the consent letter from PricewaterhouseCoopers LLP, U.K., our auditor consenting to the reproduction of its audit report for the financial year ended 31 December 2011 in the second addendum to our Base Listing Document;
- the consent letter from PricewaterhouseCoopers LLP, U.S.A., auditor for our Guarantor, consenting to the reproduction of its audit report for the financial year ended 31 December 2011 and the effectiveness of internal control over financial reporting as of 31 December 2011 filed by our Guarantor, in our Base Listing Document;
- the instrument dated 2 July 2010 pertaining to the issue of structured products; and
- the registrar and agency agreement dated 2 July 2010 between us, our Guarantor and Merrill Lynch Far East Limited.

The Listing Documents are also available on the website of the HKEx at www.hkexnews.hk and our website at www.mlwarrants.com.hk.

各上市文件亦可於香港交易所披露易網站(www.hkexnews.hk)以及本公司網站www.mlwarrants.com.hk 瀏覽。

Are there any dealings in the Further Warrants before the Listing Date?

It is possible that there may have been dealings in the Further Warrants before the Listing Date. If there are any dealings in the Further Warrants by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

Have the auditors consented to the inclusion of their report to the Listing Documents?

Our auditor and our Guarantor’s auditor (“**Auditors**”) have given and have not since withdrawn their written consent to the inclusion of their reports dated 21 May 2012 and 23 February 2012 respectively and/or the references to their name in our Base Listing Document, in the form and context in which they are included. Their reports were not prepared exclusively for incorporation into our Base Listing Document. The Auditors do not own any of our shares or shares in any member of our group, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Authorisation of the Warrants

The issue of the Warrants was authorised by a consent in writing of the partners of the Issuer in lieu of meeting on 30 April 1998.

Selling restrictions

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, resold, traded, pledged, exercised, transferred or otherwise delivered, at any time, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the Warrants is also subject to the selling restrictions specified in our Base Listing Document.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

Disclaimer

iShares is a trade mark of BlackRock Fund Advisors (“**BFA**”). “**FTSE®**” is a trade mark of London Stock Exchange Group (“**LSEG**”) and is used by FTSE International Limited (“**FTSE**”) under licence. The Warrants are not sponsored, endorsed, sold or promoted by BFA, LSEG or FTSE or any of their affiliates. BFA, LSEG or FTSE make no representations or warranties to the holders of the Warrants or any member of the public regarding the advisability of investing in the Warrants. Neither BFA, LSEG or FTSE nor any of their affiliates has any obligation or liability in connection with the operation, marketing, trading or sale of the Warrants.

KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the Warrants. If you have any concerns or doubts about the Warrants, you should obtain independent professional advice.

Non-collateralised structured products

The Warrants are not secured on any of our or our Guarantor's assets or any collateral.

Credit risk

If you invest in the Warrants, you are relying on our creditworthiness and our Guarantor's creditworthiness and of no other person. If we become insolvent or default on our obligations under the Warrants or our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as our or our Guarantor's unsecured creditor regardless of the performance of the underlying Unit and you may not be able to recover all or even part of the amount due under the Warrants (if any). You have no rights under the terms of the Warrants against the trustee or manager of the Fund.

Warrants are not principal protected and may expire worthless

Although the cost of a Warrant may cost a fraction of the value of the underlying Unit, the Warrant's price may change more rapidly than the price of the underlying Unit. Given the gearing feature inherent in the Warrants, a small change in the price of the underlying Unit may lead to a substantial price movement in the Warrants.

Unlike stocks, the Warrants have a limited life and will expire on the Expiry Date. In the worst case, the Warrants may expire with no value and you will lose all of your investment. Derivative warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

The Warrants can be volatile

Prices of the Warrants may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the Warrants:

- (i) the prevailing trading price of the Warrants;
- (ii) the Exercise Price of the Warrants;
- (iii) the value and volatility of the price of the underlying Unit;
- (iv) the time remaining to expiry;
- (v) the probable range of the Cash Settlement Amount;
- (vi) the interim interest rates and expected distributions on the underlying Unit;
- (vii) the liquidity of the underlying Unit;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Warrants; and
- (x) the creditworthiness of the Issuer and our Guarantor.

The price of a Warrant may be affected by all these factors in addition to the trading price of the underlying Unit. Therefore, movements in the price of the Warrants may not be proportionate or may even be opposite to the price movement of the underlying Unit. You should consider all these factors collectively when making your investment decision.

Time decay

All other factors being equal, the value of a Warrant is likely to decrease over time. Therefore, the Warrants should not be viewed as a product for long term investments.

Not the same as investing in the underlying Units

Investing in the Warrants is not the same as investing in the underlying Unit. You have no rights in the underlying Unit throughout the term of the Warrants. Changes in the market value

of the Warrants may not correspond with the movements in the price of the underlying Unit, especially when the theoretical value of the Warrants is at HK\$0.01 or below. If you buy the Warrants with a view to hedge against your exposure to the underlying Unit, it is possible that you could suffer loss in your investment in the underlying Unit and the Warrants.

Suspension of trading

If trading in the underlying Unit is suspended on the Stock Exchange, trading in the Warrants will be suspended for a similar period. In the case of a prolonged suspension period, the price of the Warrants may be subject to a significant impact of time decay due to such prolonged suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the Warrants and therefore the secondary market for the Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Warrants prior to expiry.

You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problem hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider's response time for a quote may be significantly longer than its normal standard.

Adjustment related risk

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Fund, a subdivision or consolidation of the underlying Unit and a restructuring event affecting the Fund) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Unit. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to Conditions 6 and 12 for details about adjustments.

Possible early termination

The Warrants will lapse and cease to be valid in the event of termination of the Fund. We may also early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to Condition 13 for details about our early termination rights.

Time lag between exercise and settlement of the Warrants

There is a time lag between exercise of the Warrants and payment of the Cash Settlement Amount net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Fund and/or the underlying Units or issue or update research reports on the Fund and/or the underlying Units. Such activities, information and/or research reports may involve or affect the Fund and/or the underlying Units and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Fund and/or the underlying Units or related derivatives. This may indirectly affect your interests.

