

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2007

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number:

1-6523

Exact name of registrant as specified in its charter:

Bank of America Corporation

State of incorporation:

Delaware

IRS Employer Identification Number:

56-0906609

Address of principal executive offices:

Bank of America Corporate Center
100 N. Tryon Street
Charlotte, North Carolina 28255

Registrant's telephone number, including area code:

(704) 386-5681

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes No

On April 30, 2007, there were 4,437,771,404 shares of Bank of America Corporation Common Stock outstanding.

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Bank of America Corporation

March 31, 2007 Form 10-Q

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Bank of America Corporation and Subsidiaries		
Consolidated Statement of Income		
	Three Months Ended March 31	
	2007	2006
(Dollars in millions, except per share information)		
Interest income		
Interest and fees on loans and leases	\$ 12,884	\$ 11,127
Interest on debt securities	2,380	3,014
Federal funds sold and securities purchased under agreements to resell	1,979	1,709
Trading account assets	2,273	1,548
Other interest income	1,044	727
Total interest income	20,560	18,125
Interest expense		
Deposits	4,034	3,007
Short-term borrowings	5,318	4,309
Trading account liabilities	892	517
Long-term debt	2,048	1,516
Total interest expense	12,292	9,349
Net interest income	8,268	8,776
Noninterest income		
Card income	3,333	3,434
Service charges	2,072	1,901
Investment and brokerage services	1,149	1,103
Investment banking income	638	501
Equity investment gains	1,014	718
Trading account profits	872	1,060
Mortgage banking income	213	137
Other income	534	47
Total noninterest income	9,825	8,901
Total revenue	18,093	17,677
Provision for credit losses	1,235	1,270
Gains on sales of debt securities	62	14
Noninterest expense		
Personnel	5,025	4,813
Occupancy	713	701
Equipment	350	344
Marketing	555	575
Professional fees	229	218
Amortization of intangibles	389	440
Data processing	437	410
Telecommunications	251	220
Other general operating	1,037	1,105
Merger and restructuring charges	111	98
Total noninterest expense	9,097	8,924
Income before income taxes	7,823	7,497
Income tax expense	2,568	2,511
Net income	\$ 5,255	\$ 4,986
Net income available to common shareholders	\$ 5,209	\$ 4,981
Per common share information		
Earnings	\$ 1.18	\$ 1.08
Diluted earnings	\$ 1.16	\$ 1.07
Dividends paid	\$ 0.56	\$ 0.50
Average common shares issued and outstanding (in thousands)	4,432,664	4,609,481
Average diluted common shares issued and outstanding (in thousands)	4,497,028	4,666,405

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries		
Consolidated Balance Sheet		
(Dollars in millions)	March 31 2007	December 31 2006
Assets		
Cash and cash equivalents	\$ 31,549	\$ 36,429
Time deposits placed and other short-term investments	12,037	13,952
Federal funds sold and securities purchased under agreements to resell (includes \$1,490 measured at fair value at March 31, 2007 and \$138,639 and \$135,409 pledged as collateral)	138,646	135,478
Trading account assets (includes \$70,501 and \$92,274 pledged as collateral)	174,218	153,052
Derivative assets	25,279	23,439
Debt securities:		
Available-for-sale (includes \$127,143 and \$83,785 pledged as collateral)	180,961	192,806
Held-to-maturity, at cost (market value—\$925 and \$40)	925	40
Total debt securities	181,886	192,846
Loans and leases (includes \$3,859 measured at fair value at March 31, 2007 and \$42,306 and \$14,290 pledged as collateral)	723,633	706,490
Allowance for loan and lease losses	(8,732)	(9,016)
Loans and leases, net of allowance	714,901	697,474
Premises and equipment, net	9,271	9,255
Mortgage servicing rights (includes \$2,963 and \$2,869 measured at fair value)	3,141	3,045
Goodwill	65,696	65,662
Intangible assets	9,217	9,422
Other assets (includes \$27,565 measured at fair value at March 31, 2007)	136,316	119,683
Total assets	\$ 1,502,157	\$ 1,459,737
Liabilities		
Deposits in domestic offices:		
Noninterest-bearing	\$ 174,082	\$ 180,231
Interest-bearing (includes \$554 measured at fair value at March 31, 2007)	425,197	418,100
Deposits in foreign offices:		
Noninterest-bearing	3,346	4,577
Interest-bearing	90,176	90,589
Total deposits	692,801	693,497
Federal funds purchased and securities sold under agreements to repurchase	234,413	217,527
Trading account liabilities	77,289	67,670
Derivative liabilities	17,946	16,339
Commercial paper and other short-term borrowings	156,844	141,300
Accrued expenses and other liabilities (includes \$377 measured at fair value at March 31, 2007 and \$374 and \$397 of reserve for unfunded lending commitments)	35,446	42,132
Long-term debt	152,562	146,000
Total liabilities	1,367,301	1,324,465
Commitments and contingencies (Notes 8 and 10)		
Shareholders' equity		
Preferred stock, \$0.01 par value; authorized—100,000,000 shares; issued and outstanding—121,739 shares	2,851	2,851
Common stock and additional paid-in capital, \$0.01 par value; authorized—7,500,000,000 shares; issued and outstanding—4,439,069,837 and 4,458,151,391 shares	60,536	61,574
Retained earnings	79,996	79,024
Accumulated other comprehensive income (loss)	(7,660)	(7,711)
Other	(867)	(466)
Total shareholders' equity	134,856	135,272
Total liabilities and shareholders' equity	\$ 1,502,157	\$ 1,459,737

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity

(Dollars in millions, shares in thousands)	Preferred Stock	Common Stock and Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Income (Loss) ⁽¹⁾		Total Shareholders' Equity	Comprehensive Income
		Shares	Amount		Other			
Balance, December 31, 2005	\$ 271	3,999,688	\$41,693	\$67,552	\$ (7,556)	\$(427)	\$ 101,533	
Net income				4,986			4,986	\$ 4,986
Net changes in unrealized losses on available-for-sale debt and marketable equity securities					(2,019)		(2,019)	(2,019)
Net changes in unrealized gains on foreign currency translation adjustments					42		42	42
Net changes in derivatives					552		552	552
Cash dividends paid:								
Common				(2,329)			(2,329)	
Preferred				(5)			(5)	
Common stock issued under employee plans and related tax benefits		38,935	1,704			(346)	1,358	
Stock issued in acquisition ⁽²⁾		631,145	29,377				29,377	
Common stock repurchased		(88,450)	(4,069)				(4,069)	
Balance, March 31, 2006	\$ 271	4,581,318	\$68,705	\$70,204	\$ (8,981)	\$(773)	\$ 129,426	\$ 3,561
Balance, December 31, 2006	\$ 2,851	4,458,151	\$61,574	\$79,024	\$ (7,711)	\$(466)	\$ 135,272	
Cumulative adjustment for accounting changes ⁽³⁾ :								
Leveraged leases				(1,381)			(1,381)	
Fair value option and measurement				(208)			(208)	
Income tax uncertainties				(146)			(146)	
Net income				5,255			5,255	\$ 5,255
Net changes in unrealized losses on available-for-sale debt and marketable equity securities					(108)		(108)	(108)
Net changes in unrealized losses on foreign currency translation adjustments					(12)		(12)	(12)
Net changes in derivatives					140		140	140
Amortization of costs included in net periodic benefit costs					31		31	31
Cash dividends paid:								
Common				(2,502)			(2,502)	
Preferred				(46)			(46)	
Common stock issued under employee plans and related tax benefits		28,919	1,468			(401)	1,067	
Common stock repurchased		(48,000)	(2,506)				(2,506)	
Balance, March 31, 2007	\$ 2,851	4,439,070	\$60,536	\$79,996	\$ (7,660)	\$(867)	\$ 134,856	\$ 5,306

⁽¹⁾At March 31, 2007 and December 31, 2006, accumulated other comprehensive income (loss) (OCI) includes net gains (losses) on derivatives of \$(3,557) million and \$(3,697) million; net unrealized gains (losses) on available-for-sale (AFS) debt and marketable equity securities of \$(2,841) million and \$(2,733) million; unamortized net periodic benefit costs of \$(1,397) million and \$(1,428) million, and net unrealized gains (losses) on foreign currency translation adjustments of \$135 million and \$147 million. Amounts shown are net of tax. For additional information on accumulated OCI, see Note 11 of the Consolidated Financial Statements.

⁽²⁾Includes adjustment for the fair value of outstanding MBNA Corporation (MBNA) stock options of \$435 million.

⁽³⁾Effective January 1, 2007, the Corporation adopted FSP 13-2, SFAS 157, SFAS 159 and FIN 48. For additional information on the adoption of these accounting pronouncements, see Note 1 of the Consolidated Financial Statements.

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries		
Consolidated Statement of Cash Flows		
(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Operating activities		
Net income	\$ 5,255	\$ 4,986
Reconciliation of net income to net cash provided by (used in) operating activities:		
Provision for credit losses	1,235	1,270
Gains on sales of debt securities	(62)	(14)
Depreciation and premises improvements amortization	275	278
Amortization of intangibles	389	440
Deferred income tax expense	244	326
Net (increase) decrease in trading and derivative instruments	(8,356)	18,388
Net increase in other assets	(12,126)	(15,790)
Net increase (decrease) in accrued expenses and other liabilities	(6,740)	487
Other operating activities, net	255	(1,873)
Net cash provided by (used in) operating activities	(19,631)	8,498
Investing activities		
Net decrease in time deposits placed and other short-term investments	1,927	2,671
Net (increase) decrease in federal funds sold and securities purchased under agreements to resell	(3,348)	12,704
Proceeds from sales of available-for-sale debt securities	4,173	7,032
Proceeds from paydowns and maturities of available-for-sale debt securities	5,157	5,357
Purchases of available-for-sale debt securities	(2,934)	(26,548)
Proceeds from maturities of held-to-maturity debt securities	24	—
Proceeds from sales of loans and leases	17,527	6,819
Other changes in loans and leases, net	(44,304)	(16,442)
Net (purchases) dispositions of premises and equipment	(358)	140
Proceeds from sales of foreclosed properties	38	32
(Acquisition) divestiture of business activities, net	(460)	(3,519)
Other investing activities, net	(2,040)	(380)
Net cash used in investing activities	(24,598)	(12,134)
Financing activities		
Net increase in deposits	4,471	19,021
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	16,985	(4,521)
Net increase (decrease) in commercial paper and other short-term borrowings	15,617	(18,828)
Proceeds from issuance of long-term debt	16,927	10,197
Retirement of long-term debt	(10,050)	(1,330)
Proceeds from issuance of common stock	323	948
Common stock repurchased	(2,506)	(4,069)
Cash dividends paid	(2,548)	(2,334)
Excess tax benefits of share-based payments	148	75
Other financing activities, net	(10)	50
Net cash provided by (used in) financing activities	39,357	(791)
Effect of exchange rate changes on cash and cash equivalents	(8)	3
Net decrease in cash and cash equivalents	(4,880)	(4,424)
Cash and cash equivalents at January 1	36,429	36,999
Cash and cash equivalents at March 31	\$ 31,549	\$ 32,575

During the three months ended March 31, 2007, the Corporation sold its operations in Chile and Uruguay for equity in Banco Itaú Holding Financeira S.A. and its assets in BankBoston Argentina for the assumption of its liabilities. The total assets and liabilities in these divestitures were \$6.1 billion and \$5.6 billion.

During the three months ended March 31, 2007, there were \$3.7 billion of AFS debt securities that were transferred to trading account assets following the adoption of SFAS 159.

The fair values of noncash assets acquired and liabilities assumed in the MBNA merger were \$83.3 billion and \$50.4 billion at January 1, 2006.

Approximately 631 million shares of common stock, valued at approximately \$28.9 billion were issued in connection with the MBNA merger at January 1, 2006.

See accompanying Notes to Consolidated Financial Statements.

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Bank of America Corporation and Subsidiaries **Notes to Consolidated Financial Statements**

Bank of America Corporation and its subsidiaries (the Corporation), through its banking and nonbanking subsidiaries, provides a diverse range of financial services and products throughout the U.S. and in selected international markets. At March 31, 2007, the Corporation operated its banking activities primarily under two charters: Bank of America, National Association (Bank of America, N.A.) and FIA Card Services, N.A.

NOTE 1 – Summary of Significant Accounting Principles

Principles of Consolidation and Basis of Presentation

The Consolidated Financial Statements include the accounts of the Corporation and its majority-owned subsidiaries, and those variable interest entities (VIEs) where the Corporation is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated.

The information contained in the Consolidated Financial Statements is unaudited. In the opinion of management, normal recurring adjustments necessary for a fair statement of the interim period results have been made. Results of operations of companies purchased are included from the dates of acquisition.

Effective January 1, 2007, the Corporation changed its basis of presentation for its business segments. For additional information see Note 16 of the Consolidated Financial Statements.

Prior period amounts have been reclassified to conform to current period presentation.

Recently Adopted Accounting Pronouncements

Effective January 1, 2007, the Corporation adopted Statement of Financial Accounting Standards (SFAS) No. 157, “Fair Value Measurements” (SFAS 157) and SFAS No. 159 “The Fair Value Option for Financial Assets and Financial Liabilities” (SFAS 159). SFAS 157 defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States (GAAP) and enhances disclosures about fair value measurements. Fair value is defined under SFAS 157 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 159 allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The impact of adopting both SFAS 157 and SFAS 159 reduced the beginning balance of retained earnings as of January 1, 2007 by \$208 million, net of tax. Subsequent changes in fair value of these financial assets and liabilities are recognized in earnings when they occur. For additional information on the fair value of certain financial assets and liabilities, see Note 14 of the Consolidated Financial Statements.

Effective January 1, 2007, the Corporation adopted FASB Staff Position (FSP) No. FAS 13-2, “Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction” (FSP 13-2). The principal provision of FSP 13-2 is the requirement that a lessor recalculate the recognition of lease income when there is a change in the estimated timing of the cash flows relating to income taxes generated by such leveraged lease. The adoption of FSP 13-2 reduced the beginning balance of retained earnings as of January 1, 2007 by \$1,381 million, net of tax, with a corresponding offset decreasing the net investment in leveraged leases recorded as part of loans and leases. Following the adoption, if during the remainder of the lease term the timing of the income tax cash flows generated by the leveraged leases are revised as a result of final determination by the Internal Revenue Service of certain leveraged leases or management changes its assumption about the timing of the tax cash flows, the rate of return shall be recalculated from the inception of the lease using the revised assumption and the change in the net investment shall be recognized as a gain or loss in the year in which the assumption is changed.

Effective January 1, 2007, the Corporation adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109” (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. FIN 48 prescribes a

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comprehensive model for the financial statement recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns. The adoption of FIN 48 reduced the beginning balance of retained earnings as of January 1, 2007 by \$146 million and increased goodwill by \$52 million. For additional information on income taxes, see Note 13 of the Consolidated Financial Statements.

For additional information on recently issued accounting pronouncements and other significant accounting principles, see Note 1 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

NOTE 2 – MBNA Merger and Restructuring Activity

On January 1, 2006, the Corporation acquired 100 percent of the outstanding stock of MBNA through a tax-free merger. MBNA's results of operations were included in the Corporation's results beginning January 1, 2006.

Merger and Restructuring Charges

Merger and restructuring charges are recorded in the Consolidated Statement of Income and include incremental costs to integrate the operations of the Corporation and MBNA. These charges represent costs associated with these one-time activities and do not represent ongoing costs of the fully integrated combined organization. The following table presents severance and employee-related charges, systems integrations and related charges, and other merger-related charges.

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Severance and employee-related charges	\$ 12	\$ 20
Systems integrations and related charges	79	48
Other	20	30
Total merger and restructuring charges	\$ 111	\$ 98

Exit Cost and Restructuring Reserves

As of December 31, 2006, there were \$125 million of exit cost reserves, including \$121 million for severance, relocation and other employee-related expenses and \$4 million for contract terminations. Cash payments of \$26 million during the three months ended March 31, 2007 consisted of \$24 million of severance, relocation and other employee-related costs and \$2 million of contract terminations. The impact of these items reduced the balance in the liability to \$99 million at March 31, 2007.

As of December 31, 2006, there were \$67 million of restructuring reserves remaining, including \$58 million related to severance and other employee-related expenses and \$9 million related to contract terminations. During the three months ended March 31, 2007, \$11 million was recorded to the restructuring reserves. During the three months ended March 31, 2007, cash payments of \$28 million for severance and other employee-related costs and \$5 million of contract terminations have reduced this liability. The net impact of these items resulted in a balance of \$45 million at March 31, 2007.

Payments under exit cost and restructuring reserves associated with the MBNA merger are expected to be substantially completed in 2007. The following table presents the changes in exit cost and restructuring reserves for the three months ended March 31, 2007 and 2006.

(Dollars in millions)	Three Months Ended March 31			
	Exit Cost Reserves ⁽¹⁾		Restructuring Reserves ⁽²⁾	
	2007	2006	2007	2006
Balance, January 1,	\$125	\$ —	\$ 67	\$ —
MBNA exit costs	—	269	—	—
Restructuring charges	—	—	11	34
Cash payments	(26)	(22)	(33)	—
Balance, March 31	\$ 99	\$247	\$ 45	\$ 34

(1) Exit cost reserves were established in purchase accounting resulting in an increase in goodwill.

(2) Restructuring reserves were established by a charge to merger and restructuring charges.

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NOTE 3 – Trading Account Assets and Liabilities

The following table presents the fair values of the components of trading account assets and liabilities at March 31, 2007 and December 31, 2006.

(Dollars in millions)	March 31 2007	December 31 2006
Trading account assets		
Corporate securities, trading loans and other	\$ 63,705	\$ 53,923
U.S. government and agency securities ⁽¹⁾	43,629	36,656
Equity securities	31,362	27,103
Mortgage trading loans and asset-backed securities	16,111	15,449
Foreign sovereign debt	19,411	19,921
Total trading account assets	\$174,218	\$ 153,052
Trading account liabilities		
U.S. government and agency securities	\$ 32,713	\$ 26,760
Equity securities	26,540	23,908
Foreign sovereign debt	10,133	9,261
Corporate securities and other	7,903	7,741
Total trading account liabilities	\$ 77,289	\$ 67,670

⁽¹⁾Includes \$23.0 billion and \$22.7 billion at March 31, 2007 and December 31, 2006 of government-sponsored enterprise obligations that are not backed by the full faith and credit of the U.S. Government.

NOTE 4 – Derivatives

All derivatives are recognized on the Consolidated Balance Sheet at fair value, taking into consideration the effects of legally enforceable master netting agreements that allow the Corporation to settle positive and negative positions and offset cash collateral held with the same counterparty on a net basis. For exchange-traded contracts, fair value is based on quoted market prices. For non-exchange traded contracts, fair value is based on dealer quotes, pricing models or quoted prices for instruments with similar characteristics. The Corporation designates at inception whether the derivative contract is considered hedging or non-hedging for SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) accounting purposes. Derivatives held for trading purposes are included in derivative assets or derivative liabilities with changes in fair value reflected in trading account profits. Other derivatives that are used as economic hedges, but not designated in a hedging relationship for accounting purposes, are also included in derivative assets or derivative liabilities with changes in fair value recorded in mortgage banking income or other income. A detailed discussion of derivative trading activities and asset and liability management (ALM) activities are presented in Notes 1 and 4 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

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The following table presents the contract/notional amounts and credit risk amounts at March 31, 2007 and December 31, 2006 of all the Corporation's derivative positions. These derivative positions are primarily executed in the over-the-counter market. Credit risk associated with derivatives is measured as the net replacement cost in the event the counterparties with contracts in a gain position to the Corporation completely fail to perform under the terms of those contracts. The credit risk amounts take into consideration the effects of legally enforceable master netting agreements, and on an aggregate basis have been reduced by the cash collateral applied against derivative assets. At March 31, 2007 and December 31, 2006, the cash collateral applied against derivative assets on the Consolidated Balance Sheet was \$8.7 billion and \$7.3 billion. In addition, at March 31, 2007 and December 31, 2006, the cash collateral placed against derivative liabilities was \$6.0 billion and \$6.5 billion.

(Dollars in millions)	March 31, 2007		December 31, 2006	
	Contract/ Notional	Credit Risk	Contract/ Notional	Credit Risk
Interest rate contracts				
Swaps	\$ 19,305,549	\$ 9,834	\$ 18,185,655	\$ 9,601
Futures and forwards	2,690,359	56	2,283,579	103
Written options	1,264,115	—	1,043,933	—
Purchased options	1,645,827	1,808	1,308,888	2,212
Foreign exchange contracts				
Swaps	492,428	4,292	451,462	4,241
Spot, futures and forwards	1,378,049	2,296	1,234,009	2,995
Written options	421,185	—	464,420	—
Purchased options	494,530	1,079	414,004	1,391
Equity contracts				
Swaps	47,308	1,225	32,247	577
Futures and forwards	22,511	31	19,947	24
Written options	197,572	—	102,902	—
Purchased options	233,146	10,759	104,958	7,513
Commodity contracts				
Swaps	6,565	948	4,868	1,129
Futures and forwards	18,481	6	13,513	2
Written options	12,484	—	9,947	—
Purchased options	10,663	199	6,796	184
Credit derivatives	2,025,200	1,482	1,497,869	756
Credit risk before cash collateral		34,015		30,728
Less: Cash collateral applied		8,736		7,289
Total derivative assets		\$ 25,279		\$ 23,439

The average fair value of derivative assets, less cash collateral, for the three months ended March 31, 2007 and December 31, 2006 was \$25.1 billion and \$24.3 billion. The average fair value of derivative liabilities for the three months ended March 31, 2007 and December 31, 2006 was \$17.7 billion and \$17.1 billion.