No direct contractual rights

The Warrants are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the Warrants. The evidence of your interest in the Warrants, and the efficiency of the ultimate payment of the Cash Settlement Amount net of Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the Warrants. You do not have any direct contractual rights against us or our Guarantor. To assert your rights as an investor in the Warrants, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the Warrants first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

Risks related to the Fund in general

Subject to the circumstances as set out in the subsection titled "Conflict of interest" above, neither we nor any of our affiliates have the ability to control or predict the actions of the trustee or the manager of the Fund. Neither the trustee nor the manager of the Fund (i) is involved in the offer of the Warrants in any way, or (ii) has any obligation to consider your interest in taking any corporate actions that might affect the value of the Warrants.

The manager of the Fund is responsible for making investment and other trading decisions with respect to the management of the Fund consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of

the Fund. The manner in which the Fund is managed and the timing of actions may have a significant impact on the performance of the Fund. Hence, the market price of the Units is also subject to these risks.

There is also a risk that the investment objectives and/or investment restrictions as set out in the constitutive documents of the Fund are materially changed or are complied with or the method of calculating the net asset value of the Fund is materially changed. In addition, the applicable laws and regulations governing the Fund may also restrict the operations of the Fund and restrict its ability to achieve the investment objectives.

Risks related to an ETF which adopts a synthetic replication investment strategy

The Fund is an ETF. An ETF is exposed to the political, economic, currency and other risks related to the underlying equity(ies), assets or index that the ETF is designed to track.

Additionally, the Fund adopts a synthetic replication investment strategy to achieve its investment objectives by investing in financial derivative instruments linked to the performance of an underlying asset pool or index that the Fund is designed to track ("synthetic ETF"). You should note that:

- (a) investments in financial derivative instruments will expose the synthetic ETF to the credit, political contagion and concentration risks of the counterparties who issued such financial derivative instruments. As such counterparties are predominantly international financial institutions, the failure of one such counterparty may have a negative effect on other counterparties of the synthetic ETF. Even if the synthetic ETF has collateral to reduce the counterparty risks, there may still be a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realise the collateral; and
- (b) the synthetic ETF may be exposed to higher liquidity risk if the synthetic ETF invests in financial derivative instruments which do not have an active secondary market.

Accordingly, investing in the Warrants is also exposed to the credit risk of the counterparties who issued the derivatives in addition to the risks associated with the underlying index the performance of which the synthetic ETF is designed to replicate. The above risks may have a significant impact on the performance of the synthetic ETF and hence the market price of our Warrants.

The Listing Documents should not be relied upon as the sole basis for your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Warrants or the underlying Unit.

Our obligations are not deposit liability or debt obligations

We do not intend to create upon ourselves a deposit liability or a debt obligation by issue of Warrants.

Risk relating to our Guarantor

Please refer to the section "Risk Factors" in Part 1, Item 1A of our Guarantor's annual report on Form 10-K for the fiscal year ended 31 December 2011, and Part II, Item 1A of our Guarantor's quarterly report on Form 10-Q for the periods ended 31 March 2012, 30 June 2012 and 30 September 2012 respectively for a description of additional risks relating to our Guarantor.

Updated Information about Us and our Guarantor

- Our Guarantor files reports, statements and other information with the US SEC from time to time. Additional information regarding our Guarantor may be available through the life of the Warrants on the website of the US SEC at www.sec.gov. You are cautioned that this information (if available) will not have been prepared for the purposes of the Warrants.
- On 7 January 2013, our Guarantor issued a press release announcing settlement with Fannie Mae on certain mortgage-related issues. Our Guarantor also announced, among other things, the expected impact of certain items on its financial results for the fourth quarter of 2012. A copy of the press release has been set out in Annex 2 to this document and it is available on <http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-sec>.
- Our Guarantor filed its current report on Form 8-K on 17 January 2013 which relates to our Guarantor's announcement of its financial results for the fourth quarter and year ended 31 December 2012. Extracts of the Form 8-K have been set out in Annex 3 to this document.
- On 23 January 2013, the board of directors of our Guarantor elected Arnold Donald and Lionel L. Nowell III to serve on the board. The appointments took effect immediately.

ANNEX 1

TERMS AND CONDITIONS OF THE CASH-SETTLED STOCK WARRANTS

1 Form; Status; Guarantee; Transfer and Title

- (A) The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 13) relating to the Shares of the Company are issued in registered form subject to and with the benefit of the instrument dated 2 July 2010 (the “**Instrument**”) made by Merrill Lynch International & Co. C.V. (the “**Issuer**”) and the guarantee dated 1 April 2011 (the “**Guarantee**”) made by Bank of America Corporation (the “**Guarantor**”). Pursuant to a registrar and agency agreement dated 2 July 2010, the Issuer has appointed Merrill Lynch Far East Limited as registrar (“**Registrar**”) and agent (“**Agent**”) for the Warrants.

Copies of the Instrument and the Guarantee are available for inspection at the office of the Agent as specified below. The Warranholders (as hereinafter defined) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Instrument and the Guarantee.

- (B) The settlement obligation of the Issuer in respect of the Warrants represent general unsecured contractual obligations of the Issuer and of no other person which rank, and will rank, equally among themselves and pari passu with all other present and future unsecured and unsubordinated contractual obligations of the Issuer, except for obligations accorded preference by mandatory provisions of applicable law.

Warrants represent general contractual obligations of the Issuer, and are not, nor is it the intention (expressed, implicit or otherwise) of the Issuer to create by the issue of warrants deposit liabilities of the Issuer or a debt obligation of any kind.

In the Guarantee the Guarantor has, subject to the terms therein, unconditionally and irrevocably guaranteed to the Warranholders the due and punctual settlement in full of all obligations due and owing by the Issuer arising under the issuance of the Warrants after taking account of any set off, combination of accounts, netting or similar arrangement from time to time exercisable by the Issuer against any person to whom obligations are from time to time being owed, when and as due (whether at expiry, by acceleration or otherwise).

- (C) Transfers of Warrants may be effected only in Board Lots or integral multiples thereof in the Central Clearing and Settlement System (“**CCASS**”) in accordance with the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.
- (D) Each person who is for the time being shown in the register kept by the Registrar in Hong Kong as the holder shall be treated by the Issuer, the Guarantor and the Agent as the absolute owner and holder of the Warrants (which shall be HKSCC Nominees Limited (or such other nominee company as may be used by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of CCASS (the “**Nominee**”)) for so long as the Warrants are accepted as eligible securities in CCASS). The expression “**Warranholder**” shall be construed accordingly.
- (E) Trading in Warrants on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) shall be suspended prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

2 Warrant Rights and Exercise Expenses

- (A) Every Board Lot entitles the Warranholder, upon compliance with Condition 4, to payment of the Cash Settlement Amount (as defined in Condition 4(E)).
- (B) The Warranholder will be required to pay all charges which are incurred in respect of the exercise of the Warrants (the “**Exercise Expenses**”). To effect such payment, an amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4(E).

3 Exercise Period

- (A) The Warrants may be exercised by delivery of an Exercise Notice (as defined in Condition 4) on any Business Day during the Exercise Period. In the case of an exercise of American style Warrants, the Exercise Period is the period beginning at (and including) the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on the Dealing Commencement Date (or, if later, the first day of dealing in the Warrants on the Stock Exchange) ending at (and including) the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on the Expiry Date subject to prior termination of the Warrants as provided in Condition 11.

Subject to Condition 3(B), in the case of an exercise of European style Warrants, a reference to Exercise Period shall mean the time at which the morning trading session or, if earlier, any pre-opening session of the Stock Exchange on the Expiry Date commences only.

- (B) Any Warrant with respect to which an Exercise Date (as defined in Condition 4) has not occurred during the Exercise Period, and in respect of which the Cash Settlement Amount which would be payable by the Issuer if exercised on the Expiry Date shall be deemed automatically exercised on the Expiry Date (“**Automatic Exercise**”), so that the Warrantheolders shall not be required to serve an Exercise Notice.
- (C) Any Warrant with respect to which an Exercise Date has not occurred or which has not been automatically exercised in accordance with Condition 3(B) shall expire immediately at the conclusion of the Exercise Period without value thereafter and all rights of the Warrantheolder and obligations of the Issuer with respect to such Warrant shall cease.
- (D) In these Conditions, “**Business Day**” means a day (excluding Saturdays) on which the Stock Exchange is open for dealings in Hong Kong and banks are open in Hong Kong for business.

4 Exercise of Warrants

- (A) Subject to Condition 3(B) Warrants may only be exercised in Board Lots or integral multiples thereof.
- (B) (i) In order to exercise a Warrant, the Warrantheolder shall deliver to the Agent a duly completed exercise notice in accordance with the Instrument (an “**Exercise Notice**”), such delivery to be made not later than the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on the Expiry Date.
- (ii) The date upon which the Warrants are exercised (an “**Exercise Date**”, which reference shall, in the case of Warrants that are deemed exercised, mean the date on such Warrants are deemed exercised) shall be the Business Day on which an Exercise Notice is delivered to the Agent and in respect of which there is a valid exercise of Warrants in accordance with the requirements set out herein, provided that any Exercise Notice received by the Agent after the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on any Business Day (other than the Expiry Date) shall be deemed to have been delivered on the next following Business Day.
- (iii) For the avoidance of doubt, where an Expiry Date is not a Business Day, a Warrant must be exercised before the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on the Business Day following the Expiry Date for the exercise of the Warrant to be valid.
- (C) Delivery of an Exercise Notice in accordance with Condition 4(B) shall constitute an irrevocable election and undertaking by the Warrantheolder specified in such Exercise Notice to exercise the number of Warrants specified in such Exercise Notice and an irrevocable authorisation (which is deemed to be given in the case of Automatic Exercise) to the Issuer and/or the Agent to debit any determined Exercise Expenses from the Cash Settlement Amount. Any Exercise Expenses which have not been determined by the Agent on the Exercise Date shall be notified as soon as practicable after determination thereof by the Agent to the Warrantheolder and shall be paid by the Warrantheolder forthwith in immediately available funds no later than 3 Business Days after the Warrantheolder receives notice of any unpaid expenses.
- (D) Following the Expiry Date the Issuer will, with effect from the first Business Day following the Expiry Date, cancel and destroy the global warrant certificate.
- (E) Subject to a valid exercise of Warrants or an Automatic Exercise in accordance with Condition 3(B), the Issuer will as soon as practicable and not later than three Business Days following the Valuation Date or (in the case of Automatic Exercise) Expiry Date (the “**Settlement Date**”) in accordance with these conditions procure payment of the aggregate Cash Settlement Amounts (following deduction of determined Exercise Expenses) for all Warrants exercised or deemed exercised, electronically through CCASS, by crediting the relevant bank account of the Warrantheolder as appearing in the register kept by or on behalf of the Issuer.

Subject to adjustment as provided in Condition 6, “**Cash Settlement Amount**” means (such amount to be calculated by the Issuer):

In the case of a series of Call Warrants exercised by Automatic Exercise:

$$\text{“Cash Settlement Amount” per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

In the case of a series of Put Warrants exercised by Automatic Exercise:

$$\text{“Cash Settlement Amount” per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

In the case of a series of Call Warrants exercised otherwise than by Automatic Exercise:

$$\text{“Cash Settlement Amount” per Board Lot} = \frac{\text{Entitlement} \times (\text{Settlement Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

In the case of a series of Put Warrants exercised otherwise than by Automatic Exercise:

$$\text{“Cash Settlement Amount” per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Settlement Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

“**Entitlement**” means such number of Shares as specified in the relevant Supplemental Listing Document.

“**Closing Price**” shall be the closing price of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Conditions) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like) for the relevant Valuation Date.

“**Average Price**” shall be the arithmetic mean of the Closing Prices for each Valuation Date.

“**Settlement Price**” shall be the Closing Price for the Valuation Date.

Any payment made pursuant to this Condition 4(E) shall be delivered at the risk and expense of the Warrantholder to the Warrantholder as recorded on the register, or such bank, broker or agent in Hong Kong (if any) as directed by the Warrantholder.

- (F) If as a result of an event beyond the control of the Issuer (“**Settlement Disruption Event**”), it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant bank account of the Warrantholder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant bank account of the Warrantholder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damage that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

If the Agent determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then (a) where Warrants are exercised by Automatic Exercise, that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (i) the Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and (ii) the Issuer and/or Agent shall determine the closing price of the Shares on the basis of its good faith estimate of such price that would have prevailed on the Last Valuation Date but for the Market Disruption Event; and (b) where Warrants are exercised otherwise than by Automatic Exercise, any postponement or adjustment to the Valuation Date as a result of a Market Disruption Event and/or any determination of the price of the Shares that would have been prevailing on the Valuation Date but for the Market Disruption Event shall be provided in the relevant Supplemental Listing Document.

“**Market Disruption Event**” means the occurrence or existence of any suspension of, or limitation imposed on, trading on the Stock Exchange in the Shares if such suspension or limitation is, in the determination of the Issuer and/or Agent, material.