Fair Value and Cash Flow Hedges

The Corporation uses various types of interest rate and foreign exchange derivative contracts to protect against changes in the fair value of its assets and liabilities due to fluctuations in interest rates and exchange rates (fair value hedges). The Corporation also uses these types of contracts to protect against changes in the cash flows of its assets and liabilities, and other forecasted transactions (cash flow hedges). During the next 12 months, net losses on derivative instruments included in accumulated other comprehensive income (OCI) of approximately \$1.0 billion (\$653 million after-tax) are expected to be reclassified into earnings. These net losses reclassified into earnings are expected to decrease income or increase expense on the respective hedged items.

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The following table summarizes certain information related to the Corporation's derivative hedges accounted for under SFAS 133 for the three months ended March 31, 2007 and 2006.

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Fair value hedges		
Hedge ineffectiveness recognized in earnings ⁽¹⁾	\$ 2	\$ (19)
Cash flow hedges		
Hedge ineffectiveness recognized in earnings ⁽¹⁾	—	(1)
Net investment hedges		
Gains (losses) included in foreign currency translation adjustments within accumulated OCI	(35)	10

(1) Hedge ineffectiveness was recognized within net interest income in the Consolidated Statement of Income for the three months ended March 31, 2007 and 2006.

NOTE 5 – Securities

The amortized cost, gross unrealized gains and losses, and fair value of available-for-sale (AFS) debt and marketable equity securities, and held-to-maturity debt securities at March 31, 2007 and December 31, 2006 were:

(Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale debt securities, March 31, 2007				
U.S. Treasury securities and agency debentures	\$ 692	\$ —	\$ (6)	\$ 686
Mortgage-backed securities	157,148	3	(4,490)	152,661
Foreign securities	7,935	2	(44)	7,893
Corporate/Agency bonds	4,151	—	(73)	4,078
Other taxable securities ⁽¹⁾	9,814	9	(48)	9,775
Total taxable securities	179,740	14	(4,661)	175,093
Tax-exempt securities	5,887	12	(31)	5,868
Total available-for-sale debt securities	\$185,627	\$ 26	\$ (4,692)	\$180,961
Available-for-sale marketable equity securities ⁽²⁾	\$ 2,648	\$ 184	\$ (73)	\$ 2,759
Available-for-sale debt securities, December 31, 2006				
U.S. Treasury securities and agency debentures	\$ 697	\$ —	\$ (9)	\$ 688
Mortgage-backed securities	161,693	4	(4,804)	156,893
Foreign securities	12,126	2	(78)	12,050
Corporate/Agency bonds	4,699	—	(96)	4,603
Other taxable securities ⁽¹⁾	12,077	10	(38)	12,049
Total taxable securities	191,292	16	(5,025)	186,283
Tax-exempt securities	6,493	64	(34)	6,523
Total available-for-sale debt securities	\$197,785	\$ 80	\$ (5,059)	\$192,806
Available-for-sale marketable equity securities ⁽²⁾	\$ 2,799	\$ 408	\$ (10)	\$ 3,197
Held-to-maturity debt securities, March 31, 2007				
Taxable securities	\$ 909	\$ —	\$ —	\$ 909
Tax-exempt securities	16	—	—	16
Total held-to-maturity debt securities	\$ 925	\$ —	\$ —	\$ 925
Held-to-maturity debt securities, December 31, 2006				
Taxable securities	\$ 1	\$ —	\$ —	\$ 1
Tax-exempt securities	39	—	—	39
Total held-to-maturity debt securities	\$ 40	\$ —	\$ —	\$ 40

(1) Includes asset-backed securities.

(2) Represents those AFS marketable equity securities that are recorded in other assets on the Consolidated Balance Sheet.

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At March 31, 2007 and December 31, 2006, accumulated net unrealized losses on AFS debt and marketable equity securities included in accumulated OCI were \$2.8 billion and \$2.9 billion, net of the related income tax benefit of \$1.8 billion and \$1.7 billion, respectively. Effective January 1, 2007, the Corporation redesignated \$909 million of securities at amortized cost from AFS to held-to-maturity.

For all AFS debt and marketable equity securities that are in an unrealized loss position, we have the intent and ability to hold these securities to recovery.

Strategic Investments

The Corporation owns approximately nine percent, or 19.1 billion shares, of the stock of China Construction Bank (CCB) which is recorded in other assets. These shares are accounted for at cost as they are non-transferable until October 2008. The Corporation also holds an option to increase its ownership interest in CCB to 19.9 percent. This option expires in February 2011.

Additionally, the Corporation owns \$2.6 billion in preferred stock of Banco Itaú Holding Financeira S.A. (Banco Itaú), which is recorded in other assets. These shares are accounted for at cost as they are non-transferable until May 2009.

The shares of CCB and Banco Itaú are currently carried at cost but, as required by GAAP, will be accounted for as AFS marketable equity securities and carried at fair value with an offset to accumulated OCI beginning in the fourth quarter of 2007 and second quarter of 2008, respectively. The fair values of the CCB shares and Banco Itaú shares were approximately \$10.9 billion and \$3.1 billion at March 31, 2007.

For additional information on securities, see Notes 1 and 5 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

NOTE 6 – Outstanding Loans and Leases

Outstanding loans and leases at March 31, 2007 and December 31, 2006 were:

(Dollars in millions)	March 31 2007	December 31 2006
Consumer		
Residential mortgage	\$254,845	\$ 241,181
Credit card—domestic	54,490	61,195
Credit card—foreign	11,430	10,999
Home equity ⁽¹⁾	91,725	87,896
Direct/Indirect consumer ⁽¹⁾	62,124	55,501
Other consumer ^(1, 2)	8,189	8,933
Total consumer	482,803	465,705
Commercial		
Commercial—domestic	160,190	161,982
Commercial real estate ⁽³⁾	36,022	36,258
Commercial lease financing	19,988	21,864
Commercial—foreign	20,771	20,681
Total commercial loans measured at historical cost	236,971	240,785
Commercial loans measured at fair value ⁽⁴⁾	3,859	n/a
Total commercial	240,830	240,785
Total loans and leases	\$723,633	\$ 706,490

(1) Home equity loans of \$13.0 billion at December 31, 2006 have been reclassified to home equity from direct/indirect consumer and other consumer to conform to the current period presentation.

(2) Includes foreign consumer loans of \$4.7 billion and \$6.2 billion, and consumer finance loans of \$3.5 billion and \$2.8 billion at March 31, 2007 and December 31, 2006.

(3) Includes domestic commercial real estate loans of \$35.4 billion and \$35.7 billion, and foreign commercial real estate loans of \$606 million and \$578 million at March 31, 2007 and December 31, 2006.

(4) Certain commercial loans are measured at fair value in accordance with SFAS 159 and include commercial – domestic loans of \$2.75 billion, commercial — foreign loans of \$932 million and commercial real estate loans of \$179 million at March 31, 2007. See Note 14 of the Consolidated Financial Statements for additional discussion of fair value for certain financial instruments.

n/a= not applicable

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The following table presents the recorded loan amounts, without consideration for the specific component of the allowance for loan and lease losses, that were considered individually impaired in accordance with SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," (SFAS 114) at March 31, 2007 and December 31, 2006. SFAS 114 impairment includes performing troubled debt restructurings and excludes all commercial leases.

(Dollars in millions)	March 31 2007	December 31 2006
Commercial—domestic	\$ 513	\$ 586
Commercial real estate	189	118
Commercial—foreign	29	13
Total impaired loans	\$ 731	\$ 717

At March 31, 2007 and December 31, 2006, nonperforming loans and leases, including impaired and nonaccrual consumer loans, totaled \$2.0 billion and \$1.8 billion. In addition, included in other assets were consumer and commercial nonperforming loans held-for-sale of \$94 million and \$80 million at March 31, 2007 and December 31, 2006.

NOTE 7 – Allowance for Credit Losses

The following table summarizes the changes in the allowance for credit losses for the three months ended March 31, 2007 and 2006.

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Allowance for loan and lease losses, January 1	\$ 9,016	\$ 8,045
Transition adjustment due to the adoption of SFAS 159	(32)	—
MBNA balance, January 1, 2006	—	577
Loans and leases charged off	(1,743)	(1,117)
Recoveries of loans and leases previously charged off	316	295
Net charge-offs	(1,427)	(822)
Provision for loan and lease losses	1,228	1,270
Other	(53)	(3)
Allowance for loan and lease losses, March 31	8,732	9,067
Reserve for unfunded lending commitments, January 1	397	395
Transition adjustment due to the adoption of SFAS 159	(28)	—
Provision for unfunded lending commitments	7	—
Other	(2)	—
Reserve for unfunded lending commitments, March 31	374	395
Total allowance for credit losses	\$ 9,106	\$ 9,462

NOTE 8 – Securitizations

The Corporation securitizes credit card, other consumer and commercial loans. With each securitization the Corporation may retain all or a portion of the securities, subordinated tranches, interest-only strips, subordinated interests in accrued interest and fees on the securitized receivables, and, in some cases, cash reserve accounts, all of which are known as retained interests. These retained interests are carried at fair value or amounts that approximate fair value. Changes in the fair value of the credit card interest-only strips are recorded in card income. For all other retained interests the changes in fair value are recorded in accumulated OCI. The securitized loans may be serviced by the Corporation or by third parties.

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The Corporation also uses other special purpose financing entities to access the commercial paper market for other lending, leasing and real estate activities.

As of March 31, 2007 and December 31, 2006 the aggregate debt securities outstanding for the Corporation's credit card securitization trusts were \$97.9 billion and \$96.8 billion. Key assumptions used in measuring the fair value of certain interests that continue to be held by the Corporation (included in other assets) from credit card securitizations and the sensitivity of the current fair value of residual cash flows to changes in those assumptions are as follows:

(Dollars in millions)	March 31 2007		December 31 2006
Carrying amount of residual interests (at fair value)⁽¹⁾	\$ 2,935		\$ 2,929
Balance of unamortized securitized loans	99,507		98,295
Weighted average life to call or maturity (in years)	0.3		0.3
Monthly payment rate	11.0-16.7	%	11.2-19.8
Impact on fair value of 10% favorable change	\$ 56		\$ 43
Impact on fair value of 25% favorable change	162		133
Impact on fair value of 10% adverse change	(41)		(38)
Impact on fair value of 25% adverse change	(92)		(82)
Expected credit losses (annual rate)	3.3-6.0	%	3.8-5.8
Impact on fair value of 10% favorable change	\$ 107		\$ 86
Impact on fair value of 25% favorable change	268		218
Impact on fair value of 10% adverse change	(107)		(85)
Impact on fair value of 25% adverse change	(268)		(211)
Residual cash flows discount rate (annual rate)	12.0	%	12.5
Impact on fair value of 100 bps favorable change	\$ 14		\$ 12
Impact on fair value of 200 bps favorable change	21		17
Impact on fair value of 100 bps adverse change	(16)		(14)
Impact on fair value of 200 bps adverse change	(32)		(27)

⁽¹⁾Residual interests include interest-only strips, subordinated tranches, subordinated interests in accrued interest and fees on the securitized receivables and cash reserve accounts which are carried at fair value or amounts that approximate fair value.

The sensitivities in the preceding table are hypothetical and should be used with caution. As the amounts indicate, changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of an interest that continues to be held by the Corporation is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which might magnify or counteract the sensitivities. Additionally, the Corporation has the ability to hedge interest rate risk associated with retained residual positions. The above sensitivities do not reflect any hedge strategies that may be undertaken to mitigate such risk.

Principal proceeds from collections reinvested in revolving credit card securitizations were \$44.7 billion and \$39.1 billion for the three months ended March 31, 2007 and 2006. Contractual credit card servicing fee income totaled \$509 million and \$440 million for the three months ended March 31, 2007 and 2006. Other cash flows received on credit card securitization interests that continued to be held by the Corporation were \$1.7 billion and \$1.8 billion for the three months ended March 31, 2007 and 2006.

Variable Interest Entities

At March 31, 2007 and December 31, 2006, the assets and liabilities of the Corporation's multi-seller asset-backed commercial paper conduits that have been consolidated in accordance with FASB Interpretation No. 46 (Revised December 2003), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51" were reflected in AFS and held-to-maturity debt securities, other assets, and commercial paper and other short-term borrowings. As of March 31, 2007 and December 31, 2006, the Corporation held \$10.6 billion and \$10.5 billion of assets in these entities, and in the unlikely event that all of the assets in the VIEs become worthless, the Corporation's maximum loss exposure associated with these entities including unfunded lending commitments would be approximately \$13.2 billion and \$12.9 billion. In addition, the Corporation had net investments in leveraged lease trusts totaling \$6.5 billion and \$8.6 billion at March 31, 2007 and

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December 31, 2006. These amounts, which were reflected in loans and leases, represent the Corporation's maximum loss exposure to these entities in the unlikely event that the leveraged lease investments become worthless. Debt issued by the leveraged lease trusts is nonrecourse to the Corporation. The Corporation also had contractual relationships with other consolidated VIEs that engage in leasing or lending activities or real estate joint ventures. As of March 31, 2007 and December 31, 2006, the amount of assets of these entities was \$3.2 billion and \$3.3 billion, and in the unlikely event that all of the assets in the VIEs become worthless, the Corporation's maximum possible loss exposure would be \$1.5 billion and \$1.6 billion.

Additionally, the Corporation had significant variable interests in other VIEs that it did not consolidate because it was not deemed to be the primary beneficiary. In such cases, the Corporation does not absorb the majority of the entities' expected losses nor does it receive a majority of the entities' expected residual returns. These entities typically support the financing needs of the Corporation's customers by facilitating their access to the commercial paper markets. The Corporation functions as administrator and provides either liquidity and letters of credit, or derivatives to the VIE. The Corporation also provides asset management and related services to or invests in other special purpose vehicles that engage in lending, investing, or real estate activities. Total assets of these entities at March 31, 2007 and December 31, 2006 were approximately \$54.1 billion and \$51.9 billion. Revenues associated with administration, liquidity, letters of credit and other services were approximately \$33 million and \$29 million for the three months ended March 31, 2007 and 2006. At March 31, 2007 and December 31, 2006, in the unlikely event that all of the assets in the VIEs become worthless, the Corporation's maximum loss exposure associated with these VIEs would be approximately \$51.7 billion and \$46.0 billion, which is net of amounts syndicated.

Management does not believe losses resulting from the Corporation's involvement with the entities discussed above will be material. See Notes 1 and 9 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K for additional discussion of special purpose financing entities.

NOTE 9 – Goodwill and Intangibles

The following table presents allocated goodwill at March 31, 2007 and December 31, 2006 for each business segment and *All Other*.

(Dollars in millions)	March 31 2007	December 31 2006
Global Consumer and Small Business Banking	\$38,813	\$ 38,760
Global Corporate and Investment Banking	21,425	21,420
Global Wealth and Investment Management	5,243	5,243
All Other	215	239
Total goodwill	\$65,696	\$ 65,662

The gross carrying values and accumulated amortization related to intangible assets at March 31, 2007 and December 31, 2006 are presented below:

(Dollars in millions)	March 31, 2007		December 31, 2006	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Purchased credit card relationships	\$ 6,791	\$ 1,360	\$ 6,790	\$ 1,159
Core deposit intangibles	3,847	2,503	3,850	2,396
Affinity relationships	1,675	259	1,650	205
Other intangibles	1,686	660	1,525	633
Total intangible assets	\$ 13,999	\$ 4,782	\$ 13,815	\$ 4,393

Amortization of intangibles expense was \$389 million and \$440 million for the three months ended March 31, 2007 and 2006. The Corporation estimates that aggregate amortization expense is expected to be approximately \$370 million, \$360 million, and \$350 million for the second, third and fourth quarters of 2007. In addition, the Corporation estimates the aggregate amortization expense will be approximately \$1.3 billion, \$1.2 billion, \$1.0 billion, \$900 million and \$800 million for 2008 through 2012, respectively.

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NOTE 10 – Commitments and Contingencies

In the normal course of business, the Corporation enters into a number of off-balance sheet commitments. These commitments expose the Corporation to varying degrees of credit and market risk and are subject to the same credit and market risk limitation reviews as those instruments recorded on the Corporation's Consolidated Balance Sheet.

Credit Extension Commitments

The Corporation enters into commitments to extend credit such as loan commitments, standby letters of credit and commercial letters of credit to meet the financing needs of its customers. For additional information on commitments to extend credit, see Note 13 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K. The outstanding unfunded lending commitments shown in the following table have been reduced by amounts participated to other financial institutions of \$36.4 billion and \$30.5 billion at March 31, 2007 and December 31, 2006. The carrying amount for these commitments, which represents the liability recorded related to these instruments, at March 31, 2007 and December 31, 2006 was \$782 million and \$444 million. At March 31, 2007, the carrying amount included deferred revenue of \$31 million, a reserve for unfunded lending commitments of \$374 million and the fair value of certain unfunded commitments of \$377 million that are recorded in accrued expenses and other liabilities. See Note 14 of the Consolidated Financial Statements for additional information on the adoption of SFAS 159. At March 31, 2007, the notional amount of total legally binding commitments measured at fair value in accordance with SFAS 159 was \$21.5 billion. The table below only reflects the commitments notional value and excludes the fair value adjustments of \$377 million. At December 31, 2006, the carrying amount included deferred revenue of \$47 million and a reserve for unfunded lending commitments of \$397 million.

(Dollars in millions)	March 31 2007	December 31 2006
Loan commitments ⁽¹⁾	\$ 346,384	\$ 338,205
Home equity lines of credit	102,726	98,200
Standby letters of credit and financial guarantees	53,235	53,006
Commercial letters of credit	4,308	4,482
Legally binding commitments	506,653	493,893
Credit card lines	869,826	853,592
Total credit extension commitments	\$ 1,376,479	\$ 1,347,485

⁽¹⁾Included at March 31, 2007 and December 31, 2006, were equity commitments of \$1.7 billion and \$2.8 billion, related to obligations to further fund equity investments.

Legally binding commitments to extend credit generally have specified rates and maturities. Certain of these commitments have adverse change clauses that help to protect the Corporation against deterioration in the borrowers' ability to pay.

Other Commitments

At March 31, 2007 and December 31, 2006, charge cards (nonrevolving card lines) to individuals and government entities, both of which are guaranteed by the U.S. government, in the amount of \$9.6 billion were not included in credit card line commitments in the previous table. The outstanding balances related to these charge cards were \$212 million and \$193 million at March 31, 2007 and December 31, 2006.

At March 31, 2007, the Corporation had whole mortgage loan purchase commitments of \$4.4 billion and whole loan sale commitments of \$415 million, all of which will settle in the second quarter of 2007. At December 31, 2006, the Corporation had whole mortgage loan purchase commitments of \$8.5 billion, all of which settled in the first quarter of 2007.

At March 31, 2007 the Corporation had home equity loan purchase commitments of \$1.3 billion, all of which will settle in the second quarter of 2007. At December 31, 2006 the Corporation had home equity loan purchase commitments of \$362 million, all of which settled in the first quarter of 2007.

The Corporation is a party to operating leases for certain of its premises and equipment. Commitments under these leases approximate \$1.2 billion, \$1.2 billion, \$1.1 billion, \$970 million, and \$840 million for 2007 through 2011, respectively, and \$6.2 billion for all years thereafter.

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In 2005, the Corporation entered into an agreement for the committed purchase of retail automotive loans over a five-year period ending June 30, 2010. In 2006, the Corporation purchased \$7.5 billion of such loans. Under the agreement, the Corporation is committed to purchase up to \$5.0 billion of such loans for the period July 1, 2006 through June 30, 2007, of which \$2.5 billion is still outstanding at March 31, 2007, and up to \$10.0 billion in each of the agreement's following three fiscal years. As of March 31, 2007, the remaining commitment amount was \$32.5 billion.

Other Guarantees

The Corporation provides credit and debit card processing services to various merchants by processing credit and debit card transactions on their behalf. In connection with these services, a liability may arise in the event of a billing dispute between the merchant and a cardholder that is ultimately resolved in the cardholder's favor and the merchant defaults upon its obligation to reimburse the cardholder. A cardholder, through its issuing bank, generally has until the later of up to six months after the date a transaction is processed or the delivery of the product or service to present a chargeback to the Corporation as the merchant processor. If the Corporation is unable to collect this amount from the merchant, it bears the loss for the amount paid to the cardholder. For the three months ended March 31, 2007 and 2006, the Corporation processed \$82.8 billion and \$88.3 billion of transactions and recorded losses as a result of these chargebacks of \$4 million each.