For the avoidance of doubt, a Market Disruption Event shall include, but shall not be limited to a limitation/closure of the Stock Exchange due to unforeseen circumstances such as an official tropical cyclone warning signal eight (or above) or black rain storm warning hoisted by the Hong Kong Observatory provided that so long as such warnings are lowered or suspended by the Hong Kong Observatory; and the Stock Exchange: (i) re-opens for the entire afternoon trading session or (ii) opens late in the morning of the affected day and stays open for the entire afternoon trading session and closing only at the normal closing time for the Stock Exchange, the hoisting of such warning shall not by itself be a Market Disruption Event;

“**Valuation Date**” means, subject as provided above in relation to a Market Disruption Event, (a) where the Warrants are exercised by Automatic Exercise, each of the five Days immediately preceding the Expiry Date relating to such exercise, or (b) where the Warrants are exercised otherwise than by Automatic Exercise (i) if the Warrants are exercised on or prior to the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on an Exercise Date other than the Expiry Date, the Exercise Date or (ii) if the Warrants are exercised after the time at which the morning trading session or, if earlier, any pre-opening session of the Stock Exchange commences on an Exercise Date other than the Expiry Date, the Day following the Exercise Date.

Where the Warrants are exercised by Automatic Exercise, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed in accordance with Condition 4(F), the closing price of the Shares on that first succeeding Business Day will be referenced more than once in the determination of the Cash Settlement Amount, so that in no event shall there be less than 5 closing prices to determine the Average Price.

For the purposes of Condition 4(F), a “**Day**” means a day (excluding Saturdays) on which the Stock Exchange and banks are scheduled to open in Hong Kong or business.

- (G) These Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Guarantor, the Issuer or its agent (including the Registrar) or nominee and the Warrantholder and neither the Guarantor, the Issuer nor its agent (including the Registrar) or nominee shall owe any duty of a fiduciary nature to the Warrantholder.

None of the Issuer, the Guarantor or the Agent shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these terms and conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

The Issuer's obligations to pay the Cash Settlement Amounts shall be discharged by payment in accordance with Condition 4(E) above.

5 Agent

- (A) The Agent will be acting as agent of the Issuer in respect of the Warrants and will not assume any obligation or duty to or any relationship or agency or trust for the Warrantholder.
- (B) The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the initial Agent and to appoint another agent provided that it will at all times maintain an agent in Hong Kong for so long as the Warrants are listed on the Stock Exchange. Notice of any such termination or appointment will be given to the holder in accordance with Condition 10.

6 Adjustments

Adjustments may be made by the Agent to these Conditions (including without limitation (i) the Exercise Price or (ii) the Entitlement) on the basis of the following provisions:

- (A) (i) If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Exercise Price and the Entitlement shall be adjusted on the Business Day on which the trading in the Shares of the Company becomes ex-entitlement in accordance with the following formulae:

The Exercise Price will be adjusted to:

$$\text{Adjusted Exercise Price} = \frac{1}{\text{Adjustment Component}} \times X$$

The Entitlement will be adjusted to:

$$\text{Adjusted Entitlement} = \text{Adjustment Component} \times E$$

Where:

$$\text{Adjustment Component} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the relevant event giving rise to the adjustment

X: Existing Exercise Price immediately prior to the relevant event giving rise to the adjustment

S: Cum-Rights Share price, being the closing price of an existing Share, as derived from the Daily Quotation Sheet of the Stock Exchange on the last Business Day on which the Shares are traded on a cum-rights basis

R: Subscription price per new Share specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right

M: Number of new Shares per existing Share (whether a whole or a fraction) each holder of an existing Share is entitled to subscribe or have.

For the purposes of these Conditions, "**Rights**" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to a holder of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (ii) The Adjusted Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) shall take effect on the same day that the Entitlement is adjusted.

(iii) For the purposes of Conditions 6(A) and 6(B), the Agent may determine that no adjustment will be made if the adjustment to the Entitlement is less than one per cent. of the Entitlement immediately prior to the adjustment, all as determined by the Agent.

(B) (i) If and whenever the Company shall make an issue of Shares credited as fully paid to holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend) (and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”), the Exercise Price and the Entitlement will be adjusted, subject to Condition 6(A)(iii), on the Business Day on which the trading in the Shares of the Company becomes ex-entitlement in accordance with the following formulae:

The Exercise Price will be adjusted to:

$$\text{Adjusted Exercise Price} = \frac{1}{\text{Adjustment Component}} \times X$$

The Entitlement will be adjusted to:

$$\text{Adjusted Entitlement} = \text{Adjustment Component} \times E$$

Where:

$$\text{Adjustment Component: } 1 + M$$

E: Existing Entitlement immediately prior to the Bonus Issue

X: Existing Exercise Price immediately prior to the Bonus Issue

M: Number of new Shares (whether a whole or a fraction) each holder of an existing Share is entitled to have.

(ii) The Adjusted Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) shall take effect on the same day that the Entitlement is adjusted.

(C) If and whenever the Company shall subdivide its outstanding share capital into a greater number of shares or consolidate its outstanding share capital into a smaller number of shares, the Entitlement shall be increased and the Exercise Price shall be decreased (in the case of a subdivision) or the Entitlement shall be decreased and the Exercise Price shall be increased (in the case of a consolidation) accordingly, in each case on the day on which the relevant subdivision or consolidation shall have taken effect and in any event no later than the next Business Day following the day on which the relevant subdivision or consolidation shall have taken effect. The adjusted Exercise Price shall be rounded to the nearest Hong Kong dollar 0.001.

(D) If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger or consolidation) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Agent be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Agent in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (the “**Substituted Securities**”) and/ or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Agent, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Agent as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph (D) and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

(E) (i) Generally, no adjustment will be made for an ordinary cash dividend (whether or not it is offered with a script alternative). For any other forms of cash distribution (each a “**Cash Distribution**”) announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share’s closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Exercise Price and the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement (each a “**Dividend Adjustment Date**”) in accordance with the following formula:

The Exercise Price will be adjusted to:

$$\text{Adjusted Exercise Price} = \frac{1}{\text{Adjustment Component}} \times X$$

The Entitlement will be adjusted to:

$$\text{Adjusted Entitlement} = \text{Adjustment Component} \times E$$

Where:

$$\text{Adjustment Component} = \frac{S - D}{S - D - C}$$

E: Existing Entitlement immediately prior to the relevant Cash Distribution

X: Existing Exercise Price immediately prior to the relevant Cash Distribution

S: The closing price of a Share, as derived from the Daily Quotation Sheet of the Stock Exchange on the Business Day immediately prior to the Dividend Adjustment Date

D: Amount of ordinary cash dividend per Share (applicable only if the date on which trading in the Shares becomes ex-entitlement in respect of the ordinary cash dividend is the same as the Dividend Adjustment Date)

C: Amount of the relevant Cash Distribution per Share

(ii) The adjusted Exercise Price shall be rounded to the nearest Hong Kong dollar 0.001.

(F) Except as provided in this Condition 6 and in Conditions 9 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(A) to 6(E)) occur which it believes in its sole discretion and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(A) to 6(E) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is (i) considered by the Issuer not to be materially prejudicial to the Warrantheholders generally (without considering the circumstances of any individual Warrantheholder or the tax or other consequences of such adjustment in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such adjustment or amendment is approved by the Stock Exchange.

(G) The Agent shall determine any adjustment or amendment and its determination shall be conclusive and binding on the Warrantheholder save in the case of manifest error. Any such adjustment or amendment shall be set out in a notice, which shall be given to the Warrantheholder in accordance with Condition 10 as soon as practicable after the determination thereof.

7 Purchase by the Issuer

The Issuer and any of its affiliates may purchase Warrants at any time on or after the date of their issue and any Warrants which are so purchased may be surrendered for cancellation or offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer or any such affiliate, as the case may be.

8 Global Warrant Certificate

A global warrant certificate (the "Global Warrant Certificate") representing the Warrants will be deposited within CCASS and registered in the name of the Nominee. The Global Warrant Certificate will not be exchangeable for definitive warrant certificates.

9 Meeting of Warrantheholder; Modification

(a) *Meetings of Warrantheholder.* Notices for convening meetings to consider any matter affecting the Warrantheholder's interests will be given to the Warrantheholder in accordance with the provisions of Condition 10.

Every question submitted to a meeting of the Warrantheholder shall be decided by poll. A meeting may be convened by the Issuer or by the Warrantheholder holding not less than 10 percent of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons (including any nominee appointed by the Warrantheholder) holding or representing not less than 25 percent of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons (including any nominee appointed by the Warrantheholder) being or representing Warrantheholder whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholder as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholder shall be binding on all the holders of the Warrants, whether or not they are present at the meeting, save, in the case of Warrants which are expressed to be American Style, for those Warrants remaining unexercised but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In the case of Warrants which are expressed to be American Style, Warrants which have not been exercised but in respect of which an Exercise Notice has been submitted will not confer the right to attend or vote at, or join in convening, or be counted in quorum for, any meeting of the Warrantholders.

Resolutions can be passed in writing without a meeting of the Warrantholder being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantholder, effect any modification of the provisions of the Warrants or the Instrument (i) which is not materially prejudicial to the interests of the Warrantholder, (ii) which is of a formal, minor or technical nature, (iii) which is made to correct an obvious error, (iv) which is necessary in order to comply with mandatory provisions of the laws of Hong Kong (as defined below) or such other jurisdiction where the Shares are listed or the issuer of the Shares is incorporated or (v) which is considered by the Issuer to be appropriate and such modification is approved by the Stock Exchange. Any such modification shall be binding on the Warrantholder and shall be notified to them by the Agent as soon as practicable thereafter in accordance with Condition 10.

10 Notices

All notices in English and Chinese to the Warrantholder will be validly given if published on the website of the Hong Kong Exchanges and Clearing Limited, www.hkex.com.hk (the “**HKEx website**”). In addition, copies of the notice will be despatched by the Issuer to the Warrantholder at its registered address by the first day that such notice appears on the HKEx website.

11 Liquidation

In the event of a Termination or a liquidation or dissolution or winding up of the Company or the appointment of a receiver or administrator or analogous person under applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of a Termination, on the effective date of the Termination, in the case of a voluntary liquidation, on the effective date of the resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under applicable law in respect of the whole or substantially the whole of the undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

For the purpose of this Condition 11, “**Termination**” means in the case where the Shares are units of a trust (“**Trust**”) (i) the Trust is terminated, or the trustee of the Trust (including any successor trustee appointed from time to time) (“**Trustee**”) or the manager of the Trust (including any successor manager appointed from time to time) (“**Manager**”) is required to terminate the Trust under the trust deed (“**Trust Deed**”) constituting the Trust or applicable law, or the termination of the Trust commences; (ii) the Trust is held or is conceded by the Trustee or the Manager not to have been constituted or to have been imperfectly constituted; (iii) the Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and perform its obligations under the Trust Deed; or (iv) the Trust ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

12 Delisting of Company

- (A) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholder generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of the Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (B) Without prejudice to the generality of Condition 12(A), where the Shares are or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantholder, make such adjustments to the entitlements of the Warrantholder on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong dollars) as it shall consider appropriate in the circumstances.
- (C) The Issuer shall determine, in its absolute discretion, any such adjustment or amendment and its determination shall be conclusive and binding on the Warrantholder save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholder in accordance with Condition 10 as soon as practicable after they are determined.

13 Illegality

The Issuer shall have the right to terminate the Warrants if it shall have determined in its absolute discretion that, for reasons beyond its control, its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Warrantholder in respect of each Warrant held by such Warrantholder an amount calculated by it as the fair market value of the Warrant immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Warrantholder in such manner as shall be notified to the Warrantholder in accordance with Condition 10.

14 Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholder, to create and issue further warrants, upon such terms as to issue price, commencement of the exercise period and otherwise as the Issuer may determine so as to form a single series with the Warrants.

15 Governing Law

The Warrant and the Instrument will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”). The Issuer and the Warrantholder (by its acquisition of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants and the Instrument to the non-exclusive jurisdiction of the courts of Hong Kong.

16 Language

A Chinese translation of these Conditions is available upon request during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of the Agent. In the event of any inconsistency between the English version and Chinese translation of these Conditions, the English version shall prevail and be governing.

Agent and Registrar

Merrill Lynch Far East Limited

15th Floor, Citibank Tower
3 Garden Road
Central
Hong Kong

ANNEX 2

- The press release issued by our Guarantor on 7 January 2013.