At March 31, 2007 and December 31, 2006, the Corporation held as collateral approximately \$26 million and \$32 million of merchant escrow deposits which the Corporation has the right to offset against amounts due from the individual merchants. The Corporation also has the right to offset any payments with cash flows otherwise due to the merchant. Accordingly, the Corporation believes that the maximum potential exposure is not representative of the actual potential loss exposure. The Corporation believes the maximum potential exposure for chargebacks would not exceed the total amount of merchant transactions processed through Visa and MasterCard for the last six months, which represents the claim period for the cardholder, plus any outstanding delayed-delivery transactions. As of March 31, 2007 and December 31, 2006, the maximum potential exposure totaled approximately \$162.3 billion and \$176.0 billion.

For additional information on other guarantees, see Note 13 of the Consolidated Financial Statements on the Corporation's 2006 Annual Report on Form 10-K. For additional information on recourse obligations related to residential mortgage loans sold and other guarantees related to securitizations, see Note 9 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

Litigation and Regulatory Matters

The following supplements the disclosure in Note 13 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

In re Initial Public Offering Securities Litigation

In *In re Initial Public Offering Securities Litigation*, on April 6, 2007, the U.S. Court of Appeals for the Second Circuit (Second Circuit) panel that vacated the district court's class certification order denied the plaintiffs' motion to reconsider its ruling. The plaintiffs' petition for rehearing by the full Second Circuit is pending.

Miller

In *Paul J. Miller v. Bank of America, N.A.*, on March 21, 2007, the California Supreme Court granted plaintiff's petition to review the California Court Appeal's decision reversing the trial court's judgment.

Parmalat Finanziaria S.p.A.

In *Food Holdings Ltd., et al. v. Bank of America Corp., et al.*, on February 28, 2007, the U.S. District Court for the Southern District of New York granted in part and denied in part the Corporation's motion to dismiss by dismissing three of the eight counts of the complaint consisting of the claims for (1) aiding and abetting breach of fiduciary duty,

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(2) civil conspiracy, and (3) a request for declaratory judgment regarding the enforcement of the Corporation's claims in the insolvency proceedings of such entities. In *Parmalat Capital Finance Limited v. Bank of America Corp. et al.*, on February 28, 2007, the court granted the Corporation's motion to dismiss claims based on allegations of fraud, but allowed the other claims to remain.

Refco

On April 30, 2007, the district court dismissed the claims against BAS relating to Refco's senior subordinated notes offering in August 2004.

NOTE 11 – Shareholders' Equity and Earnings Per Common Share

Common Stock

The following table presents share repurchase activity for the three months ended March 31, 2007 and 2006, including total common shares repurchased under announced programs, weighted average per share price and the remaining buyback authority under announced programs.

	Common Shares Repurchased ⁽¹⁾	Weighted Average Per Share Price	Remaining Buyback Authority ⁽²⁾	
			Amounts	Shares
(Dollars in millions, except per share information; shares in thousands)				
January 1-31, 2007	11,800	\$ 53.17	\$ 18,246	251,288
February 1-28, 2007	17,750	53.04	17,304	233,538
March 1-31, 2007	18,450	50.86	16,366	215,088
Three months ended March 31, 2007	48,000	52.23		

	Common Shares Repurchased ⁽³⁾	Weighted Average Per Share Price	Remaining Buyback Authority ⁽²⁾	
			Amounts	Shares
(Dollars in millions, except per share information; shares in thousands)				
January 1-31, 2006	4,500	\$ 44.61	\$ 9,717	149,688
February 1-28, 2006	5,000	45.29	9,491	144,688
March 1-31, 2006	78,950	46.15	5,847	65,738
Three months ended March 31, 2006	88,450	46.02		

(1) Reduced shareholders' equity by \$2.5 billion and increased diluted earnings per common share by less than \$0.01 for the three months ended March 31, 2007. These repurchases were partially offset by the issuance of approximately 28.9 million shares of common stock under employee plans, which increased shareholders' equity by \$1.1 billion, net of \$401 million of deferred compensation related to restricted stock awards, and decreased diluted earnings per common share by \$0.01 for the three months ended March 31, 2007.

(2) On January 24, 2007, the Board of Directors (the Board) authorized a stock repurchase program of up to 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$14.0 billion and is limited to a period of 12 to 18 months. On April 26, 2006, the Board authorized a stock repurchase program of up to 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$12.0 billion and to be completed within a period of 12 to 18 months. On March 22, 2005, the Board authorized a stock repurchase program of up to 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$12.0 billion and to be completed within a period of 18 months. This repurchase plan was completed during the second quarter of 2006.

(3) Reduced shareholders' equity by \$4.1 billion and increased diluted earnings per common share by \$0.01 for the three months ended March 31, 2006. These repurchases were partially offset by the issuance of approximately 38.9 million shares of common stock under employee plans, which increased shareholders' equity by \$1.4 billion, net of \$346 million of deferred compensation related to restricted stock awards, and had no effect on diluted earnings per common share for the three months ended March 31, 2006.

The Corporation may repurchase shares, from time to time, in the open market or in private transactions through the Corporation's approved repurchase program. The Corporation expects to continue to repurchase a number of shares of common stock at least equal to any shares issued under the Corporation's employee stock plans.

In January 2007, the Board declared a regular quarterly cash dividend on common stock of \$0.56 per share, payable on March 23, 2007 to common shareholders of record on March 2, 2007.

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Accumulated OCI

The following table presents the changes in accumulated OCI for the three months ended March 31, 2007 and 2006, net of tax:

(Dollars in millions)	Securities ^(1,2)	Derivatives ⁽³⁾	Employee Benefit Plans	Foreign Currency	Total
Balance, December 31, 2006	\$ (2,733)	\$ (3,697)	\$ (1,428)	\$ 147	\$(7,711)
Net change in fair value recorded in accumulated OCI	98	31	—	(25)	104
Net realized (gains) losses reclassified into earnings ⁽⁴⁾	(206)	109	31	13	(53)
Balance, March 31, 2007	\$ (2,841)	\$ (3,557)	\$ (1,397)	\$ 135	\$(7,660)
Balance, December 31, 2005	\$ (2,978)	\$ (4,338)	\$ (118)	\$ (122)	\$(7,556)
Net change in fair value recorded in accumulated OCI	(1,893)	489	—	42	(1,362)
Net realized (gains) losses reclassified into earnings ⁽⁴⁾	(126)	63	—	—	(63)
Balance, March 31, 2006	\$ (4,997)	\$ (3,786)	\$ (118)	\$ (80)	\$(8,981)

(1) For the three months ended March 31, 2007 and 2006, the Corporation reclassified net realized gains into earnings on the sale of AFS debt securities of \$39 million and \$9 million net of tax, and gains on the sales of AFS marketable equity securities of \$167 million and \$117 million net of tax.

(2) Accumulated OCI includes fair value loss of \$29 million and a fair value gain of \$170 million net of tax on certain retained interests in the Corporation's securitization transactions at March 31, 2007 and 2006.

(3) The amount included in accumulated OCI for terminated derivative contracts were losses of \$3.4 billion and \$2.5 billion, net of tax, at March 31, 2007 and 2006.

(4) Included in this line item are amounts related to derivatives used in cash flow hedge relationships. These amounts are reclassified into earnings in the same period or periods during which the hedged forecasted transactions affect earnings. This line item also includes gains (losses) on AFS debt and marketable equity securities. These amounts are reclassified into earnings upon sale of the related security.

Earnings per Common Share

The calculation of earnings per common share and diluted earnings per common share for the three months ended March 31, 2007 and 2006 is presented below:

(Dollars in millions, except per share information; shares in thousands)	Three Months Ended March 31	
	2007	2006
Earnings per common share		
Net income	\$ 5,255	\$ 4,986
Preferred stock dividends	(46)	(5)
Net income available to common shareholders	\$ 5,209	\$ 4,981
Average common shares issued and outstanding	4,432,664	4,609,481
Earnings per common share	\$ 1.18	\$ 1.08
Diluted earnings per common share		
Net income available to common shareholders	\$ 5,209	\$ 4,981
Average common shares issued and outstanding	4,432,664	4,609,481
Dilutive potential common shares ^(1,2)	64,364	56,924
Total diluted average common shares issued and outstanding	4,497,028	4,666,405
Diluted earnings per common share	\$ 1.16	\$ 1.07

(1) For the three months ended March 31, 2007 and 2006, average options to purchase 17 million and 60 million shares were outstanding but not included in the computation of earnings per common share because they were antidilutive.

(2) Includes incremental shares from restricted stock units, restricted stock shares and stock options.

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NOTE 12 – Pension and Postretirement Plans

The Corporation sponsors noncontributory trustee qualified pension plans that cover substantially all officers and employees, a number of noncontributory nonqualified pension plans, and postretirement health and life plans. The Bank of America Pension Plan (the Pension Plan) allows participants to select from various earnings measures, which are based on the returns of certain funds or common stock of the Corporation. The participant-selected earnings measures determine the earnings rate on the individual participant account balances in the Pension Plan. A detailed discussion of these plans is presented in Note 16 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

Net periodic benefit cost (income) for the three months ended March 31, 2007 and 2006 included the following components:

(Dollars in millions)	Three Months Ended March 31					
	Qualified Pension Plans		Nonqualified Pension Plans		Postretirement Health and Life Plans	
	2007	2006	2007	2006	2007	2006
Components of net periodic benefit cost (income)						
Service cost	\$ 86	\$ 82	\$ 3	\$ 3	\$ 3	\$ 4
Interest cost	180	168	18	22	22	22
Expected return on plan assets	(316)	(260)	—	—	(2)	(2)
Amortization of transition obligation	—	—	—	—	8	8
Amortization of prior service cost (credits)	12	10	(2)	(2)	—	—
Recognized net actuarial loss (gain)	33	53	5	5	(6)	13
Net periodic benefit cost (income)	\$ (5)	\$ 53	\$ 24	\$ 28	\$ 25	\$ 45

During 2007, the Corporation expects to contribute \$97 million and \$95 million to its Nonqualified Pension Plans and Postretirement Health and Life Plans. At March 31, 2007, the Corporation had contributed \$57 million and \$24 million to these plans.

NOTE 13 – Income Taxes

Under FIN 48, income tax benefits are recognized and measured based upon a two-step model: 1) a tax position must be more-likely-than-not to be sustained based solely on its technical merits in order to be recognized and 2) the benefit is measured as the largest dollar amount of that position that is more-likely-than-not to be sustained upon settlement. The difference between the benefit recognized for a position in accordance with this FIN 48 model and the tax benefit claimed on a tax return is referred to as an unrecognized tax benefit (UTB). As of January 1, 2007, the balance of the Corporation's UTBs, excluding any related accrual for interest, was \$2.7 billion, of which \$1.5 billion would, if recognized, affect the Corporation's effective tax rate. Included in the \$2.7 billion UTB balance are some items the recognition of which would not affect the effective tax rate, such as the tax effect of certain temporary differences, and the portion of gross state UTBs that would be offset by the tax benefit of the associated federal deduction.

As of January 1, 2007, the Corporation's accrual for interest and penalties that relate to income taxes, net of taxes and payments on deposit to taxing authorities, was \$769 million, including applicable interest on leveraged lease positions. Under FIN 48 the Corporation continues its policy of accruing income-tax-related interest and penalties (if applicable) within income tax expense.

The Internal Revenue Service is currently examining the Corporation's federal income tax returns for the years 2000 through 2004. It is anticipated that the examination phase related to the years 2000 through 2002 will be completed during 2007, but management does not believe that this event will cause a significant change in the UTB balance. However, final determination will decrease the UTB balance, since resolved items would be removed whether their resolution resulted in payment or recognition. In addition, the federal income tax returns of FleetBoston Financial Corporation are currently under examination for the years 1997 through March 31, 2004. We do not expect the exam and related discussions with the IRS to be completed within the next 12 months. In addition, the federal income tax returns of MBNA for the tax years 2001 through 2004 are under examination. Management expects these examinations to be completed during 2007. As a result, it is probable that a change to the UTB balance relating to the MBNA examinations will occur, but it will not significantly affect the Corporation's effective tax rate. All tax years subsequent to the above years remain open to examination.

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NOTE 14 – Fair Value Disclosures

Effective January 1, 2007, the Corporation adopted SFAS 157, which provides a framework for measuring fair value under GAAP. As described more fully below, SFAS 157 also eliminated the deferral of gains and losses at inception of certain derivative contracts whose fair value was not evidenced by market-observable data. SFAS 157 requires that the impact of this change in accounting for derivative contracts be recorded as an adjustment to beginning retained earnings in the period of adoption.

The Corporation also adopted SFAS 159 on January 1, 2007. SFAS 159 allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Corporation elected to adopt the fair value option for certain financial instruments on the adoption date. SFAS 159 requires that the difference between the carrying value before election of the fair value option and the fair value of these instruments be recorded as an adjustment to beginning retained earnings in the period of adoption.

The following table summarizes the impact of the change in accounting for derivative contracts described above and the impact of adopting the fair value option for certain financial instruments on January 1, 2007. Amounts shown represent the carrying value of the affected instruments before and after the changes in accounting resulting from the adoption of SFAS 157 and SFAS 159.

Transition Impact

(Dollars in millions)	Ending Balance Sheet December 31, 2006	Adoption Net Gain/(Loss)	Opening Balance Sheet January 1, 2007
Impact of adopting SFAS 157			
Net derivative assets and liabilities ⁽¹⁾	\$ 7,100	\$ 22	\$ 7,122
Impact of electing the fair value option under SFAS 159			
Loans and leases ⁽²⁾	3,968	(21)	3,947
Accrued expenses and other liabilities ⁽³⁾	(28)	(321)	(349)
Other assets ⁽⁴⁾	8,778	—	8,778
Available-for-sale debt securities ⁽⁵⁾	3,692	—	3,692
Federal funds sold and securities purchased under agreements to resell ⁽⁶⁾	1,401	(1)	1,400
Interest-bearing deposits liability in domestic offices ⁽⁷⁾	(548)	1	(547)
Cumulative-effect adjustment (pre-tax)		(320)	
Tax impact		112	
Cumulative-effect adjustment (net of tax), decrease to retained earnings		\$ (208)	

(1)The transition adjustment reflects the impact of recognizing previously deferred gains and losses as a result of the rescission of certain requirements of Emerging Issues Task Force (EITF) Issue No. 02-3, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities" (EITF 02-3) in accordance with SFAS 157.

(2)Includes loans to certain large corporate clients. The ending balance at December 31, 2006 and the transition adjustment is net of a \$32 million reduction in the allowance for loan and lease losses.

(3)The January 1, 2007 balance after adoption represents the fair value of certain unfunded commercial loan commitments. The December 31, 2006 balance prior to adoption represents the reserve for unfunded lending commitments associated with these commitments.

(4)Other assets include loans held-for-sale. No transition adjustment was recorded for the loans held-for-sale because they were already recorded at fair value pursuant to lower of cost or market accounting.

(5)Changes in fair value of these AFS debt securities resulting from foreign currency exposure, which is the primary driver of fair value for these securities, had previously been hedged by derivatives that qualified for fair value hedge accounting in accordance with SFAS 133. As a result, there was no transition adjustment. Following the election of the fair value option, these AFS debt securities have been transferred to trading account assets.

(6)Includes structured reverse repurchase agreements that are economically hedged with derivatives.

(7)Includes long-term fixed rate deposits that are economically hedged with derivatives.

Fair Value Option

Corporate Loans and Loan Commitments

The Corporation elected to account for certain large corporate loans and loan commitments which exceeded the Corporation's single name credit risk concentration guidelines at fair value in accordance with SFAS 159. Lending commitments, both funded and unfunded, are actively managed and monitored, and, as appropriate, credit risk for these

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lending relationships may be mitigated through the use of credit derivatives, with our credit view and market perspectives determining the size and timing of the hedging activity. These credit derivatives do not meet the requirements for hedge accounting under SFAS 133 and are therefore carried at fair value with changes in fair value recorded in other income. Electing the fair value option allows the Corporation to account for these loans and loan commitments at fair value, which is more consistent with management's view of the underlying economics and the manner in which they are managed. In addition, accounting for these loans and loan commitments at fair value reduces the accounting asymmetry that would otherwise result from carrying the loans at historical cost and the credit derivatives at fair value.

Fair values for the loans and loan commitments are based on market prices, where available, or discounted cash flows using market-based credit spreads of comparable debt instruments or credit derivatives of the specific borrower or comparable borrowers. Results of discounted cash flow calculations may be adjusted, as appropriate, to reflect other market conditions or the perceived credit risk of the borrower.

At March 31, 2007, funded loans which the Corporation has elected to fair value had an aggregate fair value of \$3.86 billion recorded in loans and leases and an aggregate outstanding principal balance of \$3.93 billion. Unfunded loan commitments that the Corporation has elected to fair value had an aggregate fair value of \$377 million recorded in accrued expenses and other liabilities and an aggregate committed exposure of \$21.5 billion. At March 31, 2007, none of these loans were 90 days or more past due and still accruing interest or had been placed on nonaccrual status. Net losses recorded in other income resulting from changes in fair value of these loans and loan commitments totaled \$27 million during the three months ended March 31, 2007 of which \$14 million related to commitments originated subsequent to January 1, 2007. These losses were significantly attributable to changes in instrument-specific credit risk. Following adoption of SFAS 159, an immaterial amount of direct loan origination fees and costs related to items for which the fair value option was elected were recognized in earnings. Previously, these items would have been capitalized and amortized to earnings over the life of the loans.

Loans Held-for-Sale

The Corporation also elected to account for certain loans held-for-sale at fair value. Electing to fair value allows a better offset of the changes in fair values of the loans and the derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting under SFAS 133. The Corporation has not elected to fair value other loans held-for-sale primarily because these loans are floating rate loans that are not economically hedged using derivative instruments. Fair values for loans held-for-sale are based on quoted market prices, where available, or are determined by discounting estimated cash flows using interest rates approximating the Corporation's current origination rates for similar loans and adjusted to reflect the inherent credit risk. At March 31, 2007, residential mortgage loans, commercial mortgage loans, and other loans held-for-sale for which the fair value option was elected had an aggregate fair value of \$16.43 billion and an aggregate outstanding principal balance of \$16.47 billion and were recorded in other assets. Interest income on these loans is recorded in interest and fees on loans and leases. Net gains resulting from changes in fair value of these loans, including realized gains and losses on sale, of \$56 million were recorded in mortgage banking income during the three months ended March 31, 2007. An immaterial portion of these amounts was attributable to changes in instrument-specific credit risk. Following adoption of SFAS 159, direct loan origination fees of \$13 million and costs of \$29 million related to loans held-for-sale for which the fair value option was elected were recognized in earnings. Previously, these items would have been capitalized as part of the carrying amount of the loans and recognized in earnings upon the sale of such loans.

Debt Securities

The Corporation elected to fair value \$3.7 billion of AFS debt securities. Changes in fair value resulting from foreign currency exposure, which is the primary driver of fair value for these securities, had previously been hedged by derivatives that qualified for fair value hedge accounting in accordance with SFAS 133. Electing the fair value option allows the Corporation to eliminate the burden of complying with the requirements for hedge accounting under SFAS 133 without introducing accounting volatility. Following election of the fair value option, these securities were reclassified to trading account assets. The Corporation did not elect the fair value option for other AFS securities because they are not hedged by derivatives that qualified for hedge accounting in accordance with SFAS 133.

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Structured Reverse Repurchase Agreements and Certain Long-term Deposits

The Corporation elected to fair value certain other financial instruments which are economically hedged with derivatives. At March 31, 2007, these instruments included structured reverse repurchase agreements with an aggregate fair value and principal balance of \$1.5 billion recorded in federal funds sold and securities purchased under agreements to resell; and certain long-term fixed rate deposits with an aggregate fair value of \$554 million and principal balance of \$558 million recorded in interest-bearing deposits. Interest earned on the structured reverse repurchase agreements and interest paid on the long-term deposits continue to be recorded in interest income and interest expense, respectively. Election of the fair value option will allow the Corporation to reduce the accounting volatility that would otherwise result from the accounting asymmetry created by accounting for the financial instruments at historical cost and the economic hedges at fair value. The Corporation did not elect to fair value other financial instruments within the same balance sheet categories because they are not economically hedged.

The overall effect of electing the fair value option on operating results for the three months ended March 31, 2007 was an \$11 million decrease in pre-tax profits. This amount includes a net loss of \$27 million due to changes in fair value of loans and loan commitments, offset by a net gain of \$27 million due to changes in fair value of mortgage loans held-for-sale. It also reflects a net reduction in profits of \$16 million resulting from the change in accounting for direct loan origination fees and costs related to mortgage loans held-for-sale. The impact of electing the fair value option for other items was immaterial.

Fair Value Measurement

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as certain U.S. Treasury, other U.S. Government and agency mortgage-backed debt securities that are highly liquid and are actively traded in over-the-counter markets.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes certain U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts and residential mortgage loans held-for-sale.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential mortgage servicing rights, and highly structured or long-term derivative contracts.

Prior to the adoption of SFAS 157, EITF 02-3 prohibited the recognition of gains and losses at inception of a derivative contract unless the fair value of the contract was evidenced by a quoted price in an active market, an observable price or other market transaction, or other observable data. SFAS 157 rescinded this requirement, resulting in the recognition of previously deferred gains and losses as an increase to the beginning balance of retained earnings of \$22 million (pre-tax).