January 7, 2013

Investors May Contact:

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Lee McEntire, Bank of America, 1.980.388.6780

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Bank of America Announces Settlement with Fannie Mae to Resolve Agency Mortgage Repurchase Claims on Loans Originated and Sold Directly to Fannie Mae Through December 31, 2008

- *Agreements Cover Mortgage Loans With \$1.4 Trillion of Original Unpaid Principal Balance*
- *Agreements Also Substantially Resolve Outstanding Claims for Compensatory Fees*

Company Also Announces Sales of Mortgage Servicing Rights (MSRs) on 2.0 Million Residential Mortgage Loans Totaling Approximately \$306 Billion Aggregate Unpaid Principal Balance

- *Number of 60+ Day Delinquent Loans Declined to 775,000 at December 31, 2012 from 936,000 at September 30, 2012*
- *MSR Sales Expected to Include 232,000 60+ Day Delinquent Loans*

Including Agreements and Other Items Announced Today, Bank of America Expects Modestly Positive Fourth-Quarter 2012 Earnings Per Share (EPS)

CHARLOTTE - Bank of America today announced agreements with the Federal National Mortgage Association (Fannie Mae) to resolve outstanding and potential repurchase and certain other claims relating to the origination, sale and delivery of substantially all residential mortgage loans originated and sold directly to Fannie Mae from January 1, 2000 through December 31, 2008 by entities related to Countrywide Financial Corporation (legacy Countrywide) and Bank of America, National Association (BANA).

In addition, Bank of America announced that it signed definitive agreements to sell the servicing rights on 2.0 million residential mortgage loans totaling approximately \$306 billion, as measured by the aggregate unpaid principal balance (as of November 30, 2012).

“As we enter 2013, we sharpen our focus on serving our three customer groups and helping to move the economy forward,” said Bank of America Chief Executive Officer Brian Moynihan. “Together, these agreements are a significant step in resolving our remaining legacy mortgage issues, further streamlining and simplifying the company and reducing expenses over time.”

Fannie Mae agreements

The agreements with Fannie Mae cover loans with an aggregate original principal balance of approximately \$1.4 trillion and an aggregate outstanding principal balance of approximately \$300 billion. Unresolved claims by Fannie Mae for alleged breaches of selling representations and warranties with respect to these loans totaled \$11.2 billion of unpaid principal balance at September 30, 2012. These agreements extinguish substantially all of those unresolved claims, as well as any future representations and warranties claims associated with loans sold directly to Fannie Mae from January 1, 2000 to December 31, 2008, subject to certain exceptions which Bank of America does not expect to be material.

As part of the agreement to settle representations and warranties claims, Bank of America will make a cash payment to Fannie Mae of \$3.6 billion and also repurchase for \$6.75 billion certain residential mortgage loans sold to Fannie Mae, which Bank of America has valued at less than the purchase price. These actions are expected to be covered by existing reserves and an additional \$2.5 billion (pretax) in representations and warranties provision recorded in the fourth quarter of 2012.

Bank of America also agreed to make a cash payment to Fannie Mae to settle substantially all of Fannie Mae's outstanding and future claims for compensatory fees arising out of past foreclosure delays. This payment is expected to be covered by existing reserves and an additional provision of \$260 million (pretax) recorded in the fourth quarter of 2012.

Together, these actions described above are expected to reduce Bank of America's pretax income by approximately \$2.7 billion in the fourth quarter of 2012.

The Fannie Mae agreement also clarifies the parties' obligations with respect to mortgage insurance, including by establishing timeframes for certain payments and other actions, as well as parameters for potential bulk settlements and by providing for cooperation in future dealings with mortgage insurers.

Through these actions, Bank of America is addressing substantially all of its remaining exposure to repurchase obligations for residential mortgage loans sold directly to Fannie Mae. After giving effect to the settlement agreements with Fannie Mae announced today, the company expects to reduce the range of possible loss above existing accruals for both GSE and non-GSE representations and warranties exposures to up to \$4.0 billion at December 31, 2012, compared to up to \$6.0 billion at September 30, 2012.

Sale of mortgage servicing rights

Bank of America also announced that it signed definitive agreements with two different counterparties to sell the servicing rights on certain residential mortgage loans serviced for Fannie Mae, the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), and private label securitizations, with an aggregate unpaid principal balance of approximately \$306 billion. Transfers of servicing rights are subject to the approval or consent of certain third parties.

The sales involve approximately 2.0 million loans currently serviced by Bank of America, including approximately 232,000 loans classified as 60+ day delinquent first mortgage loans.

Prior to the above transactions, the number of loans classified as 60+ day delinquencies was approximately 775,000 loans as of December 31, 2012, down from 936,000 loans at September 30, 2012. Upon completion of these servicing transfer transactions, the number of 60+ day delinquent first mortgage loans serviced by Bank of America is expected to further decline substantially.

The transfers of servicing rights are scheduled to occur in stages over the course of 2013. The transactions are expected to have a benefit over the book value of the mortgage servicing rights of approximately \$650 million; about one-half of this amount is expected to be recorded in the fourth-quarter of 2012 related to valuation adjustments to the MSR asset, with the balance expected to be recorded in future periods at the time of servicing transfers.

“We are resolving legacy mortgage issues while balancing the needs of our customers, mortgage investors, our shareholders and communities. The sale of mortgage servicing rights to highly rated specialty servicing companies is an important step in that process,” said Ron Sturzenegger, Legacy Asset Servicing executive for Bank of America. “Bank of America will work closely with our customers, buyers and the investors who own the loans to ensure a smooth transition to their new servicer. Importantly, each of these specialty servicers has committed to adhere to the same servicing standards as provided under the National Mortgage Settlement.”

Other items expected to impact fourth-quarter 2012 results

In addition to the mortgage-related items discussed above, Bank of America expects its fourth-quarter 2012 financial results to be negatively impacted by approximately \$2.5 billion (pretax) for the independent foreclosure reviews, litigation (primarily mortgage-related), and other mortgage-related matters. Results for the fourth quarter of 2012 are also expected to include approximately \$700 million of pretax negative debit valuation adjustments (DVA) and fair value option (FVO) adjustments related to the continued improvement in the company's credit spreads.

In addition to the net tax benefit of the above items, results are also expected to be positively impacted by a benefit of \$1.3 billion, primarily related to an income tax benefit from the recognition of foreign tax credits made available from the restructuring of certain non-U.S. subsidiaries. The aforementioned tax effects have no net impact on regulatory capital during the fourth quarter of 2012.

Taking into account the effects of all the items above, Bank of America expects earnings per share to be modestly positive for the fourth-quarter of 2012. Bank of America is scheduled to report fourth-quarter 2012 financial results on January 17, 2013.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving more than 55 million consumer and small business relationships with approximately 5,500 retail banking offices and approximately 16,300 ATMs and award-winning online banking with 30 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to more than 3 million small business owners through

a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

Forward-Looking Statements

Certain statements in this news release represent the current expectations, plans or forecasts of Bank of America and are forward-looking. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements often use words like “expects,” “anticipates,” “believes,” “estimates,” “targets,” “intends,” “plans,” “predict,” “goal” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” The forward-looking statements made in this press release include, without limitation, statements concerning the agreements with Fannie Mae, the expected timing and amounts of payments to be made, sources of those payments and repurchases to be completed thereunder; statements regarding the expected materiality of certain exceptions in the agreements; expectations regarding the impact of the agreements with Fannie Mae on pretax income for the fourth quarter of 2012; claims to be extinguished by the agreements with Fannie Mae; estimates of the range of possible loss for representations and warranties exposures at December 31, 2012; expectations regarding loan levels in the servicing portfolio following completion of the contemplated servicing transfer transactions and the impact of such transactions on the company's financial results in the fourth quarter of 2012 and in future periods as servicing is transferred; the anticipated schedule for servicing transfers; statements regarding expense control measures; the company's commitment to work closely with its customers, buyers and the investors who own the loans to ensure that customers receive service attentive to their needs; the impact of certain items that are expected to affect the company's fourth-quarter 2012 financial results, including mortgage-related matters, litigation expense, DVA and FVO adjustments, and recognition of foreign tax credits; general expectations regarding EPS for the fourth quarter of 2012; and other similar matters. Forward-looking statements speak only as of the date they are made, and Bank of America undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risks, as well as those more fully discussed under Item 1A. “Risk Factors” of Bank of America's Annual Report on Form 10-K for the year ended December 31, 2011 and in any of Bank of America's other subsequent Securities and Exchange Commission filings: the company's ability to obtain required approvals or consents from third parties with respect to the MSR sale agreements, including that there is no assurance that the applicable approvals and consents will be obtained, and accordingly some of these transfers may not be consummated; and other similar matters.

Visit the Bank of America newsroom for more [Bank of America news](#).

www.bankofamerica.com

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ANNEX 3

- The extracts of the current report on Form 8-K filed by our Guarantor on 17 January 2013. The extracts are not complete and references should be made to the current report. The Form 8-K is available on <http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-sec>.

Bank of America Corporation and Subsidiaries

Consolidated Statement of Income

(Dollars in millions, except per share information; shares in thousands)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Interest income							
Loans and leases	\$ 38,880	\$ 44,966	\$ 9,366	\$ 9,597	\$ 9,744	\$ 10,173	\$ 10,512
Debt securities	8,776	9,521	2,118	2,031	1,902	2,725	2,235
Federal funds sold and securities borrowed or purchased under agreements to resell	1,502	2,147	329	353	360	460	449
Trading account assets	5,094	5,961	1,307	1,189	1,246	1,352	1,297
Other interest income	3,148	3,641	851	806	740	751	920
Total interest income	57,400	66,236	13,971	13,976	13,992	15,461	15,413
Interest expense							
Deposits	1,990	3,002	438	484	519	549	616
Short-term borrowings	3,572	4,599	855	893	943	881	921
Trading account liabilities	1,763	2,212	420	418	448	477	411
Long-term debt	9,419	11,807	1,934	2,243	2,534	2,708	2,764
Total interest expense	16,744	21,620	3,647	4,038	4,444	4,615	4,712
Net interest income	40,656	44,616	10,324	9,938	9,548	10,846	10,701
Noninterest income							
Card income	6,121	7,184	1,548	1,538	1,578	1,457	1,478
Service charges	7,600	8,094	1,820	1,934	1,934	1,912	1,982
Investment and brokerage services	11,393	11,826	2,889	2,781	2,847	2,876	2,694
Investment banking income	5,299	5,217	1,600	1,336	1,146	1,217	1,013
Equity investment income	2,070	7,360	699	238	368	765	3,227
Trading account profits	5,870	6,697	792	1,239	1,764	2,075	280
Mortgage banking income (loss)	4,750	(8,830)	(540)	2,019	1,659	1,612	2,119
Insurance income (loss)	(195)	1,346	(124)	(138)	127	(60)	143
Gains on sales of debt securities	1,662	3,374	171	339	400	752	1,192
Other income (loss)	(1,839)	6,869	(518)	(790)	603	(1,134)	140
Other-than-temporary impairment losses on available-for-sale debt securities:							
Total other-than-temporary impairment losses	(57)	(360)	(1)	(9)	(13)	(51)	(127)
Less: Portion of other-than-temporary impairment losses recognized in other comprehensive income	4	61	—	3	7	11	46
Net impairment losses recognized in earnings on available-for-sale debt securities	(53)	(299)	(1)	(6)	(6)	(40)	(81)
Total noninterest income	42,678	48,838	8,336	10,490	12,420	11,432	14,187
Total revenue, net of interest expense	83,334	93,454	18,660	20,428	21,968	22,278	24,888
Provision for credit losses	8,169	13,410	2,204	1,774	1,773	2,418	2,934
Noninterest expense							
Personnel	35,648	36,965	8,300	8,431	8,729	10,188	8,761
Occupancy	4,570	4,748	1,151	1,160	1,117	1,142	1,131
Equipment	2,269	2,340	551	561	546	611	525
Marketing	1,873	2,203	480	479	449	465	523
Professional fees	3,574	3,381	996	873	922	783	1,032
Amortization of intangibles	1,264	1,509	309	315	321	319	365
Data processing	2,961	2,652	773	640	692	856	688
Telecommunications	1,660	1,553	433	410	417	400	386
Other general operating	18,274	21,101	5,367	4,675	3,855	4,377	5,429
Goodwill impairment	—	3,184	—	—	—	—	581
Merger and restructuring charges	—	638	—	—	—	—	101
Total noninterest expense	72,093	80,274	18,360	17,544	17,048	19,141	19,522
Income (loss) before income taxes	3,072	(230)	(1,904)	1,110	3,147	719	2,432
Income tax expense (benefit)	(1,116)	(1,676)	(2,636)	770	684	66	441
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 1,991
Preferred stock dividends	1,428	1,361	365	373	365	325	407
Net income (loss) applicable to common shareholders	\$ 2,760	\$ 85	\$ 367	\$ (33)	\$ 2,098	\$ 328	\$ 1,584
Per common share information							
Earnings	\$ 0.26	\$ 0.01	\$ 0.03	\$ 0.00	\$ 0.19	\$ 0.03	\$ 0.15
Diluted earnings	0.25	0.01	0.03	0.00	0.19	0.03	0.15
Dividends paid	0.04	0.04	0.01	0.01	0.01	0.01	0.01
Average common shares issued and outstanding	10,746,028	10,142,625	10,777,204	10,776,173	10,775,695	10,651,367	10,281,397
Average diluted common shares issued and outstanding ⁽¹⁾	10,840,854	10,254,824	10,884,921	10,776,173	11,556,011	10,761,917	11,124,523