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Assets and liabilities measured at fair value on a recurring basis, including financial instruments for which the Corporation has elected the fair value option, are summarized below:

(Dollars in millions)	March 31, 2007				
	Fair Value Measurements Using				
	Level 1	Level 2	Level 3	Netting Adjustments ⁽¹⁾	Assets/ Liabilities at Fair Value
Assets					
Federal funds sold and securities purchased under agreements to resell ⁽²⁾	\$ —	\$ 1,490	\$ —	\$ —	\$ 1,490
Trading account assets	54,789	119,160	269	—	174,218
Derivative assets	3,891	230,341	7,012	(215,965)	25,279
Available-for-sale debt securities	164,928	16,033	—	—	180,961
Loans and leases ⁽²⁾	—	—	3,859	—	3,859
Mortgage servicing rights	—	—	2,963	—	2,963
Other assets ⁽³⁾	2,897	18,801	5,867	—	27,565
Total assets	\$226,505	\$385,825	\$19,970	\$ (215,965)	\$ 416,335
Liabilities					
Interest-bearing deposits in domestic offices ⁽²⁾	\$ —	\$ 554	\$ —	\$ —	\$ 554
Trading account liabilities	56,413	20,876	—	—	77,289
Derivative liabilities	4,530	220,001	6,671	(213,256)	17,946
Accrued expenses and other liabilities ⁽²⁾	—	—	377	—	377
Total liabilities	\$ 60,943	\$241,431	\$ 7,048	\$ (213,256)	\$ 96,166

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Corporation to settle positive and negative positions and also cash collateral held or placed with the same counterparties.

(2) Amounts represent items for which the Corporation has elected the fair value option under SFAS 159.

(3) Other assets include equity investments held by Principal Investing, AFS equity investments and certain retained interests in securitization vehicles, including interest-only strips, all of which were carried at fair value prior to the adoption of SFAS 159; and loans held-for-sale of \$16.4 billion for which the Corporation has elected the fair value option under SFAS 159.

Loans and leases at March 31, 2007 included \$20.0 billion of leases that were not eligible for the fair value option as they were specifically excluded from fair value option election in accordance with SFAS 159.

The table below presents a reconciliation for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period from January 1, 2007 to March 31, 2007. Level 3 loans and loan commitments are carried at fair value due to adoption of the fair value option, as described on page 23. Other Level 3 instruments presented in the table, including derivatives, trading account assets, mortgage servicing rights (MSRs), certain equity investments and retained interests in securitizations, were carried at fair value prior to the adoption of SFAS 159.

Level 3 Instruments Only (Dollars in millions)	Total Fair Value Measurements					
	Net Derivatives ⁽¹⁾	Trading Account Assets ⁽²⁾	Loans and Leases ⁽³⁾	Mortgage Servicing Rights ⁽²⁾	Other Assets ⁽⁴⁾	Accrued Expenses and Other Liabilities ⁽³⁾
Balance, December 31, 2006	\$ 711	\$ 303	\$ 3,968	\$ 2,869	\$ 6,605	\$ (28)
Impact of SFAS 157 and SFAS 159 adoption	22	—	(21)	—	—	(321)
Balance, January 1, 2007	\$ 733	\$ 303	\$ 3,947	\$ 2,869	\$ 6,605	\$ (349)
Total gains or losses (realized/unrealized):						
Included in earnings	(64)	(30)	1	121	730	(28)
Included in other comprehensive income	—	—	—	—	(51)	—
Purchases, issuances, and settlements	(320)	(4)	(89)	(27)	(1,403)	—
Transfers in and/or out of Level 3	(8)	—	—	—	(14)	—
Balance, March 31, 2007	\$ 341	\$ 269	\$ 3,859	\$ 2,963	\$ 5,867	\$ (377)

(1) Net derivatives at March 31, 2007 included derivative assets of \$7,012 million and derivative liabilities of \$6,671 million, all of which were carried at fair value prior to the adoption of SFAS 159.

(2) Amounts represented items which were carried at fair value prior to the adoption of SFAS 159.

(3) Amounts represented items for which the Corporation had elected the fair value option under SFAS 159 including commercial loan commitments recorded in accrued expenses and other liabilities.

(4) Other assets included equity investments held by Principal Investing and certain retained interests in securitization vehicles, including interest-only strips, all of which were carried at fair value prior to the adoption of SFAS 159.

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The table below summarizes gains and losses due to changes in fair value, including both realized and unrealized gains and losses, recorded in earnings for Level 3 assets and liabilities for the period from January 1, 2007 to March 31, 2007. These amounts include gains and losses generated by loans and loan commitments for which the fair value option was elected and by other instruments, including certain derivative contracts, trading account assets, MSRs, equity investments and retained interests in securitizations, which were carried at fair value prior to the adoption of SFAS 159.

Level 3 Instruments Only (Dollars in millions)	Total Gains and Losses					Accrued Expenses and Other Liabilities ⁽²⁾
	Net Derivatives ⁽¹⁾	Trading Account Assets ⁽¹⁾	Loans and Leases ⁽²⁾	Mortgage Servicing Rights ⁽¹⁾	Other Assets ⁽¹⁾	
Classification of gains and losses (realized/unrealized) included in earnings for the period:						
Card income	\$ —	\$ —	\$ —	\$ —	\$ 181	\$ —
Equity investment gains	—	—	—	—	508	—
Trading account profits	(69)	(30)	—	—	—	—
Mortgage banking income	5	—	—	121	—	—
Other income	—	—	1	—	41	(28)
Total	\$ (64)	\$ (30)	\$ 1	\$ 121	\$ 730	\$ (28)

(1) Amounts represented items which were carried at fair value prior to the adoption of SFAS 159.

(2) Amounts represented items for which the Corporation had elected the fair value option under SFAS 159.

The table below summarizes changes in unrealized gains or losses recorded in earnings for the period from January 1, 2007 to March 31, 2007 for Level 3 assets and liabilities that are still held at March 31, 2007. These amounts include changes in fair value of loans and loan commitments for which the fair value option was elected and changes in fair value for other instruments, including certain derivative contracts, trading account assets, MSRs, equity investments and retained interests in securitizations, which were carried at fair value prior to the adoption of SFAS 159.

Level 3 Instruments Only (Dollars in millions)	Changes in Unrealized Gains or Losses					Accrued Expenses and Other Liabilities ⁽²⁾
	Net Derivatives ⁽¹⁾	Trading Account Assets ⁽¹⁾	Loans and Leases ⁽²⁾	Mortgage Servicing Rights ⁽¹⁾	Other Assets ⁽¹⁾	
Changes in unrealized gains or losses relating to assets still held at reporting date						
Card income	\$ —	\$ —	\$ —	\$ —	\$ 28	\$ —
Equity investment gains	—	—	—	—	118	—
Trading account profits	(158)	(30)	—	—	—	—
Mortgage banking income	4	—	—	60	—	—
Other income	—	—	(1)	—	—	(31)
Total	\$ (154)	\$ (30)	\$ (1)	\$ 60	\$ 146	\$ (31)

(1) Amounts represented items which were carried at fair value prior to the adoption of SFAS 159.

(2) Amounts represented items for which the Corporation had elected the fair value option under SFAS 159.

Certain assets are measured at fair value on a non-recurring basis. As of March 31, 2007, loans held-for-sale for which the Corporation had not elected the fair value option and lease residuals, both of which were carried at the lower of cost or fair value, with an aggregate cost of \$9.29 billion had been written down to fair value of \$9.24 billion, resulting in a charge of \$45 million, of which \$41 million was recorded in other income and \$4 million was recorded in mortgage banking income.

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NOTE 15 – Mortgage Servicing Rights

The Corporation accounts for consumer MSR at fair value with changes in fair value recorded in the Consolidated Statement of Income in mortgage banking income. The Corporation economically hedges these MSRs with certain derivatives such as options and interest rate swaps.

The following table presents activity for consumer MSRs for the three months ended March 31, 2007 and 2006.

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Balance, January 1	\$ 2,869	\$ 2,658
MBNA balance, January 1, 2006	—	9
Additions	171	149
Impact of customer payments	(183)	(171)
Other changes in MSR market value ⁽¹⁾	106	280
Balance, March 31	\$ 2,963	\$ 2,925

(1) Reflects changes in discount rates and prepayment speed assumptions, mostly due to changes in interest rates.

Other changes in MSR market value of \$106 million reflect changes in discount rates and prepayment speed assumptions, mostly due to changes in interest rates. This amount does not include \$15 million resulting from the reconciliation of actual cash received versus expected prepayments. The total of these amounts of \$121 million is included in the line “Mortgage banking income” in the table “Total Gains and Losses” in Note 14 of the Consolidated Financial Statements.

The key economic assumptions used in valuations of MSRs included modeled prepayment rates and resultant weighted average lives of the MSRs and the option adjusted spread levels. Commercial MSRs are accounted for using the amortization method (i.e., lower of cost or market). Commercial MSRs were \$178 million and \$176 million at March 31, 2007 and December 31, 2006 and are not included in the table above.

NOTE 16 - Business Segment Information

The Corporation reports the results of its operations through three business segments: *Global Consumer and Small Business Banking (GCSBB)*, *Global Corporate and Investment Banking (GCIB)*, and *Global Wealth and Investment Management (GWIM)*. Effective January 1, 2007, the Corporation changed its basis of presentation for its business segments as discussed below.

Global Consumer and Small Business Banking

GCSBB provides a diversified range of products and services to individuals and small businesses. Effective January 1, 2007, the Corporation began reporting its *GCSBB* results, specifically credit card, business card and certain unsecured lending portfolios, on a managed basis. This basis of presentation excludes the Corporation’s securitized mortgage and home equity portfolios for which the Corporation retains servicing. The change to a managed basis is consistent with the way that management as well as analysts evaluate the results of *GCSBB*. Managed basis assumes that loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. Loan securitization is an alternative funding process that is used by the Corporation to diversify funding sources. Loan securitization removes loans from the Consolidated Balance Sheet through the sale of loans to an off-balance sheet qualified special purpose entity which is excluded from the Corporation’s Consolidated Financial Statements in accordance with GAAP.

The performance of the managed portfolio is important in understanding *GCSBB*’s results as it demonstrates the results of the entire portfolio serviced by the business. Securitized loans continue to be serviced by the business and are subject to the

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same underwriting standards and ongoing monitoring as held loans. In addition, retained excess servicing income is exposed to similar credit risk and repricing of interest rates as held loans. *GCSBB's* managed income statement line items differ from its held basis reported in the prior period as follows:

- Managed net interest income includes *GCSBB's* net interest income on held loans and interest income on the securitized loans less the internal funds transfer pricing allocation related to securitized loans.
- Managed noninterest income includes *GCSBB's* noninterest income on a held basis less the reclassification of certain components of card income (e.g., excess servicing income) to record managed net interest income and managed credit impact. Noninterest income, both on a held and managed basis, also includes the impact of adjustments to the interest-only strip that are recorded in card income as management continues to manage this impact within *GCSBB*.
- The managed credit impact represents the provision for credit losses on held loans combined with realized credit losses associated with the securitized loan portfolio.

Prior period amounts have been adjusted to reflect these changes.

Global Corporate and Investment Banking

GCIB serves domestic and international issuer and investor clients, providing financial services, specialized industry expertise and local delivery. Prior to January 1, 2007, *GCIB* also included the results of our Latin America and Hong Kong based retail and commercial banking businesses, parts of which were sold in 2006. Effective January 1, 2007, the results of the Latin American operations in Argentina, Brazil, Chile, and Uruguay, as well as our Hong Kong based retail and commercial banking business, that are expected to be or have been sold have been transferred to *All Other* as liquidating businesses as the Corporation has made a decision to exit these businesses in these regions. Also, effective January 1, 2007, the results of *Banc of America Specialist* have been transferred to *GCIB* from *GWIM* to more closely align businesses with similar operations and clients. Prior period amounts have been adjusted to reflect these changes.

Global Wealth and Investment Management

GWIM offers investment and brokerage services, estate management, financial planning services, fiduciary management, credit and banking expertise, and diversified asset management products to institutional clients, as well as affluent and high-net-worth individuals. *GWIM* also includes the impact of migrated qualifying affluent customers, including their related deposit balances and associated net interest income from *GCSBB*. Prior to January 1, 2007, *GWIM* also included the results of *Banc of America Specialist* and *International Wealth Management (IWM)*. Effective January 1, 2007, the results of *Banc of America Specialist* have been transferred to *GCIB* to more closely align businesses with similar operations and clients and the results of *IWM* that are expected to be sold or liquidated have been transferred to *All Other* as a liquidating business. Prior period amounts have been adjusted to reflect these changes.

All Other

Prior to January 1, 2007, *All Other* consisted of equity investment activities including Principal Investing, Corporate Investments and Strategic Investments, the residual impacts of the allowance for credit losses and the cost allocation processes, merger and restructuring charges, intersegment eliminations, and the results of certain consumer finance and commercial lending businesses that were being liquidated. *All Other* also included amounts associated with the ALM activities, including the residual impact of funds transfer pricing allocation methodologies, amounts associated with the change in the value of derivatives used as economic hedges of interest rate and foreign exchange rate fluctuations that did not qualify for SFAS 133 hedge accounting treatment, certain gains or losses on sales of whole mortgage loans, and gains (losses) on sales of debt securities. Effective January 1, 2007, *All Other* now also includes the offsetting securitization impact to present *GCSBB* on a managed basis which assumes that *GCSBB's* securitized loans have not been sold. This offsetting adjustment is made to report the consolidated results of the Corporation on a GAAP basis. *All Other* also includes the addition of the liquidating businesses that were transferred from *GCIB* and *GWIM*. Prior period amounts have been adjusted to reflect these changes.

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Basis of Presentation

Total revenue includes net interest income on a fully taxable-equivalent (FTE) basis and noninterest income. The adjustment of net interest income to a FTE basis results in a corresponding increase in income tax expense. The net interest income of the businesses includes the results of a funds transfer pricing process that matches assets and liabilities with similar interest rate sensitivity and maturity characteristics. Net interest income of the business segments also includes an allocation of net interest income generated by the Corporation's ALM activities.

Certain expenses not directly attributable to a specific business segment are allocated to the segments based on pre-determined means. The most significant of these expenses include data processing costs, item processing costs and certain centralized or shared functions. Data processing costs are allocated to the segments based on equipment usage. Item processing costs are allocated to the segments based on the volume of items processed for each segment. The costs of certain centralized or shared functions are allocated based on methodologies which reflect utilization.

The Corporation's business segments and *All Other* have also been revised to reflect the impact of certain management accounting methodologies and related allocation refinements that have occurred subsequent to December 31, 2006. These changes did not have an impact on the previously reported consolidated results of the Corporation.

The following table presents total revenue on a FTE basis and net income for the three months ended March 31, 2007 and 2006, and total assets at March 31, 2007 and 2006 for each business segment, as well as *All Other*.

Business Segments

For the Three Months Ended March 31

(Dollars in millions)	Total Corporation		Global Consumer and Small Business Banking ^(1, 2, 3)		Global Corporate and Investment Banking ⁽¹⁾	
	2007	2006	2007	2006	2007	2006
	Net interest income ⁽⁴⁾	\$ 8,597	\$ 9,040	\$ 7,028	\$ 7,092	\$ 2,412
Noninterest income	9,825	8,901	4,394	3,750	2,909	2,779
Total revenue ⁽⁴⁾	18,422	17,941	11,422	10,842	5,321	5,268
Provision for credit losses/Managed credit impact	1,235	1,270	2,411	1,901	115	25
Gains (losses) on sales of debt securities	62	14	(1)	(1)	2	14
Amortization of intangibles	389	440	337	378	34	40
Other noninterest expense	8,708	8,484	4,391	4,234	2,866	2,792
Income before income taxes ⁽⁴⁾	8,152	7,761	4,282	4,328	2,308	2,425
Income tax expense ⁽⁴⁾	2,897	2,775	1,586	1,604	861	901
Net income	\$ 5,255	\$ 4,986	\$ 2,696	\$ 2,724	\$ 1,447	\$ 1,524
Period-end total assets	\$1,502,157	\$1,375,080	\$407,654	\$406,032	\$713,868	\$611,208

(Dollars in millions)	Global Wealth and Investment Management ^(1, 2)		All Other ⁽³⁾	
	2007	2006	2007	2006
	Net interest income ⁽⁴⁾	\$ 926	\$ 939	\$ (1,769)
Noninterest income	962	890	1,560	1,482
Total revenue ⁽⁴⁾	1,888	1,829	(209)	2
Provision for credit losses/Reported credit impact	23	—	(1,314)	(656)
Gains on sales of debt securities	—	—	61	1
Amortization of intangibles	16	18	2	4
Other noninterest expense	1,001	949	450	509
Income before income taxes ⁽⁴⁾	848	862	714	146
Income tax expense (benefit) ⁽⁴⁾	317	320	133	(50)
Net income	\$ 531	\$ 542	\$ 581	\$ 196
Period-end total assets	\$128,547	\$112,399	\$252,088	\$245,441

(1) There were no material intersegment revenues among the segments.

(2) Total assets include asset allocations to match liabilities (i.e., deposits).

(3) *GCSBB* is presented on a managed basis with a corresponding offset recorded in *All Other*.

(4) FTE basis

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The following table presents reconciliations of *GCSBB* and the associated offsetting securitization impact in *All Other* from a managed to held basis.

Global Consumer and Small Business Banking – Reconciliation

(Dollars in millions)	For the Three Months Ended March 31, 2007			For the Three Months Ended March 31, 2006		
	Managed Basis	Securitizations Impact ⁽¹⁾	Held Basis	Managed Basis	Securitizations Impact ⁽¹⁾	Held Basis
Net interest income ⁽²⁾	\$ 7,028	\$ (1,890)	\$ 5,138	\$ 7,092	\$ (1,946)	\$ 5,146
Noninterest income						
Card income	2,451	839	3,290	2,107	1,402	3,509
Service charges	1,377	—	1,377	1,190	—	1,190
Mortgage banking income	302	—	302	205	—	205
All other income	264	(77)	187	248	(110)	138
Total noninterest income	4,394	762	5,156	3,750	1,292	5,042
Total revenue ⁽²⁾	11,422	(1,128)	10,294	10,842	(654)	10,188
Provision for credit losses	2,411	(1,128)	1,283	1,901	(654)	1,247
Gains (losses) on sales of debt securities	(1)	—	(1)	(1)	—	(1)
Noninterest expense	4,728	—	4,728	4,612	—	4,612
Income before income taxes ⁽²⁾	4,282	—	4,282	4,328	—	4,328
Income tax expense ⁽²⁾	1,586	—	1,586	1,604	—	1,604
Net income	\$ 2,696	\$ —	\$ 2,696	\$ 2,724	\$ —	\$ 2,724

All Other – Reconciliation

(Dollars in millions)	For the Three Months Ended March 31, 2007			For the Three Months Ended March 31, 2006		
	Reported Basis	Securitizations Impact ⁽¹⁾	As Adjusted	Reported Basis	Securitizations Impact ⁽¹⁾	As Adjusted
Net interest income ⁽²⁾	\$(1,769)	\$ 1,890	\$ 121	\$(1,480)	\$ 1,946	\$ 466
Noninterest income						
Card income	722	(839)	(117)	1,168	(1,402)	(234)
Equity investment gains	896	—	896	571	—	571
All other income	(58)	77	19	(257)	110	(147)
Total noninterest income	1,560	(762)	798	1,482	(1,292)	190
Total revenue ⁽²⁾	(209)	1,128	919	2	654	656
Provision for credit losses	(1,314)	1,128	(186)	(656)	654	(2)
Gains on sales of debt securities	61	—	61	1	—	1
Merger and restructuring charges	111	—	111	98	—	98
All other noninterest expense	341	—	341	415	—	415
Income before income taxes ⁽²⁾	714	—	714	146	—	146
Income tax expense (benefit) ⁽²⁾	133	—	133	(50)	—	(50)
Net income	\$ 581	\$ —	\$ 581	\$ 196	\$ —	\$ 196

⁽¹⁾The securitizations impact on net interest income is based on a funds transfer pricing methodology consistent with the way we allocate funding costs to the Corporation's businesses.

⁽²⁾FTE basis

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The following table presents reconciliations of the three business segments' (*GCSBB*, *GCIB* and *GWIM*) total revenue on a FTE basis and net income to the Consolidated Statement of Income. The adjustments presented in the table below include consolidated income and expense amounts not specifically allocated to individual business segments.

(Dollars in millions)	Three Months Ended	
	March 31	
	2007	2006
Segments' total revenue ⁽¹⁾	\$18,631	\$17,939
Adjustments:		
ALM activities	38	(151)
Equity investment gains	896	571
Liquidating businesses	318	536
FTE basis adjustment	(329)	(264)
Managed securitizations impact to total revenue	(1,128)	(654)
Other	(333)	(300)
Consolidated revenue	\$18,093	\$17,677
Segments' net income	\$ 4,674	\$ 4,790
Adjustments, net of taxes:		
ALM activities ⁽²⁾	(4)	(145)
Equity investment gains	564	360
Liquidating businesses	263	163
Merger and restructuring charges	(70)	(61)
Other	(172)	(121)
Consolidated net income	\$ 5,255	\$ 4,986

(1)FTE basis

(2)Includes pre-tax gains (losses) on sales of debt securities of \$58 million and \$(8) million for the three months ended March 31, 2007 and 2006.