⁽¹⁾ Due to a net loss applicable to common shareholders for the third quarter of 2012, the impact of antidilutive equity instruments was excluded from diluted earnings per share and average diluted common shares.

Certain prior period amounts have been reclassified to conform to current period presentation.

This information is preliminary and based on company data available at the time of the presentation.

4

Bank of America Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income

(Dollars in millions)

	Year Ended December 31		Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011
	2012	2011					
Net income	\$ 4,188	\$ 1,446	\$ 732	\$ 340	\$ 2,463	\$ 653	\$ 1,991
Other comprehensive income, net-of-tax:							
Net change in available-for-sale debt and marketable equity securities	1,802	(4,270)	(1,169)	2,365	1,530	(924)	(2,866)
Net change in derivatives	916	(549)	381	234	(81)	382	281
Employee benefit plan adjustments	(65)	(444)	(1,171)	75	79	952	(648)
Net change in foreign currency translation adjustments	(13)	(108)	(27)	15	(32)	31	(133)
Other comprehensive income (loss)	2,640	(5,371)	(1,986)	2,689	1,496	441	(3,366)
Comprehensive income (loss)	\$ 6,828	\$ (3,925)	\$ (1,254)	\$ 3,029	\$ 3,959	\$ 1,094	\$ (1,375)

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries

Consolidated Balance Sheet

(Dollars in millions)

	December 31 2012	September 30 2012	December 31 2011
Assets			
Cash and cash equivalents	\$ 110,752	\$ 106,415	\$ 120,102
Time deposits placed and other short-term investments	18,694	15,950	26,004
Federal funds sold and securities borrowed or purchased under agreements to resell	219,924	234,034	211,183
Trading account assets	237,226	211,090	169,319
Derivative assets	53,497	57,865	73,023
Debt securities:			
Available-for-sale	286,906	305,949	276,151
Held-to-maturity, at cost	49,481	39,898	35,265
Total debt securities	336,387	345,847	311,416
Loans and leases	907,819	893,035	926,200
Allowance for loan and lease losses	(24,179)	(26,233)	(33,783)
Loans and leases, net of allowance	883,640	866,802	892,417
Premises and equipment, net	11,858	12,436	13,637
Mortgage servicing rights (includes \$5,716, \$5,087 and \$7,378 measured at fair value)	5,851	5,242	7,510
Goodwill	69,976	69,976	69,967
Intangible assets	6,684	7,030	8,021
Loans held-for-sale	19,413	16,436	13,762
Customer and other receivables	71,467	66,341	66,999
Other assets	164,605	150,698	145,686
Total assets	\$ 2,209,974	\$ 2,166,162	\$ 2,129,046
Assets of consolidated VIEs included in total assets above (isolated to settle the liabilities of the VIEs)			
Trading account assets	\$ 7,906	\$ 9,959	\$ 8,595
Derivative assets	333	546	1,634
Loans and leases	123,227	125,043	140,194
Allowance for loan and lease losses	(3,658)	(3,811)	(5,066)
Loans and leases, net of allowance	119,569	121,232	135,128
Loans held-for-sale	1,969	2,165	1,635
All other assets	4,654	3,754	4,769
Total assets of consolidated VIEs	\$ 134,431	\$ 137,656	\$ 151,761

Certain prior period amounts have been reclassified to conform to current period presentation.

Bank of America Corporation and Subsidiaries
Consolidated Balance Sheet (continued)

(Dollars in millions)

	December 31 2012	September 30 2012	December 31 2011
Liabilities			
Deposits in U.S. offices:			
Noninterest-bearing	\$ 372,546	\$ 362,646	\$ 332,228
Interest-bearing	654,332	625,200	624,814
Deposits in non-U.S. offices:			
Noninterest-bearing	7,573	6,667	6,839
Interest-bearing	70,810	68,794	69,160
Total deposits	1,105,261	1,063,307	1,033,041
Federal funds purchased and securities loaned or sold under agreements to repurchase	293,259	273,900	214,864
Trading account liabilities	73,587	72,179	60,508
Derivative liabilities	46,016	51,369	59,520
Commercial paper and other short-term borrowings	30,731	35,291	35,698
Accrued expenses and other liabilities (includes \$513, \$518 and \$714 of reserve for unfunded lending commitments)	148,579	144,976	123,049
Long-term debt	275,585	286,534	372,265
Total liabilities	1,973,018	1,927,556	1,898,945
Shareholders' equity			
Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and outstanding - 3,685,410, 3,685,410 and 3,689,084 shares	18,768	18,768	18,397
Common stock and additional paid-in capital, \$0.01 par value; authorized - 12,800,000,000 shares; issued and outstanding - 10,778,263,628, 10,777,267,465 and 10,535,937,957 shares	158,142	158,066	156,621
Retained earnings	62,843	62,583	60,520
Accumulated other comprehensive income (loss)	(2,797)	(811)	(5,437)
Total shareholders' equity	236,956	238,606	230,101
Total liabilities and shareholders' equity	\$ 2,209,974	\$ 2,166,162	\$ 2,129,046
Liabilities of consolidated VIEs included in total liabilities above			
Commercial paper and other short-term borrowings	\$ 3,731	\$ 3,872	\$ 5,777
Long-term debt	34,256	38,055	49,054
All other liabilities	360	625	1,116
Total liabilities of consolidated VIEs	\$ 38,347	\$ 42,552	\$ 55,947

Certain prior period amounts have been reclassified to conform to current period presentation.

PARTIES

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