NOTE 17 – Subsequent Event

In April 2007, the Corporation announced an agreement to purchase ABN AMRO North America Holding Company, parent company of LaSalle Bank Corporation, from ABN AMRO Bank N.V. (collectively, ABN AMRO) for \$21 billion in cash. The transaction has been approved by both company's boards of directors. A copy of the agreement is filed as an exhibit to the Corporation's Current Report on Form 8-K filed April 26, 2007. On May 3, 2007, a court in the Netherlands ruled that ABN AMRO is enjoined from consummating the transaction until ABN AMRO's public shareholders vote on the proposed transaction. The Corporation believes it has a valid and binding agreement, and has filed a lawsuit against ABN AMRO in a federal district court located in New York to enforce its legal rights.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report on Form 10-Q contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "anticipates," "believes," "estimates" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could" are intended to identify such forward-looking statements. Readers of the Form 10-Q of Bank of America Corporation and its subsidiaries (the Corporation) should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout this report as well as those discussed under Item 1A. "Risk Factors" of the Corporation's 2006 Annual Report on Form 10-K. The statements are representative only as of the date they are made, and the Corporation undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: changes in general economic conditions and economic conditions in the geographic regions and industries in which the Corporation operates which may affect, among other things, the level of nonperforming assets, charge-offs and provision expense; changes in the interest rate environment which may reduce interest margins and impact funding sources; changes in foreign exchange rates; adverse movements and volatility in debt and equity capital markets; changes in market rates and prices which may adversely impact the value of financial products including securities, loans, deposits, debt and derivative financial instruments, and other similar financial instruments; political conditions and related actions by the United States abroad which may adversely affect the Corporation's businesses and economic conditions as a whole; liabilities resulting from litigation and regulatory investigations, including costs, expenses, settlements and judgments; changes in domestic or foreign tax laws, rules and regulations as well as court, Internal Revenue Service or other governmental agencies' interpretations thereof; various monetary and fiscal policies and regulations, including those determined by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of Currency, the Federal Deposit Insurance Corporation, state regulators and the Financial Services Authority; changes in accounting standards, rules and interpretations; competition with other local, regional and international banks, thrifts, credit unions and other nonbank financial institutions; ability to grow core businesses; ability to develop and introduce new banking-related products, services and enhancements, and gain market acceptance of such products; mergers and acquisitions and their integration into the Corporation; decisions to downsize, sell or close units or otherwise change the business mix of the Corporation; and management's ability to manage these and other risks.

The Corporation, headquartered in Charlotte, North Carolina, operates in 30 states, the District of Columbia and 45 foreign countries. The Corporation provides a diversified range of banking and nonbanking financial services and products domestically and internationally through three business segments: *Global Consumer and Small Business Banking (GCSBB)*, *Global Corporate and Investment Banking (GCIB)*, and *Global Wealth and Investment Management (GWIM)*.

At March 31, 2007, the Corporation had \$1.5 trillion in assets and approximately 199,000 full-time equivalent employees. Notes to Consolidated Financial Statements referred to in Management's Discussion and Analysis of Financial Condition and Results of Operations are incorporated by reference into Management's Discussion and Analysis of Financial Condition and Results of Operations. Throughout Management's Discussion and Analysis of Financial Condition and Results of Operations, we use certain acronyms and abbreviations which are defined in the Glossary beginning on page 89. Certain prior period amounts have been reclassified to conform to current period presentation.

Recent Events

In April 2007, the Corporation announced an agreement to purchase ABN AMRO North America Holding Company, parent company of LaSalle Bank Corporation, from ABN AMRO Bank N.V. (collectively, ABN AMRO) for \$21 billion in cash. The transaction has been approved by both company's boards of directors. A copy of the agreement is filed as an exhibit to the Corporation's Current Report on Form 8-K filed April 26, 2007. On May 3, 2007, a court in the Netherlands ruled that ABN AMRO is enjoined from consummating the transaction until ABN AMRO's public shareholders vote on the proposed transaction. The Corporation believes it has a valid and binding agreement, and has filed a lawsuit against ABN AMRO in a federal district court located in New York to enforce its legal rights.

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In April 2007, the Corporation announced an agreement to purchase 24.9 percent of SLM Corporation (Sallie Mae), the U.S. leader in originating and servicing student loans, for \$2.2 billion. The Corporation is part of a consortium led by J.C. Flowers & Co. and private-equity firm Friedman Fleischer & Lowe, LLC which will invest \$4.4 billion and own 50.2 percent of Sallie Mae, and JP Morgan Chase & Co, which will invest \$2.2 billion and own the remaining 24.9 percent of Sallie Mae. The agreement also includes a five year forward purchase commitment for the Corporation to purchase \$100 billion of loans from Sallie Mae. The transaction will require approval by Sallie Mae's stockholders and will be subject to obtaining all necessary regulatory approvals. Closing of the transaction is expected to occur late in 2007.

In April 2007, the Board of Directors (the Board) declared a regular quarterly cash dividend on common stock of \$0.56 per share, payable on June 22, 2007 to common shareholders of record on June 1, 2007.

In February and March 2007, the Corporation completed the sale of its operations in Chile and Uruguay for approximately \$750 million in equity of Banco Itaú Holding Financeira S.A. (Banco Itaú), Brazil's second largest nongovernment-owned banking company. In addition, in March 2007, the Corporation completed the sale of its BankBoston Argentina assets to a consortium led by Johannesburg-based Standard Bank Group Ltd in exchange for the assumption of BankBoston Argentina liabilities of approximately \$2.0 billion. These sales resulted in a \$46 million gain (pre-tax) that was recorded in other income and a decrease of \$132 million in provision for credit losses from a reduction of reserves related to the sale of our Argentina portfolio.

In January 2007, the Board authorized a stock repurchase program of up to 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$14.0 billion and is limited to a period of 12 to 18 months.

In January 2007, the Board declared a regular quarterly cash dividend on common stock of \$0.56 per share, payable on March 23, 2007 to common shareholders of record on March 2, 2007.

Performance Overview

Net income totaled \$5.3 billion, or \$1.16 per diluted common share, for the three months ended March 31, 2007, increases of five percent and eight percent from \$5.0 billion, or \$1.07 per diluted common share, for the three months ended March 31, 2006.

Table 1
Business Segment Total Revenue and Net Income

(Dollars in millions)	Three Months Ended March 31			
	Total Revenue		Net Income	
	2007	2006	2007	2006
Global Consumer and Small Business Banking ⁽¹⁾	\$11,422	\$10,842	\$2,696	\$2,724
Global Corporate and Investment Banking	5,321	5,268	1,447	1,524
Global Wealth and Investment Management	1,888	1,829	531	542
All Other ⁽¹⁾	(209)	2	581	196
Total FTE basis ⁽²⁾	18,422	17,941	5,255	4,986
FTE adjustment ⁽²⁾	(329)	(264)	—	—
Total Consolidated	\$18,093	\$17,677	\$5,255	\$4,986

⁽¹⁾GCSBB is presented on a managed basis with a corresponding offset recorded in *All Other*.

⁽²⁾Total revenue for the business segments and *All Other* is on a FTE basis. For more information on a FTE basis, see Supplemental Financial Data beginning on page 38.

Global Consumer and Small Business Banking

Net income remained essentially flat at \$2.7 billion for the three months ended March 31, 2007 compared to the same period in 2006. Managed total revenue grew \$580 million, or five percent, to \$11.4 billion, as higher card income, service charges and mortgage banking income were partially offset by spread compression on our *Card Services* products, which

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negatively impacted net interest income. The growth in managed total revenue was offset by the higher managed credit impact of \$510 million driven by portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform, and higher noninterest expense. For more information on *GCSBB*, see page 44.

Global Corporate and Investment Banking

Net income decreased \$77 million, or five percent, to \$1.4 billion for the three months ended March 31, 2007 compared to the same period in 2006. Total revenue remained essentially flat at \$5.3 billion as higher noninterest income, primarily due to increases in investment banking income and all other income, was offset by lower net interest income from spread compression in the loan portfolio. The decrease in net income primarily resulted from an increase in the provision for credit losses and higher personnel expenses. For more information on *GCIB*, see page 49.

Global Wealth and Investment Management

Net income remained essentially flat at \$531 million for the three months ended March 31, 2007 compared to the same period in 2006. Total revenue increased \$59 million, or three percent, as higher noninterest income, primarily due to increases in investment and brokerage services, more than offset the decrease in net interest income as a result of a decline in ALM activities and spread compression. Offsetting the increase in total revenue was higher provision for credit losses as well as increased noninterest expense resulting from higher personnel expenses.

Total AUM were \$547.4 billion at March 31, 2007, an increase of \$4.5 billion since December 31, 2006 and \$53.5 billion since March 31, 2006. For more information on *GWIM*, see page 53.

All Other

Net income increased \$385 million to \$581 million for the three months ended March 31, 2007 compared to the same period in 2006. Excluding our securitization reclassifications, total revenue increased \$263 million as higher noninterest income, primarily due to higher equity investment gains and all other income, was partially offset by a decrease in net interest income. The increase in net income was also driven by a decrease in provision for credit losses. For more information on *All Other*, see page 56.

Financial Highlights

Net Interest Income

Net interest income on a FTE basis decreased \$443 million to \$8.6 billion for the three months ended March 31, 2007 compared to the same period in 2006. The primary drivers of the decrease were the impact of divestitures of certain foreign operations in 2006, reduced benefits from purchase accounting adjustments from 2006, the impact of hedging activities and the higher cost of deposits. Net interest income also decreased as a result of the adoption of FSP 13-2. These decreases were partially offset by higher levels of consumer (primarily unsecured lines of credit and home equity) and commercial loans, higher ALM portfolio balances and a higher contribution from market-based activity. The net interest yield on a FTE basis decreased 37 basis points (bps) to 2.61 percent for the three months ended March 31, 2007 compared to the same period in 2006.

For more information on net interest income on a FTE basis, see Table 7 on page 41.

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Noninterest Income

Table 2
Noninterest Income

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Card income	\$ 3,333	\$ 3,434
Service charges	2,072	1,901
Investment and brokerage services	1,149	1,103
Investment banking income	638	501
Equity investment gains	1,014	718
Trading account profits	872	1,060
Mortgage banking income	213	137
Other income	534	47
Total noninterest income	\$ 9,825	\$ 8,901

Noninterest income increased \$924 million to \$9.8 billion for the three months ended March 31, 2007 compared to the same period in 2006, due primarily to the following:

- Card income on a held basis decreased \$101 million primarily due to lower excess servicing income and lower merchant discount fees partially offset by the favorable change in value of the interest-only strip, increased cash advance fees and higher debit card income.
- Service charges grew \$171 million due to increased non-sufficient funds fees and overdraft charges resulting from new account growth and increased usage in deposit products.
- Investment banking income increased \$137 million due to continued strength in debt underwriting.
- Equity investment gains increased \$296 million driven by increased liquidity in the capital markets.
- Trading account profits decreased \$188 million compared to record results in 2006.
- Mortgage banking income increased \$76 million due to the net favorable performance of the MSR's and the impact related to the adoption of SFAS 159. For more information on the impact of SFAS 159 on mortgage banking income, see Mortgage Banking Risk Management on page 87.
- Other income increased \$487 million primarily related to mark-to-market losses realized in 2006 on certain economic hedges that did not qualify for SFAS 133 hedge accounting, improved credit mitigation results, and the gain on the sales of our Argentina, Chile and Uruguay operations.

Provision for Credit Losses

The provision for credit losses decreased \$35 million to \$1.2 billion for the three months ended March 31, 2007 compared to the same period in 2006. The decrease was primarily driven by reductions in reserves from consumer credit card securitization activities and the sale of the Argentina portfolio. These decreases were partially offset by higher net charge-offs primarily reflecting seasoning and the trend toward more normalized loss levels post bankruptcy reform. For more information on credit quality, see Credit Risk Management beginning on page 62.

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Noninterest Expense

Table 3
Noninterest Expense

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Personnel	\$ 5,025	\$ 4,813
Occupancy	713	701
Equipment	350	344
Marketing	555	575
Professional fees	229	218
Amortization of intangibles	389	440
Data processing	437	410
Telecommunications	251	220
Other general operating	1,037	1,105
Merger and restructuring charges	111	98
Total noninterest expense	\$ 9,097	\$ 8,924

Noninterest expense increased \$173 million to \$9.1 billion for the three months ended March 31, 2007 compared to the same period in 2006. Growth in personnel expense of \$212 million was primarily driven by higher revenue-related incentive compensation expense as well as stock-based compensation granted to retirement-eligible employees of \$397 million compared to \$320 million for the same period in 2006.

Income Tax Expense

Income tax expense was \$2.6 billion for the three months ended March 31, 2007 compared to \$2.5 billion for the three months ended March 31, 2006, resulting in effective tax rates of 32.8 percent and 33.5 percent, respectively. Income tax expense for the three months ended March 31, 2007 reflects a one-time reduction to expense of approximately \$50 million resulting from the remeasurement of certain accrued tax liabilities due to the evaluation of new guidance from taxing authorities.

Assets

At March 31, 2007, total assets were \$1.5 trillion, an increase of \$42.4 billion, or three percent, from December 31, 2006. Average total assets for the three months ended March 31, 2007 increased \$105.0 billion, or seven percent, compared to the same period in 2006. Growth in period end and average total assets was due to growth in trading account assets driven by higher trading activity, an increase in loans and leases attributable to organic growth and bulk purchases of primarily residential mortgages and auto loans, and an increase in loans held-for-sale. Offsetting this growth was a decrease in AFS debt securities due to the third quarter 2006 strategic shift in balance sheet composition from mortgage-backed securities to residential mortgage loans.

Liabilities and Shareholders' Equity

At March 31, 2007, total liabilities were \$1.4 trillion, an increase of \$42.8 billion, or three percent, from December 31, 2006. Average total liabilities for the three months ended March 31, 2007 increased \$102.6 billion, or eight percent, compared to the same period in 2006. Growth in period end and average total liabilities was attributable to increases in trading account liabilities, federal funds purchased and securities sold under agreements to repurchase, and commercial paper and other short-term borrowings resulting from funding requirements to support the growth in overall assets. Other increases in average long-term debt and deposits were due to the net issuances of long-term debt and organic growth.

Period end shareholders' equity was \$134.9 billion at March 31, 2007, a decrease of \$416 million from December 31, 2006, primarily due to dividend payments, share repurchases and the adoption of certain new accounting standards partially offset by net income and common stock issued in connection with employee benefit plans.

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Average shareholders' equity for the three months ended March 31, 2007, compared to the same period in 2006, increased \$2.4 billion to \$133.6 billion primarily due to net income and the issuances of preferred stock partially offset by net share repurchases and the adoption of certain new accounting standards.

Table 4
Selected Quarterly Financial Data

(Dollars in millions, per share information in thousands)	2007 Quarter	2006 Quarters			
	First	Fourth	Third	Second	First
Income statement					
Net interest income	\$ 8,268	\$ 8,599	\$ 8,586	\$ 8,630	\$ 8,776
Noninterest income	9,825	9,866	10,067	9,598	8,901
Total revenue	18,093	18,465	18,653	18,228	17,677
Provision for credit losses	1,235	1,570	1,165	1,005	1,270
Gains (losses) on sales of debt securities	62	21	(469)	(9)	14
Noninterest expense	9,097	9,093	8,863	8,717	8,924
Income before income taxes	7,823	7,823	8,156	8,497	7,497
Income tax expense	2,568	2,567	2,740	3,022	2,511
Net income	5,255	5,256	5,416	5,475	4,986
Average common shares issued and outstanding	4,432,664	4,464,110	4,499,704	4,534,627	4,609,481
Average diluted common shares issued and outstanding	4,497,028	4,536,696	4,570,558	4,601,169	4,666,405
Performance ratios					
Return on average assets	1.40 %	1.39 %	1.43 %	1.51 %	1.43 %
Return on average common shareholders' equity	16.16	15.76	16.64	17.26	15.44
Total ending equity to total ending assets	8.98	9.27	9.22	8.85	9.41
Total average equity to total average assets	8.78	8.97	8.63	8.75	9.26
Dividend payout	48.02	47.49	46.82	41.76	46.75
Per common share data					
Earnings	\$ 1.18	\$ 1.17	\$ 1.20	\$ 1.21	\$ 1.08
Diluted earnings	1.16	1.16	1.18	1.19	1.07
Dividends paid	0.56	0.56	0.56	0.50	0.50
Book value	29.74	29.70	29.52	28.17	28.19
Average balance sheet					
Total loans and leases	\$ 714,042	\$ 683,598	\$ 673,477	\$ 635,649	\$ 615,968
Total assets	1,521,418	1,495,150	1,497,987	1,456,004	1,416,373
Total deposits	686,704	680,245	676,851	674,796	659,821
Long-term debt	148,627	140,756	136,769	125,620	117,018
Common shareholders' equity	130,737	132,004	129,098	127,102	130,881
Total shareholders' equity	133,588	134,047	129,262	127,373	131,153
Asset Quality					
Allowance for credit losses	\$ 9,106	\$ 9,413	\$ 9,260	\$ 9,475	\$ 9,462
Nonperforming assets measured at historical cost	2,059	1,856	1,656	1,641	1,680
Allowance for loan and lease losses as a percentage of total loans and leases outstanding measured at historical cost ⁽¹⁾	1.21 %	1.28 %	1.33 %	1.36 %	1.46 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases measured at historical cost	443	505	562	579	572
Net charge-offs	\$ 1,427	\$ 1,417	\$ 1,277	\$ 1,023	\$ 822
Annualized net charge-offs as a percentage of average loans and leases outstanding measured at historical cost ⁽¹⁾	0.81 %	0.82 %	0.75 %	0.65 %	0.54 %
Nonperforming loans and leases as a percentage of total loans and leases outstanding measured at historical cost ⁽¹⁾	0.27	0.25	0.24	0.23	0.26
Nonperforming assets as a percentage of total loans, leases, and foreclosed properties ⁽¹⁾	0.29	0.26	0.25	0.25	0.27
Ratio of the allowance for loan and lease losses at period end to annualized net charge-offs	1.51	1.60	1.75	2.21	2.72
Capital ratios (period end)					
Risk-based capital:					
Tier 1	8.57 %	8.64 %	8.48 %	8.33 %	8.45 %
Total	11.94	11.88	11.46	11.25	11.32
Tier 1 leverage	6.25	6.36	6.16	6.13	6.18
Market capitalization	\$ 226,481	\$ 238,021	\$ 240,966	\$ 217,794	\$ 208,633
Market price per share of common stock					
Closing	\$ 51.02	\$ 53.39	\$ 53.57	\$ 48.10	\$ 45.54
High closing	54.05	54.90	53.57	50.47	47.08
Low closing	49.46	51.66	47.98	45.48	43.09

⁽¹⁾Ratios do not include loans measured at fair value in accordance with SFAS 159 at and for the period ended March 31, 2007. Loans measured at fair value were \$3.86 billion at March 31, 2007.

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Supplemental Financial Data

Table 5 provides a reconciliation of the supplemental financial data mentioned below with financial measures defined by GAAP. Other companies may define or calculate supplemental financial data differently.

Operating Basis Presentation

In managing our business, we may at times look at performance excluding certain nonrecurring items. For example, as an alternative to net income, we view results on an operating basis, which represents net income excluding merger and restructuring charges. The operating basis of presentation is not defined by GAAP. We believe that the exclusion of merger and restructuring charges, which represent events outside our normal operations, provides a meaningful period-to-period comparison and is more reflective of normalized operations.

Net Interest Income—FTE Basis

In addition, we view net interest income and related ratios and analysis (i.e., efficiency ratio, net interest yield and operating leverage) on a FTE basis. Although this is a non-GAAP measure, we believe managing the business with net interest income on a FTE basis provides a more accurate picture of the interest margin for comparative purposes. To derive the FTE basis, net interest income is adjusted to reflect tax-exempt income on an equivalent before-tax basis with a corresponding increase in income tax expense. For purposes of this calculation, we use the federal statutory tax rate of 35 percent. This measure ensures comparability of net interest income arising from taxable and tax-exempt sources.

Performance Measures

As mentioned above, certain performance measures including the efficiency ratio, net interest yield and operating leverage utilize net interest income (and thus total revenue) on a FTE basis. The efficiency ratio measures the costs expended to generate a dollar of revenue, and net interest yield evaluates how many basis points we are earning over the cost of funds. Operating leverage measures the total percentage revenue growth minus the total percentage expense growth for the corresponding period. During our annual integrated planning process, we set operating leverage and efficiency targets for the Corporation and each line of business. We believe the use of these non-GAAP measures provides additional clarity in assessing the results of the Corporation. Targets vary by year and by business, and are based on a variety of factors including maturity of the business, investment appetite, competitive environment, market factors, and other items (e.g., risk appetite). The aforementioned performance measures and ratios, EPS, diluted EPS, return on average assets, and dividend payout ratio, as well as those measures discussed more fully below, are presented in Table 5.

Return on Average Common Shareholders' Equity, Return on Average Tangible Shareholders' Equity and Shareholder Value Added

We also evaluate our business based upon ROE, ROTE and SVA measures. ROE, ROTE and SVA utilize non-GAAP allocation methodologies. ROE measures the earnings contribution of a unit as a percentage of the shareholders' equity allocated to that unit. ROTE measures the earnings contribution of the Corporation as a percentage of shareholders' equity reduced by goodwill. SVA is defined as cash basis earnings on an operating basis less a charge for the use of capital. These measures are used to evaluate our use of equity (i.e., capital) at the individual unit level and are integral components in the analytics for resource allocation. We believe using SVA as a performance measure places specific focus on whether incremental investments generate returns in excess of the costs of capital associated with those investments. In addition, profitability, relationship, and investment models all use ROE and SVA as key measures to support our overall growth goal.

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Table 5
Supplemental Financial Data and Reconciliations to GAAP Financial Measures

	Three Months Ended March 31	
	2007	2006
(Dollars in millions, except per share information)		
Operating basis		
Operating earnings	\$ 5,325	\$ 5,047
Operating earnings per common share	1.19	1.09
Diluted operating earnings per common share	1.17	1.08
Shareholder value added	2,168	1,937
Return on average assets	1.42 %	1.45 %
Return on average common shareholders' equity	16.38	15.63
Return on average tangible shareholders' equity	31.81	31.46
Operating efficiency ratio (FTE basis)	48.78	49.19
Dividend payout ratio	47.39	46.18
Operating leverage	0.86	3.51
FTE basis data		
Net interest income	\$ 8,597	\$ 9,040
Total revenue	18,422	17,941
Net interest yield	2.61 %	2.98 %
Efficiency ratio	49.38	49.74
Reconciliation of net income to operating earnings		
Net income	\$ 5,255	\$ 4,986
Merger and restructuring charges	111	98
Related income tax benefit	(41)	(37)
Operating earnings	\$ 5,325	\$ 5,047
Reconciliation of average shareholders' equity to average tangible shareholders' equity		
Average shareholders' equity	\$ 133,588	\$ 131,153
Average goodwill	(65,703)	(66,094)
Average tangible shareholders' equity	\$ 67,885	\$ 65,059
Reconciliation of EPS to operating EPS		
Earnings per common share	\$ 1.18	\$ 1.08
Effect of merger and restructuring charges, net of tax benefit	0.01	0.01
Operating earnings per common share	\$ 1.19	\$ 1.09
Reconciliation of diluted EPS to diluted operating EPS		
Diluted earnings per common share	\$ 1.16	\$ 1.07
Effect of merger and restructuring charges, net of tax benefit	0.01	0.01
Diluted operating earnings per common share	\$ 1.17	\$ 1.08
Reconciliation of net income to shareholder value added		
Net income	\$ 5,255	\$ 4,986
Amortization of intangibles	389	440
Merger and restructuring charges, net of tax benefit	70	61
Cash basis earnings on an operating basis	5,714	5,487
Capital charge	(3,546)	(3,550)
Shareholder value added	\$ 2,168	\$ 1,937
Reconciliation of return on average assets to operating return on average assets		
Return on average assets	1.40 %	1.43 %
Effect of merger and restructuring charges, net of tax benefit	0.02	0.02
Operating return on average assets	1.42 %	1.45 %
Reconciliation of return on average common shareholders' equity to operating return on average common shareholders' equity		
Return on average common shareholders' equity	16.16 %	15.44 %
Effect of merger and restructuring charges, net of tax benefit	0.22	0.19
Operating return on average common shareholders' equity	16.38 %	15.63 %
Reconciliation of return on average tangible shareholders' equity to operating return on average tangible shareholders' equity		
Return on average tangible shareholders' equity	31.39 %	31.08 %
Effect of merger and restructuring charges, net of tax benefit	0.42	0.38
Operating return on average tangible shareholders' equity	31.81 %	31.46 %
Reconciliation of efficiency ratio to operating efficiency ratio (FTE basis)		
Efficiency ratio	49.38 %	49.74 %
Effect of merger and restructuring charges	(0.60)	(0.55)
Operating efficiency ratio	48.78 %	49.19 %
Reconciliation of dividend payout ratio to operating dividend payout ratio		
Dividend payout ratio	48.02 %	46.75 %
Effect of merger and restructuring charges, net of tax benefit	(0.63)	(0.57)
Operating dividend payout ratio	47.39 %	46.18 %
Reconciliation of operating leverage to operating basis operating leverage		
Operating leverage	0.74 %	4.14 %
Effect of merger and restructuring charges	0.12	(0.63)
Operating leverage	0.86 %	3.51 %

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Core Net Interest Income – Managed Basis

In managing our business, we review core net interest income – managed basis, which adjusts reported net interest income on a FTE basis for the impact of market-based activities and certain securitizations, net of retained securities. As discussed in the *GCIB* business segment section beginning on page 49, we evaluate our market-based results and strategies on a total market-based revenue approach by combining net interest income and noninterest income for the *Capital Markets and Advisory Services* business. We also adjust for loans that we originated and sold into certain securitizations. These securitizations include off-balance sheet loans and leases, specifically those loans in revolving securitizations and other securitizations where servicing is retained by the Corporation (e.g., credit card and home equity lines). Noninterest income, rather than net interest income and provision for credit losses, is recorded for assets that have been securitized as we are compensated for servicing the securitized assets and record servicing income and gains or losses on securitizations, where appropriate. We believe the use of this non-GAAP presentation provides additional clarity in assessing the results of the Corporation. An analysis of core net interest income – managed basis, core average earning assets – managed basis and core net interest yield on earning assets – managed basis, which adjusts for the impact of these two non-core items from reported net interest income on a FTE basis, is shown below.

Table 6
Core Net Interest Income – Managed Basis

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Net interest income		
As reported ⁽¹⁾	\$ 8,597	\$ 9,040
Impact of market-based net interest income ⁽²⁾	(484)	(412)
Core net interest income	8,113	8,628
Impact of securitizations ⁽³⁾	1,859	1,725
Core net interest income – managed basis	\$ 9,972	\$ 10,353
Average earning assets		
As reported	\$1,321,946	\$1,219,611
Impact of market-based earning assets ⁽²⁾	(408,113)	(336,606)
Core average earning assets	913,833	883,005
Impact of securitizations	102,529	96,268
Core average earning assets – managed basis	\$1,016,362	\$ 979,273
Net interest yield contribution		
As reported ⁽¹⁾	2.61 %	2.98 %
Impact of market-based activities	0.95	0.95
Core net interest yield on earning assets	3.56	3.93
Impact of securitizations	0.38	0.32
Core net interest yield on earning assets – managed basis	3.94 %	4.25 %

(1)FTE basis

(2)Represents amounts from the *Capital Markets and Advisory Services* business within *GCIB*.

(3)Represents the impact of securitizations utilizing actual bond costs. This is different from the segment view which utilizes funds transfer pricing methodologies.

Core net interest income on a managed basis decreased \$381 million for the three months ended March 31, 2007 compared to the same period in 2006. This decrease was primarily driven by the impact of the divestitures of certain foreign operations, reduced benefits from purchase accounting adjustments from 2006, the impact of hedging activities, reduced commercial leasing revenue resulting from the adoption of FSP 13-2 and the higher cost of deposits. Partially offsetting these decreases was consumer (primarily lines of credit and home equity) and commercial loan growth, and higher ALM portfolio balances.

On a managed basis, core average earning assets increased \$37.1 billion for the three months ended March 31, 2007 compared to the same period in 2006 due to higher levels of consumer (organic growth in home equity and unsecured lines of credit, and purchased auto loan pools) and commercial loans, and higher ALM portfolio levels (higher residential mortgages partially offset by lower securities).

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Core net interest yield on a managed basis decreased 31 bps for the three months ended March 31, 2007 compared to the same period in 2006, due to reduced benefits from purchase accounting adjustments from 2006, the impact of hedging activities, the adoption of FSP 13-2, and the divestitures of businesses. In addition, the core net interest yield was adversely impacted by overall spread compression due to the flat to inverted yield curve and an increased reliance on wholesale funding.

Table 7
Quarterly Average Balances and Interest Rates - FTE Basis

(Dollars in millions)	First Quarter 2007			Fourth Quarter 2006		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Earning assets						
Time deposits placed and other short-term investments	\$ 15,023	\$ 169	4.57 %	\$ 15,760	\$ 166	4.19 %
Federal funds sold and securities purchased under agreements to resell	166,195	1,979	4.79	174,167	2,068	4.73
Trading account assets	175,249	2,357	5.41	167,163	2,289	5.46
Debt securities ⁽¹⁾	186,498	2,451	5.27	193,601	2,504	5.17
Loans and leases ⁽²⁾ :						
Residential mortgage	246,618	3,504	5.69	225,985	3,202	5.66
Credit card—domestic	57,720	1,887	13.26	59,802	2,101	13.94
Credit card—foreign	11,133	317	11.55	10,375	305	11.66
Home equity ⁽³⁾	89,561	1,679	7.60	84,907	1,626	7.60
Direct/Indirect consumer	60,155	1,221	8.23	53,478	1,101	8.17
Other consumer ⁽⁴⁾	8,809	204	9.36	10,597	225	8.47
Total consumer	473,996	8,812	7.50	445,144	8,560	7.65
Commercial—domestic	163,620	2,934	7.27	158,604	2,907	7.27
Commercial real estate ⁽⁵⁾	36,117	672	7.55	36,851	704	7.58
Commercial lease financing	19,651	175	3.55	21,159	254	4.80
Commercial—foreign	20,658	330	6.48	21,840	337	6.12
Total commercial	240,046	4,111	6.94	238,454	4,202	7.00
Total loans and leases	714,042	12,923	7.31	683,598	12,762	7.42
Other earning assets	64,939	1,010	6.28	65,172	1,058	6.46
Total earning assets ⁽⁶⁾	1,321,946	20,889	6.37	1,299,461	20,847	6.39
Cash and cash equivalents	33,623			32,816		
Other assets, less allowance for loan and lease losses	165,849			162,873		
Total assets	\$1,521,418			\$1,495,150		
Interest-bearing liabilities						
Domestic interest-bearing deposits:						
Savings	\$ 32,773	\$ 41	0.50 %	\$ 32,965	\$ 48	0.58 %
NOW and money market deposit accounts	212,249	936	1.79	211,055	966	1.81
Consumer CDs and IRAs	159,505	1,832	4.66	154,621	1,794	4.60
Negotiable CDs, public funds and other time deposits	13,376	136	4.12	13,052	140	4.30
Total domestic interest-bearing deposits	417,903	2,945	2.86	411,693	2,948	2.84
Foreign interest-bearing deposits:						
Banks located in foreign countries	40,372	531	5.34	38,648	507	5.21
Governments and official institutions	14,482	178	4.98	14,220	168	4.70
Time, savings and other	39,534	380	3.90	41,328	366	3.50
Total foreign interest-bearing deposits	94,388	1,089	4.68	94,196	1,041	4.38
Total interest-bearing deposits	512,291	4,034	3.19	505,889	3,989	3.13
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	414,104	5,318	5.20	405,748	5,222	5.11
Trading account liabilities	77,635	892	4.66	75,261	800	4.21
Long-term debt	148,627	2,048	5.51	140,756	1,881	5.34
Total interest-bearing liabilities ⁽⁶⁾	1,152,657	12,292	4.31	1,127,654	11,892	4.19
Noninterest-bearing sources:						
Noninterest-bearing deposits	174,413			174,356		
Other liabilities	60,760			59,093		
Shareholders' equity	133,588			134,047		
Total liabilities and shareholders' equity	\$1,521,418			\$1,495,150		
Net interest spread			2.06 %			2.20 %
Impact of noninterest-bearing sources			0.55			0.55
Net interest income/yield on earning assets		\$ 8,597	2.61 %		\$ 8,955	2.75 %

(1)Yields on AFS debt securities are calculated based on fair value rather than historical cost balances. The use of fair value does not have a material impact on net interest yield.

(2)Nonperforming loans are included in the respective average loan balances. Income on these nonperforming loans is recognized on a cash basis.

(3)Includes home equity loans of \$13.5 billion in the first quarter of 2007, and \$11.7 billion, \$9.9 billion, \$8.7 billion and \$8.2 billion in the fourth, third, second and first quarters of 2006, respectively.

(4)Includes consumer finance loans of \$3.0 billion in the first quarter of 2007, and \$2.8 billion, \$2.9 billion, \$3.0 billion and \$3.0 billion in the fourth, third, second and first quarters of 2006, respectively; and foreign consumer loans of \$5.8 billion in the first quarter of 2007, and \$7.8 billion, \$8.1 billion, \$7.8 billion and \$7.3 billion in the fourth, third, second and first quarters of 2006, respectively.

(5)Includes domestic commercial real estate loans of \$35.5 billion in the first quarter of 2007, and \$36.1 billion, \$36.7 billion, \$36.0 billion and \$36.0 billion in the fourth, third, second and first quarters of 2006, respectively.

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(Dollars in millions)	Third Quarter 2006			Second Quarter 2006 ⁽⁷⁾			First Quarter 2006		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Earning assets									
Time deposits placed and other short-term investments	\$ 15,629	\$ 173	4.39 %	\$ 16,691	\$ 168	4.05 %	\$ 14,347	\$ 139	3.92 %
Federal funds sold and securities purchased under agreements to resell	173,381	2,146	4.94	179,104	1,900	4.25	174,711	1,709	3.94
Trading account assets	146,817	1,928	5.24	133,556	1,712	5.13	133,361	1,623	4.89
Debt securities ⁽¹⁾	236,033	3,136	5.31	236,967	3,162	5.34	234,606	3,043	5.19
Loans and leases ⁽²⁾ :									
Residential mortgage	222,889	3,151	5.65	197,228	2,731	5.54	184,796	2,524	5.48
Credit card—domestic	62,508	2,189	13.90	64,980	2,168	13.38	68,169	2,180	12.97
Credit card—foreign	9,455	286	12.02	8,305	269	12.97	8,403	287	13.86
Home equity ⁽³⁾	79,901	1,522	7.56	75,897	1,378	7.28	72,422	1,247	6.98
Direct/Indirect consumer	51,534	1,022	7.90	48,000	910	7.59	46,801	851	7.32
Other consumer ⁽⁴⁾	11,076	298	10.66	10,804	294	10.95	10,357	272	10.59
Total consumer	437,363	8,468	7.71	405,214	7,750	7.66	390,948	7,361	7.60
Commercial—domestic	153,007	2,805	7.28	148,445	2,695	7.28	144,693	2,490	6.97
Commercial real estate ⁽⁵⁾	37,471	724	7.67	36,749	680	7.41	36,676	632	6.99
Commercial lease financing	20,875	232	4.46	20,896	262	5.01	20,512	247	4.82
Commercial—foreign	24,761	454	7.27	24,345	456	7.52	23,139	427	7.48
Total commercial	236,114	4,215	7.09	230,435	4,093	7.12	225,020	3,796	6.83
Total loans and leases	673,477	12,683	7.49	635,649	11,843	7.47	615,968	11,157	7.32
Other earning assets	57,029	914	6.38	51,928	808	6.24	46,618	718	6.22
Total earning assets ⁽⁶⁾	1,302,366	20,980	6.41	1,253,895	19,593	6.26	1,219,611	18,389	6.08
Cash and cash equivalents	33,495			35,070			34,857		
Other assets, less allowance for loan and lease losses	162,126			167,039			161,905		
Total assets	\$ 1,497,987			\$ 1,456,004			\$ 1,416,373		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	\$ 34,268	\$ 69	0.81 %	\$ 35,681	\$ 76	0.84 %	\$ 35,550	\$ 76	0.87 %
NOW and money market deposit accounts	212,690	1,053	1.96	221,198	996	1.81	227,606	908	1.62
Consumer CDs and IRAs	147,607	1,658	4.46	141,408	1,393	3.95	135,068	1,177	3.53
Negotiable CDs, public funds and other time deposits	14,105	150	4.19	13,005	123	3.80	8,551	70	3.30
Total domestic interest-bearing deposits	408,670	2,930	2.84	411,292	2,588	2.52	406,775	2,231	2.22
Foreign interest-bearing deposits:									
Banks located in foreign countries	38,588	562	5.78	32,456	489	6.05	30,116	424	5.71
Governments and official institutions	12,801	156	4.83	13,428	155	4.63	10,200	107	4.25
Time, savings and other	40,444	328	3.22	37,178	276	2.98	35,136	245	2.83
Total foreign interest-bearing deposits	91,833	1,046	4.52	83,062	920	4.44	75,452	776	4.17
Total interest-bearing deposits	500,503	3,976	3.15	494,354	3,508	2.85	482,227	3,007	2.53
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	429,882	5,467	5.05	408,734	4,842	4.75	399,896	4,309	4.37
Trading account liabilities	69,462	727	4.15	61,263	596	3.90	52,466	517	3.99
Long-term debt	136,769	1,916	5.60	125,620	1,721	5.48	117,018	1,516	5.18
Total interest-bearing liabilities ⁽⁶⁾	1,136,616	12,086	4.23	1,089,971	10,667	3.92	1,051,607	9,349	3.60
Noninterest-bearing sources:									
Noninterest-bearing deposits	176,348			180,442			177,594		
Other liabilities	55,761			58,218			56,019		
Shareholders' equity	129,262			127,373			131,153		
Total liabilities and shareholders' equity	\$ 1,497,987			\$ 1,456,004			\$ 1,416,373		
Net interest spread			2.18 %			2.34 %			2.48 %
Impact of noninterest-bearing sources			0.55			0.51			0.50
Net interest income/yield on earning assets		\$ 8,894	2.73 %		\$ 8,926	2.85 %		\$ 9,040	2.98 %

(6) Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on the underlying assets \$(121) million in the first quarter of 2007, and \$(198) million, \$(128) million, \$(54) million and \$8 million in the fourth, third, second and first quarters of 2006, respectively. Interest expense includes the impact of interest rate risk management contracts, which increased (decreased) interest expense on the underlying liabilities \$179 million in the first quarter of 2007, and \$(69) million, \$(48) million, \$87 million and \$136 million in the fourth, third, second and first quarters of 2006, respectively. For further information on interest rate contracts, see Interest Rate Risk Management for Nontrading Activities beginning on page 82.

(7) Interest income (FTE basis) for the three months ended June 30, 2006, does not include the cumulative tax charge resulting from a change in tax legislation relating to extraterritorial tax income and foreign sales corporation regimes. The FTE impact to net interest income and net interest yield on earning assets of this retroactive tax adjustment was a reduction of \$270 million and 9 bps, respectively, for the three months ended June 30, 2006. Management has excluded this one-time impact to provide a more comparative basis of presentation for net interest income and net interest yield on earning assets on a FTE basis. The impact on any given future period is not expected to be material.

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Business Segment Operations

Segment Description

The Corporation reports the results of its operations through three business segments: *GCSBB*, *GCIB* and *GWIM*, with the remaining operations recorded in *All Other*. Effective January 1, 2007, the Corporation changed its basis of presentation to present *GCSBB*, specifically *Card Services*, on a managed basis with a corresponding offset recorded in *All Other*. Also, the financial results of certain businesses that are expected to be or have been sold have been transferred to *All Other*. In addition, certain management accounting methodologies and related allocations were refined. Prior period segment results have been adjusted to reflect these changes. These changes did not have an impact on the previously reported consolidated results of the Corporation. For more information of changes to the Corporation's basis of presentation, selected financial information for the business segments and reconciliations to consolidated total revenue and net income amounts, see Note 16 of the Consolidated Financial Statements.

Basis of Presentation

We prepare and evaluate segment results using certain non-GAAP methodologies and performance measures, many of which are discussed in Supplemental Financial Data beginning on page 38. We begin by evaluating the operating results of the businesses which by definition excludes merger and restructuring charges. The segment results also reflect certain revenue and expense methodologies which are utilized to determine operating income. The net interest income of the businesses includes the results of a funds transfer pricing process that matches assets and liabilities with similar interest rate sensitivity and maturity characteristics.

The management accounting reporting process derives segment and business results by utilizing allocation methodologies for revenue, expense and capital. The net income derived for the businesses are dependent upon revenue and cost allocations using an activity-based costing model, funds transfer pricing, and other methodologies and assumptions management believes are appropriate to reflect the results of the business.

The Corporation's ALM activities maintain an overall interest rate risk management strategy that incorporates the use of interest rate contracts to manage fluctuations in earnings that are caused by interest rate volatility. The Corporation's goal is to manage interest rate sensitivity so that movements in interest rates do not significantly adversely affect net interest income. The results of the business segments will fluctuate based on the performance of corporate ALM activities. Some ALM activities are recorded in the businesses (i.e., *Deposits*) such as external product pricing decisions, including deposit pricing strategies, as well as the effects of our internal funds transfer pricing process and other ALM actions such as portfolio positioning. The net effects of other ALM activities are reported in each of the Corporation's segments under *ALM/Other*. In addition, any residual effect of the funds transfer pricing process is retained in *All Other*.

Certain expenses not directly attributable to a specific business segment are allocated to the segments based on pre-determined means. The most significant of these expenses include data processing costs, item processing costs and certain centralized or shared functions. Data processing costs are allocated to the segments based on equipment usage. Item processing costs are allocated to the segments based on the volume of items processed for each segment. The costs of certain centralized or shared functions are allocated based on methodologies which reflect utilization.

Equity is allocated to business segments and related businesses using a risk-adjusted methodology incorporating each unit's credit, market, interest rate and operational risk components. The nature of these risks is discussed further beginning on page 62. ROE is calculated by dividing net income by average allocated equity. SVA is defined as cash basis earnings on an operating basis less a charge for the use of capital (i.e., equity). Cash basis earnings on an operating basis is defined as net income adjusted to exclude merger and restructuring charges and amortization of intangibles. The charge for capital is calculated by multiplying 11 percent (management's estimate of the shareholders' minimum required rate of return on capital invested) by average total common shareholders' equity at the corporate level and by average allocated equity at the business segment level. Average equity is allocated to the business segments and related businesses and is impacted by the portion of goodwill that is specifically assigned to the businesses and the unallocated portion of goodwill that resides in *ALM/Other*. Management reviews the estimate of the rate used to calculate the capital charge annually. The Capital Asset Pricing Model is used to estimate our cost of capital.

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Global Consumer and Small Business Banking

Three Months Ended March 31, 2007					
(Dollars in millions)	Total ⁽¹⁾	Deposits	Card Services ⁽¹⁾	Consumer Real Estate ⁽²⁾	ALM/Other
Net interest income ⁽³⁾	\$ 7,028	\$ 2,367	\$ 3,990	\$ 524	\$ 147
Noninterest income					
Card income	2,451	500	1,951	—	—
Service charges	1,377	1,376	—	1	—
Mortgage banking income	302	—	—	302	—
All other income	264	—	189	13	62
Total noninterest income	4,394	1,876	2,140	316	62
Total revenue ⁽³⁾	11,422	4,243	6,130	840	209
Managed credit impact	2,411	39	2,299	29	44
Gains (losses) on sales of debt securities	(1)	—	—	—	(1)
Noninterest expense	4,728	2,157	2,000	450	121
Income before income taxes ⁽³⁾	4,282	2,047	1,831	361	43
Income tax expense ⁽³⁾	1,586	759	678	134	15
Net income	\$ 2,696	\$ 1,288	\$ 1,153	\$ 227	\$ 28
Shareholder value added	\$ 1,346	\$ 955	\$ 227	\$ 130	\$ 34
Net interest yield ⁽³⁾	8.25 %	2.86 %	8.02 %	2.13 %	n/m
Return on average equity ⁽⁴⁾	17.58	35.00	10.64	25.82	n/m
Efficiency ratio ⁽³⁾	41.40	50.82	32.63	53.53	n/m
Period end—total assets ⁽⁵⁾	\$407,654	\$344,143	\$234,601	\$ 105,959	n/m

Three Months Ended March 31, 2006					
(Dollars in millions)	Total ⁽¹⁾	Deposits	Card Services ⁽¹⁾	Consumer Real Estate ⁽²⁾	ALM/Other
Net interest income ⁽³⁾	\$ 7,092	\$ 2,288	\$ 4,139	\$ 478	\$ 187
Noninterest income					
Card income	2,107	430	1,677	—	—
Service charges	1,190	1,189	—	1	—
Mortgage banking income	205	—	—	205	—
All other income	248	—	184	13	51
Total noninterest income	3,750	1,619	1,861	219	51
Total revenue ⁽³⁾	10,842	3,907	6,000	697	238
Managed credit impact	1,901	28	1,809	14	50
Gains (losses) on sales of debt securities	(1)	—	—	—	(1)
Noninterest expense	4,612	2,166	1,945	411	90
Income before income taxes ⁽³⁾	4,328	1,713	2,246	272	97
Income tax expense ⁽³⁾	1,604	634	833	101	36
Net income	\$ 2,724	\$ 1,079	\$ 1,413	\$ 171	\$ 61
Shareholder value added	\$ 1,311	\$ 770	\$ 477	\$ 92	\$ (28)
Net interest yield ⁽³⁾	8.35 %	2.72 %	8.93 %	2.22 %	n/m
Return on average equity ⁽⁴⁾	16.73	30.10	12.68	23.79	n/m
Efficiency ratio ⁽³⁾	42.54	55.47	32.41	59.07	n/m
Period end—total assets ⁽⁵⁾	\$406,032	\$351,937	\$215,333	\$ 91,030	n/m

(1) Presented on a managed basis, specifically *Card Services*.

(2) Effective January 1, 2007, *GCSBB* combined the former *Mortgage* and *Home Equity* businesses into *Consumer Real Estate*.

(3) FTE basis

(4) Average allocated equity for *GCSBB* was \$62.2 billion and \$66.0 billion for the three months ended March 31, 2007 and 2006.

(5) Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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(Dollars in millions)	Ending Balance		Average Balance	
	March 31		Three Months Ended	
	2007	2006	2007	2006
Total loans and leases	\$309,992	\$278,197	\$308,105	\$279,382
Total earning assets ⁽¹⁾	349,694	351,772	345,511	344,423
Total assets ⁽¹⁾	407,654	406,032	400,576	396,821
Total deposits	334,968	342,521	326,552	332,702

(1) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

The strategy for *GCSBB* is to attract, retain and deepen customer relationships. We achieve this strategy through our ability to offer a wide range of products and services through a franchise that stretches coast to coast through 30 states and the District of Columbia. We also provide credit card products to customers in Canada, Ireland, Spain and the United Kingdom. In the U.S., we serve more than 56 million consumer and small business relationships utilizing our network of 5,737 banking centers, 17,117 domestic branded ATMs, and telephone and Internet channels. Within *GCSBB*, there are three primary businesses: *Deposits*, *Card Services*, and *Consumer Real Estate*. In addition, *ALM/Other* includes the results of ALM activities and other consumer-related businesses (e.g., insurance). *GCSBB*, specifically *Card Services*, is presented on a managed basis. For a reconciliation of managed *GCSBB* to held *GCSBB*, see Note 16 of the Consolidated Financial Statements.

Net income decreased \$28 million to \$2.7 billion and net interest income decreased \$64 million for the three months ended March 31, 2007 compared to the same period in 2006. The decrease in net income was primarily due to higher managed credit costs in *Card Services* and an increase in noninterest expense partially offset by higher card income, service charges and mortgage banking income. The decrease in net interest income was primarily due to spread compression on our *Card Services* products, partially offset by disciplined pricing on our deposit products and an increase in total average loans and leases.

Noninterest income increased \$644 million, or 17 percent for the three months ended March 31, 2007 compared to the same period in 2006, mainly due to increases of \$344 million in card income, \$187 million in service charges and \$97 million in mortgage banking income. Card income was higher primarily due to the favorable change in value of the interest-only strip, and increases in cash advance fees, debit card income and late fees. Service charges increased due to new account growth and increased usage. Mortgage banking income increased due to the net favorable performance of the MSRs and the impact of the adoption of SFAS 159 on *Consumer Real Estate* loans held-for-sale.

The managed credit impact increased \$510 million, or 27 percent, to \$2.4 billion for the three months ended March 31, 2007 compared to the same period in 2006. This increase primarily resulted from a \$490 million increase in *Card Services* which was mainly driven by portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform. For further discussion of this increase in the managed credit impact related to *Card Services*, see the *Card Services* discussion on page 46.

Noninterest expense increased \$116 million for the three months ended March 31, 2007 compared to the same period in 2006 primarily due to an increase in personnel expense.

Deposits

Deposits provides a comprehensive range of products to consumers and small businesses. Our products include traditional savings accounts, money market savings accounts, CDs and IRAs, and regular and interest-checking accounts. Debit card results are also included in *Deposits*.

Deposit products provide a relatively stable source of funding and liquidity. We earn net interest spread revenues from investing this liquidity in earning assets through client facing lending activity and our ALM activities. The revenue is attributed to the deposit products using our funds transfer pricing process which takes into account the interest rates and maturity characteristics of the deposits. *Deposits* also generate various account fees such as non-sufficient fund fees, overdraft charges and account service fees while debit cards generate interchange fees. Interchange fees are volume based and paid by merchants to have the debit transactions processed.

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We added approximately 487,000 net new retail checking accounts and 427,000 net new retail savings accounts for the three months ended March 31, 2007. These additions resulted from continued improvement in sales and service results in the Banking Center Channel, the success of innovative products such as Keep the Change™ as well as eCommerce accessibility and customer referrals.

The Corporation continues to migrate qualifying affluent customers, and their related deposit balances and associated net interest income from *GCSBB* to *GWIM*. For the three months ended March 31, 2007 and 2006, a total of \$3.6 billion and \$3.2 billion of deposits were migrated from *GCSBB* to *GWIM*.

Net income increased \$209 million, or 19 percent, for the three months ended March 31, 2007 compared to the same period in 2006. The increase in net income was driven by an increase in total revenue of \$336 million, or nine percent. Net interest income increased \$79 million, or three percent, resulting from disciplined pricing which contributed to deposit spreads increasing 15 bps to 3.05 percent. Average deposits decreased \$6.3 billion, or two percent, primarily due to certain product runoff and the migration of deposit balances to *GWIM* partially offset by organic growth. Noninterest income increased \$257 million, or 16 percent, driven by higher service charges and higher debit card interchange income. The increase to service charges was primarily due to increased non-sufficient funds fees and overdraft charges resulting from new account growth and increased usage. Debit card interchange income was higher due to a higher number of checking accounts, increased usage and continued improvements in penetration rates (i.e., increase in the number of existing account holders with debit cards).

Total noninterest expense remained relatively flat at \$2.2 billion for the three months ended March 31, 2007 compared to the same period in 2006.

Card Services

Card Services, which excludes the results of debit cards (included in *Deposits*), provides a broad offering of products, including U.S. Consumer and Business Card, Unsecured Lending, Merchant Services and International Card Businesses. We offer a variety of co-branded and affinity credit card products and have become the leading issuer of credit cards through endorsed marketing in the U.S. and Europe.

Effective January 1, 2007, the Corporation began reporting its *GCSBB* results, specifically *Card Services*, on a managed basis. The change to a managed basis is consistent with the way that management as well as analysts evaluate the results of *GCSBB*. Managed basis assumes that loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. Loan securitization is an alternative funding vehicle that is used by the Corporation to diversify funding sources. Loan securitization removes loans from the Consolidated Balance Sheet through the sale of loans to an off-balance sheet qualified special purpose entity which is excluded from the Corporation's consolidated financial statements in accordance with GAAP.

Securitized loans continue to be serviced by the business and are subject to the same underwriting standards and ongoing monitoring as held loans. In addition, excess servicing income is exposed to similar credit risk and repricing of interest rates as held loans.

Net income decreased \$260 million, or 18 percent, for the three months ended March 31, 2007 compared to the same period in 2006. The decrease was driven by higher managed credit impact and a decrease in net interest income partially offset by an increase in noninterest income. Net interest income decreased \$149 million, or four percent, to \$4.0 billion for the three months ended March 31, 2007 compared to the same period in 2006. This decrease was driven by spread compression, partially offset by additional income resulting from an increase in total average outstandings.

Noninterest income increased \$279 million, or 15 percent, to \$2.1 billion for the three months ended March 31, 2007 compared to the same period in 2006, primarily due to the favorable change in value of the interest-only strip and organic growth which increased cash advance fees and late fees.

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The managed credit impact increased \$490 million, or 27 percent, to \$2.3 billion for the three months ended March 31, 2007 compared to the same period in 2006. This increase was primarily driven by higher losses from portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform. These increases were partially offset by reserve reductions from the addition of legacy Bank of America accounts which have a higher loss profile to the domestic consumer credit card securitization master trust and increased securitizations from the trust.

Key Statistics (Dollars in millions)	Three Months Ended March 31	
	2007	2006
Card Services		
Average—total loans and leases:		
Managed	\$ 201,166	\$ 186,686
Held	99,390	93,910
Period end—total loans and leases:		
Managed	200,424	184,892
Held	98,061	90,533
Managed net losses:		
Amount	2,331	1,332
Percent	4.70 %	2.89 %
Credit Card ⁽¹⁾		
Average—total loans and leases:		
Managed	\$ 167,392	\$ 162,138
Held	68,853	76,572
Period end—total loans and leases:		
Managed	165,416	159,433
Held	65,920	72,279
Managed net losses:		
Amount	1,953	1,246
Percent	4.73 %	3.12 %

(1)Includes U.S. consumer card and foreign credit card. Does not include business card.

Managed net losses increased \$999 million to \$2.3 billion, or 4.70 percent of average *Card Services* outstandings, for the three months ended March 31, 2007 compared to \$1.3 billion, or 2.89 percent (\$1.5 billion or 3.35 percent excluding the impact of SOP 03-3) for the same period in 2006. This increase was driven by portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform. See Consumer Portfolio Credit Risk Management – SOP 03-3 on page 66 for more information on SOP 03-3.

Managed *Card Services* total average loans and leases increased \$14.5 billion to \$201.2 billion for the three months ended March 31, 2007 compared to the same period in 2006, primarily driven by growth in the foreign and unsecured lending portfolios.

Managed credit card net losses increased \$707 million to \$2.0 billion, or 4.73 percent of average credit card outstandings, for the three months ended March 31, 2007 compared to \$1.2 billion, or 3.12 percent (\$1.4 billion or 3.39 percent excluding the impact of SOP 03-3) for the same period in 2006. The increase was driven by portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform.

Managed credit card total average loans and leases increased \$5.3 billion to \$167.4 billion for the three months ended March 31, 2007 compared to the same period in 2006. The increase was primarily driven by growth in foreign portfolios.

Consumer Real Estate

Consumer Real Estate generates revenue by providing an extensive line of consumer real estate products and services to customers nationwide. *Consumer Real Estate* products are available to our customers through a retail network of personal bankers located in 5,737 banking centers, sales account executives in nearly 200 locations and through a sales force offering

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our customers direct telephone and online access to our products. Additionally, we serve our customers through a partnership with more than 7,000 mortgage brokers in all 50 states. *Consumer Real Estate* products include fixed and adjustable rate loans for home purchase and refinancing needs, lines of credit and home equity loans. To manage this portfolio, mortgage products are either sold into the secondary mortgage market to investors, while retaining the Bank of America customer relationships, or are held on our balance sheet for ALM purposes. *Consumer Real Estate* is not impacted by the Corporation's mortgage production retention decisions as *Consumer Real Estate* is compensated for the decision on a management accounting basis with a corresponding offset recorded in *All Other*.

The consumer real estate business includes the origination, fulfillment, sale and servicing of first mortgage loan products and home equity products. Servicing activities primarily include collecting cash for principal, interest and escrow payments from borrowers, and accounting for and remitting principal and interest payments to investors and escrow payments to third parties. Servicing income includes ancillary income derived in connection with these activities such as late fees.

Consumer Real Estate first mortgage and home equity production within *GCSBB* was \$36.6 billion for the three months ended March 31, 2007 compared to \$30.2 billion for the same period in 2006.

Net income for *Consumer Real Estate* increased \$56 million, or 33 percent, for the three months ended March 31, 2007 compared to the same period in 2006. The increase in net income was driven by an increase in total revenue of \$143 million, or 21 percent, partially offset by a \$39 million increase in noninterest expense. The increase in total revenue was due to an increase of \$46 million, or 10 percent, in net interest income and an increase of \$97 million, or 47 percent, in mortgage banking income. Net interest income growth was primarily driven by loan production in our home equity business. The increase in mortgage banking income was primarily due to the net favorable performance of the MSRs and the impact of the adoption of SFAS 159 on *Consumer Real Estate* loans held-for-sale. For more information on the adoption of SFAS 159 on mortgage banking income, see Mortgage Banking Risk Management on page 87. The net impact on earnings from adopting SFAS 159 for residential mortgage loans held-for-sale, including the recognition of all direct loan origination fees and costs discussed below, was \$11 million for the three months ended March 31, 2007.

Total noninterest expense increased \$39 million, or nine percent, for the three months ended March 31, 2007 compared to the same period in 2006 primarily driven by the impact of the adoption of SFAS 159 on *Consumer Real Estate* loans held-for-sale which resulted in direct origination costs related to loans for which the fair value option was elected being recorded in earnings as incurred.

The *Consumer Real Estate* servicing portfolio includes loans serviced for others and originated and retained residential mortgages. The servicing portfolio at March 31, 2007 was \$434.9 billion, \$15.4 billion higher than at December 31, 2006, primarily driven by production. Included in this amount was \$234.0 billion of loans serviced for others.

At March 31, 2007, the consumer MSR balance was \$3.0 billion, an increase of \$94 million, or three percent, from December 31, 2006. This value represented 127 bps of the related unpaid principal balance, a 2 bps increase from December 31, 2006.

ALM/Other

ALM/Other is comprised primarily of the allocation of a portion of the Corporation's net interest income from ALM activities and the results of other consumer-related businesses (e.g., insurance).

Net income decreased \$33 million for the three months ended March 31, 2007 compared to the same period in 2006. The decrease was primarily a result of a lower contribution from ALM activities.

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Global Corporate and Investment Banking

Three Months Ended March 31, 2007					
(Dollars in millions)	Total	Business Lending	Capital Markets and Advisory Services	Treasury Services	ALM/ Other
Net interest income ⁽¹⁾	\$ 2,412	\$ 1,075	\$ 484	\$ 933	\$ (80)
Noninterest income					
Service charges	653	125	27	501	—
Investment and brokerage services	232	—	221	11	—
Investment banking income	703	—	703	—	—
Trading account profits	838	(3)	822	12	7
All other income	483	151	101	167	64
Total noninterest income	2,909	273	1,874	691	71
Total revenue ⁽¹⁾	5,321	1,348	2,358	1,624	(9)
Provision for credit losses	115	105	11	1	(2)
Gains on sales of debt securities	2	—	2	—	—
Noninterest expense	2,900	516	1,508	846	30
Income before income taxes ⁽¹⁾	2,308	727	841	777	(37)
Income tax expense (benefit) ⁽¹⁾	861	269	313	288	(9)
Net income	\$ 1,447	\$ 458	\$ 528	\$ 489	\$ (28)
Shareholder value added	\$ 372	\$ 95	\$ 214	\$ 297	\$(234)
Net interest yield ⁽¹⁾	1.50 %	1.88 %	n/m	2.70 %	n/m
Return on average equity ⁽²⁾	14.36	12.97	18.44 %	27.00	n/m
Efficiency ratio ⁽¹⁾	54.49	38.27	63.99	52.07	n/m
Period end—total assets ⁽³⁾	\$713,868	\$249,151	\$423,545	\$162,952	n/m

Three Months Ended March 31, 2006					
(Dollars in millions)	Total	Business Lending	Capital Markets and Advisory Services	Treasury Services	ALM/ Other
Net interest income ⁽¹⁾	\$ 2,489	\$ 1,161	\$ 412	\$ 947	\$ (31)
Noninterest income					
Service charges	650	125	33	492	—
Investment and brokerage services	246	4	234	8	—
Investment banking income	522	—	522	—	—
Trading account profits	976	15	946	12	3
All other income	385	56	141	171	17
Total noninterest income	2,779	200	1,876	683	20
Total revenue ⁽¹⁾	5,268	1,361	2,288	1,630	(11)
Provision for credit losses	25	16	3	6	—
Gains on sales of debt securities	14	9	5	—	—
Noninterest expense	2,832	505	1,473	817	37
Income before income taxes ⁽¹⁾	2,425	849	817	807	(48)
Income tax expense (benefit) ⁽¹⁾	901	314	303	299	(15)
Net income	\$ 1,524	\$ 535	\$ 514	\$ 508	\$ (33)
Shareholder value added	\$ 425	\$ 115	\$ 215	\$ 301	\$(206)
Net interest yield ⁽¹⁾	1.77 %	2.10 %	n/m	2.72 %	n/m
Return on average equity ⁽²⁾	14.72	13.12	18.84 %	25.79	n/m
Efficiency ratio ⁽¹⁾	53.75	37.22	64.35	50.12	n/m
Period end—total assets ⁽³⁾	\$611,208	\$231,592	\$332,595	\$164,709	n/m

(1) FTE basis

(2) Average allocated equity for *Global Corporate Investment Banking* was \$40.9 billion and \$42.0 billion for the three months ended March 31, 2007 and 2006.

(3) Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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(Dollars in millions)	Ending Balance		Average Balance	
	March 31		Three Months Ended	
	2007	2006	2007	2006
Total loans and leases	\$249,861	\$226,974	\$247,898	\$224,907
Total trading-related assets	333,681	266,822	360,530	315,733
Total market-based earning assets ⁽¹⁾	384,294	292,515	408,113	336,606
Total earning assets ⁽²⁾	628,831	527,234	650,353	568,845
Total assets ⁽²⁾	713,868	611,208	733,036	648,612
Total deposits	210,055	186,817	208,488	186,626

(1) Total market-based earning assets represents earning assets from the *Capital Markets and Advisory Services* business.

(2) Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

GCIB provides a wide range of financial services to both our issuer and investor clients that range from business banking clients to large international corporate and institutional investor clients using a strategy to deliver value-added financial products and advisory solutions. *GCIB*'s products and services are delivered from three primary businesses: *Business Lending*, *Capital Markets and Advisory Services*, and *Treasury Services*, and are provided to our clients through a global team of client relationship managers and product partners. In addition, *ALM/Other* includes the results of ALM activities and other *GCIB* activities. Our clients are supported through offices in 23 countries that are divided into four distinct geographic regions: U.S. and Canada; Asia; Europe, Middle East, and Africa; and Latin America. For more information on our foreign operations, see Foreign Portfolio beginning on page 75.

Net income decreased \$77 million, or five percent, for the three months ended March 31, 2007 compared to the same period in 2006. Increases in investment banking income and all other income were more than offset by lower trading account profits in 2007 when compared to the record profits in 2006 and a decrease in net interest income. Net income was also adversely impacted by an increase in provision for credit losses and noninterest expense and a decrease in net interest income.

Although *GCIB* experienced overall growth in average loans and leases of \$23.0 billion, or 10 percent, and an increase in average deposits of \$21.9 billion, or 12 percent, for the three months ended March 31, 2007 compared to the same period in 2006, net interest income declined \$77 million, or three percent, primarily due to spread compression in the loan portfolio and the impact of ALM activities. Partially offsetting these decreases was an increase in market-based net interest income.

Noninterest income increased \$130 million, or five percent, for the three months ended March 31, 2007 compared to the same period in 2006 driven largely by the increases in investment banking income and all other income. The increase in investment banking income was driven by continued strength in debt underwriting and mergers and acquisitions deal volume. The increase in all other income was driven primarily by improved results from credit mitigation.

Provision for credit losses increased \$90 million to \$115 million for the three months ended March 31, 2007. The increase was driven by a lower level of commercial recoveries and growth in the retail automotive loan portfolio.

Noninterest expense increased \$68 million, or two percent, for the three months ended March 31, 2007 compared to the same period in 2006, mainly due to higher personnel expense, including performance-based incentive compensation, and increased other general operating costs related to increased investment in infrastructure primarily in *Capital Markets and Advisory Services*.

Business Lending

Business Lending provides a wide range of lending-related products and services to our clients through client relationship teams along with various product partners. Products include commercial and corporate bank loans and commitment facilities which cover our business banking clients, middle market commercial clients and our large multinational corporate clients. Real estate lending products are issued primarily to public and private developers, homebuilders and commercial real estate firms. Leasing and asset-based lending products offer our clients innovative financing solutions. Products also include indirect consumer loans which allow us to offer financing through automotive, marine, motorcycle and recreational vehicle dealerships across the U.S. *Business Lending* also contains the results for the economic hedging of our risk to certain credit counterparties utilizing various risk mitigation tools such as CDS and may also include the results of other products to help reduce hedging costs. Effective January 1, 2007, the Corporation adopted SFAS 159 and elected to account for loans and

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loan commitments to certain large corporate clients at fair value. For more information on the adoption of SFAS 159 see Note 14 of the Consolidated Financial Statements and page 68 for a discussion of loans and loan commitments measured at fair value in accordance with SFAS 159. The impact of SFAS 159 was not material to the results of *Business Lending* for the three months ended March 31, 2007.

Net income decreased \$77 million, or 14 percent, for the three months ended March 31, 2007 compared to the same period in 2006 primarily due to a decrease in net interest income, combined with an increase in provision for credit losses partially offset by an increase in all other income. The decrease in net interest income of \$86 million, or seven percent, was driven by the impact of lower spreads on all loan products partially offset by favorable loan growth. Average loans and leases increased eight percent primarily due to growth in the commercial and indirect consumer loan portfolio including bulk retail automotive loan purchases of \$5.0 billion. The increase in all other income was due to a lower loss in credit mitigation resulting from lower premium costs and spreads widening. Provision for credit losses increased \$89 million to \$105 million for the three months ended March 31, 2007 mainly due to a lower level of commercial recoveries and growth in the retail automotive loan portfolio.

Capital Markets and Advisory Services

Capital Markets and Advisory Services provides products, advisory services and financing globally to our institutional investor clients in support of their investing and trading activities. We also work with our commercial and corporate issuer clients to provide debt and equity underwriting and distribution capabilities, merger-related advisory services and risk management solutions using interest rate, equity, credit and commodity derivatives, foreign exchange, fixed income and mortgage-related products. In support of these activities, the business may take positions in these products and participate in market-making activities dealing in government securities, equity and equity-linked securities, high-grade and high-yield corporate debt securities, commercial paper, and mortgage-backed and asset-backed securities. Underwriting debt and equity, securities research and certain market-based activities are executed through *Banc of America Securities, LLC* which is a primary dealer in the U.S. and several other countries. *Capital Markets and Advisory Services* also includes the results of *Banc of America Specialist*.

Capital Markets and Advisory Services market-based revenue includes net interest income, noninterest income, including equity income, and gains (losses) on sales of debt securities. We evaluate our trading results and strategies based on market-based revenue. The following table presents further detail regarding market-based revenue. Sales and trading revenue is segregated into fixed income from liquid products (primarily interest rate and commodity derivatives, foreign exchange contracts and public finance), credit products (primarily investment and noninvestment grade corporate debt obligations and credit derivatives), structured products (primarily commercial mortgage-backed securities, residential mortgage-backed securities, and collateralized debt obligations), and equity income from equity-linked derivatives and cash equity activity.

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Investment banking income		
Advisory fees	\$ 130	\$ 76
Debt underwriting	503	380
Equity underwriting	70	66
Total investment banking income	703	522
Sales and trading ⁽¹⁾		
Fixed income:		
Liquid products	407	613
Credit products	477	298
Structured products	352	348
Total fixed income	1,236	1,259
Equity income	421	512
Total sales and trading	1,657	1,771
Total Capital Markets and Advisory Services market-based revenue ⁽¹⁾	\$ 2,360	\$ 2,293

(1)Includes gains on sales of debt securities of \$2 million and \$5 million for the three months ended March 31, 2007 and 2006.

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Net income increased \$14 million, or three percent, for the three months ended March 31, 2007 compared to the same period in 2006. Market-based revenue increased \$67 million, or three percent, driven by higher investment banking income of \$181 million, or 35 percent, related to continued strength in debt underwriting. This increase was partially offset by a decrease in sales and trading as strong results in credit products were offset by a decline in liquid products as *Capital Markets and Advisory Services* experienced record sales and trading results in the prior year. Noninterest expense increased \$35 million, or two percent, due to higher personnel expense, including performance-based incentive compensation, and other general operating costs related to continued investment in infrastructure.

Treasury Services

Treasury Services provides integrated working capital management and treasury solutions to clients worldwide through our network of proprietary offices and special clearing arrangements. Our clients include multinationals, middle-market companies, correspondent banks, commercial real estate firms and governments. Our products and services include treasury management, trade finance, foreign exchange, short-term credit facilities and short-term investing options. Net interest income is derived from interest and noninterest-bearing deposits, sweep investments, and other liability management products. Deposit products provide a relatively stable source of funding and liquidity. We earn net interest spread revenues from investing this liquidity in earning assets through client facing lending activity and our ALM activities. The revenue is attributed to the deposit products using our funds transfer pricing process which takes into account the interest rates and maturity characteristics of the deposits. Noninterest income is generated from payment and receipt products, merchant services, wholesale card products, and trade services and is comprised primarily of service charges which are net of market-based earnings credit rates applied against noninterest-bearing deposits.

Net income decreased \$19 million, or four percent, primarily due to a decrease in net interest income and increased noninterest expense. Net interest income decreased \$14 million, or one percent, as an increase in average deposits of \$2.4 billion, or two percent, was more than offset by a client shift from noninterest-bearing to interest-bearing deposits which decreased deposit spreads. Noninterest expense increased \$29 million, or four percent, due to higher personnel expense and other general operating costs related to increased investment in infrastructure.

ALM/Other

ALM/Other includes an allocation of a portion of the Corporation's net interest income from ALM activities as well as our commercial insurance business and commercial operations in Mexico.

Net income increased \$5 million, or 15 percent, for the three months ended March 31, 2007 compared to the same period in 2006.

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Global Wealth and Investment Management

Three Months Ended March 31, 2007

(Dollars in millions)	Total	Private Bank	Columbia Management	Premier Banking and Investments	ALM/ Other
Net interest income ⁽¹⁾	\$ 926	\$ 223	\$ 1	\$ 658	\$ 44
Noninterest income					
Investment and brokerage services	910	251	423	214	22
All other income	52	11	1	35	5
Total noninterest income	962	262	424	249	27
Total revenue ⁽¹⁾	1,888	485	425	907	71
Provision for credit losses	23	21	—	2	—
Noninterest expense	1,017	309	273	410	25
Income before income taxes ⁽¹⁾	848	155	152	495	46
Income tax expense ⁽¹⁾	317	57	56	183	21
Net income	\$ 531	\$ 98	\$ 96	\$ 312	\$ 25
Shareholder value added	\$ 277	\$ 63	\$ 60	\$ 271	\$(117)
Net interest yield ⁽¹⁾	3.19 %	2.76 %	n/m	2.86 %	n/m
Return on average equity ⁽²⁾	21.59	27.61	23.06 %	78.28	n/m
Efficiency ratio ⁽¹⁾	53.90	63.80	64.19	45.16	n/m
Period end—total assets ⁽³⁾	\$128,547	\$33,983	\$ 3,185	\$ 98,138	n/m

Three Months Ended March 31, 2006

(Dollars in millions)	Total	Private Bank	Columbia Management	Premier Banking and Investments	ALM/ Other
Net interest income ⁽¹⁾	\$ 939	\$ 224	\$ (9)	\$ 628	\$ 96
Noninterest income					
Investment and brokerage services	814	246	363	179	26
All other income	76	37	10	23	6
Total noninterest income	890	283	373	202	32
Total revenue ⁽¹⁾	1,829	507	364	830	128
Provision for credit losses	—	(4)	—	3	1
Noninterest expense	967	307	239	386	35
Income before income taxes ⁽¹⁾	862	204	125	441	92
Income tax expense ⁽¹⁾	320	75	46	163	36
Net income	\$ 542	\$ 129	\$ 79	\$ 278	\$ 56
Shareholder value added	\$ 272	\$ 98	\$ 45	\$ 238	\$(109)
Net interest yield ⁽¹⁾	3.67 %	3.03 %	n/m	3.00 %	n/m
Return on average equity ⁽²⁾	20.67	39.89	19.94 %	70.69	n/m
Efficiency ratio ⁽¹⁾	52.88	60.54	65.66	46.45	n/m
Period end—total assets ⁽³⁾	\$112,399	\$30,877	\$ 2,804	\$ 87,681	n/m

⁽¹⁾FTE basis

⁽²⁾Average allocated equity for *GWIM* was \$10.0 billion and \$10.6 billion for the three months ended March 31, 2007 and 2006.

⁽³⁾Total assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

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(Dollars in millions)	Ending Balance		Average Balance	
	March 31		Three Months Ended	
	2007	2006	2007	2006
Total loans and leases	\$ 66,695	\$ 58,893	\$ 65,841	\$ 58,146
Total earning assets ⁽¹⁾	120,725	104,629	117,654	103,664
Total assets ⁽¹⁾	128,547	112,399	125,235	111,223
Total deposits	118,125	102,289	114,958	101,028

⁽¹⁾Total earning assets and total assets include asset allocations to match liabilities (i.e., deposits).

GWIM provides a wide offering of customized banking, investment and brokerage services tailored to meet the changing wealth management goals of our individual and institutional customer base. Our clients have access to a range of services offered through three primary businesses: *The Private Bank*, *Columbia Management (Columbia)*, and *Premier Banking and Investments (PB&I)*. In addition, *ALM/Other* primarily includes the results of ALM activities.

Net income was relatively flat at \$531 million for the three months ended March 31, 2007 compared to the same period in 2006, as an increase in total revenue was more than offset by an increase in noninterest expense and higher credit costs related to one client.

Net interest income was essentially flat at \$926 million for the three months ended March 31, 2007 compared to the same period in 2006 due to a decline in ALM activities partially offset by growth in both deposit and loan net interest income. Deposit and loan net interest income growth was driven by higher balance growth but was partially offset by spread compression on loans and product mix and rate changes on deposits. *GWIM* deposit growth also benefited from the migration of deposits from *GCSBB*. A more detailed discussion regarding migrated deposit balances is provided in the *PB&I* discussion.

Noninterest income increased \$72 million, or eight percent, for the three months ended March 31, 2007 compared to the same period in 2006, due to increases in investment and brokerage services driven by higher levels of AUM and higher brokerage activity. The increase in noninterest income was partially offset by a nonrecurring gain recorded in the same period in 2006.

Provision for credit losses increased to \$23 million for the three months ended March 31, 2007 as credit costs were impacted by one client.

Noninterest expense increased \$50 million, or five percent, for the three months ended March 31, 2007 compared to the same period in 2006, primarily due to increases in personnel expense driven by the addition of sales associates and revenue generated expenses.

Client Assets

Client assets consist of AUM, client brokerage assets, and assets in custody. AUM generate fees based on a percentage of their market value. They consist largely of mutual funds and separate accounts, which are comprised of taxable and nontaxable money market products, equities, and taxable and nontaxable fixed income securities. Client brokerage assets represent a source of commission revenue and fees. Assets in custody represent trust assets administered for customers. Trust assets encompass a broad range of asset types including real estate, private company ownership interest, personal property and investments.

Client Assets

(Dollars in millions)	March 31	
	2007	2006
Assets under management	\$547,448	\$493,930
Client brokerage assets ⁽¹⁾	209,106	187,222
Assets in custody	100,008	96,934
Less: Client brokerage assets and assets in custody included in assets under management	(64,636)	(51,091)
Total net client assets	\$791,926	\$726,995

⁽¹⁾Client brokerage assets include non-discretionary brokerage and fee-based assets.

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AUM increased \$53.5 billion, or 11 percent, as of March 31, 2007 compared to the same period in 2006. The increase was driven by \$40.5 billion in net inflows as well as \$13.0 billion in market appreciation. Client brokerage assets increased by \$21.8 billion, or 12 percent, reflecting growth in full service assets of nine percent, as well as 35 percent growth in self-directed assets. Growth in self-directed assets benefited from the launch of \$0 Online Equity Trades which were offered beginning in the fourth quarter of 2006. Assets in custody increased \$3.0 billion, or three percent, as of March 31, 2007 compared to the same period in 2006.

The Private Bank

The Private Bank provides integrated wealth management solutions to high net-worth individuals, middle-market institutions and charitable organizations with investable assets greater than \$3 million. *The Private Bank* provides investment, trust and banking services as well as specialty asset management services (oil and gas, real estate, farm and ranch, timberland, private businesses and tax advisory). *The Private Bank* also provides integrated wealth management solutions to ultra high net worth individuals and families with investable assets greater than \$50 million through its *Family Wealth Advisors* unit. *Family Wealth Advisors* provides a higher level of contact, tailored service and wealth management solutions addressing the complex needs of their clients.

Net income decreased \$31 million, or 24 percent, for the three months ended March 31, 2007 compared to the same period in 2006, primarily due to an increase in provision for credit losses and a decrease in total noninterest income. The decrease in noninterest income is due to the absence of a nonrecurring gain for the same period in 2006. Provision for credit losses increased to \$21 million for the three months ended March 31, 2007 as credit costs were impacted by one client.

In November 2006, the Corporation announced a definitive agreement to acquire U.S. Trust for \$3.3 billion in cash. U.S. Trust is one of the largest and most respected U.S. firms which focuses exclusively on managing wealth for high net-worth and ultra high net worth individuals and families. The acquisition will significantly increase the size and capabilities of the Corporation's wealth business and position it as one of the largest financial services companies managing private wealth in the U.S. The transaction is expected to close in the third quarter of 2007.

Columbia Management

Columbia is an asset management business serving the needs of both institutional clients and individual customers. *Columbia* provides asset management services, including mutual funds, liquidity strategies and separate accounts. *Columbia* mutual fund offerings provide a broad array of investment strategies and products including equities, fixed income (taxable and non-taxable) and money market (taxable and non-taxable) funds. *Columbia* distributes its products and services directly to institutional clients, and distributes to individuals through *The Private Bank*, *Family Wealth Advisors*, *Premier Banking and Investments*, and nonproprietary channels including other brokerage firms.

Net income increased \$17 million, or 22 percent, for the three months ended March 31, 2007 compared to the same period in 2006, primarily as a result of an increase in investment and brokerage services of \$60 million, or 17 percent. This increase was due to higher AUM driven by net inflows and market appreciation. Partially offsetting this increase was an increase of \$34 million, or 14 percent, in noninterest expense primarily due to higher personnel costs including revenue-based compensation and other operating costs.

Premier Banking and Investments

PB&I includes *Banc of America Investments*, our full-service retail brokerage business and our *Premier Banking* channel. *PB&I* brings personalized banking and investment expertise through priority service with client-dedicated teams. *PB&I* provides a high-touch client experience through a network of approximately 5,700 client facing associates to our affluent customers with a personal wealth profile that includes investable assets plus a mortgage that exceeds \$500,000 or at least \$100,000 of investable assets.

Net income increased \$34 million, or 12 percent, for the three months ended March 31, 2007 compared to the same period in 2006 due to increases in noninterest income and net interest income. The increase in noninterest income of

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\$47 million, or 23 percent, was driven by higher investment and brokerage services. The increase in net interest income of \$30 million, or five percent, was primarily driven by higher average loan and deposit balances partially offset by spread compression. Noninterest expense increased \$24 million, or six percent, primarily due to increases in personnel expense driven by the *PB&I* expansion of client managers and financial advisors and higher performance-based compensation.

Prior to January 1, 2007, *ALM/Other* included the impact of the migrating qualifying affluent customers, including their related deposit balances and associated net interest income, from *GCSBB* to our *PB&I* model. Effective January 1, 2007, the deposit migration impact is now included in *PB&I*. Prior period amounts have been adjusted for this change.

For the three months ended March 31, 2007 and 2006, a total of \$3.6 billion and \$3.2 billion of deposits were migrated from *GCSBB* to *PB&I*. The growth reported in the financial results of *PB&I* include both the impact of migration, as well as the impact of incremental organic growth from providing a broader array of financial products and services to *PB&I* customers. For the three months ended March 31, 2007 compared to the same period in 2006, the reported growth in *PB&I* revenues was nine percent of which approximately seven percent was attributable to the impact of migration and two percent reflected incremental organic growth. For the same period, *PB&I* net income grew 12 percent, of which approximately 10 percent was attributable to the impact of migration, and two percent reflected incremental organic growth.

ALM/Other

ALM/Other primarily includes the results of ALM activities.

Net income decreased \$31 million, or 55 percent, for the three months ended March 31, 2007 compared to the same period in 2006 due to a decline in net interest income. Net interest income decreased \$52 million due to a significant reduction in the contribution from ALM activities.

All Other

(Dollars in millions)	For the Three Months Ended March 31, 2007			For the Three Months Ended March 31, 2006		
	Reported Basis	Securitized Impact ⁽¹⁾	As Adjusted	Reported Basis	Securitized Impact ⁽¹⁾	As Adjusted
Net interest income ⁽²⁾	\$ (1,769)	\$ 1,890	\$ 121	\$ (1,480)	\$ 1,946	\$ 466
Noninterest income						
Card income	722	(839)	(117)	1,168	(1,402)	(234)
Equity investment gains	896	—	896	571	—	571
All other income	(58)	77	19	(257)	110	(147)
Total noninterest income	1,560	(762)	798	1,482	(1,292)	190
Total revenue ⁽²⁾	(209)	1,128	919	2	654	656
Provision for credit losses	(1,314)	1,128	(186)	(656)	654	(2)
Gains on sales of debt securities	61	—	61	1	—	1
Merger and restructuring charges ⁽³⁾	111	—	111	98	—	98
All other noninterest expense	341	—	341	415	—	415
Income before income taxes ⁽²⁾	714	—	714	146	—	146
Income tax expense (benefit) ⁽²⁾	133	—	133	(50)	—	(50)
Net income	\$ 581	\$ —	\$ 581	\$ 196	\$ —	\$ 196
Shareholder value added	\$ 173	\$ —	\$ 173	\$ (71)	\$ —	\$ (71)

⁽¹⁾The securitizations impact on net interest income is based on a funds transfer pricing methodology consistent with the way we allocate funding costs to our businesses.

⁽²⁾FTE basis

⁽³⁾For more information on merger and restructuring charges, see Note 2 of the Consolidated Financial Statements.

All Other includes the offsetting securitization impact to present *GCSBB* on a managed basis which assumes that *GCSBB*'s securitized loans have not been sold. This offsetting adjustment is made to report the consolidated results of the

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Corporation on a GAAP basis. See the *GCSBB* section beginning on page 44 for information on the *GCSBB* managed results. The following *All Other* discussion focuses on the results on an adjusted basis excluding the offsetting securitization impact. For additional information, see Note 16 of the Consolidated Financial Statements.

In addition to the offsetting securitization impact discussed above, *All Other* includes our *Equity Investments* businesses and *Other*.

Equity Investments includes Principal Investing, Corporate Investments and Strategic Investments. Principal Investing is comprised of a diversified portfolio of investments in privately-held and publicly-traded companies at all stages of their life cycle from start-up to buyout. These investments are made either directly in a company or held through a fund and are accounted for at fair value. Corporate Investments primarily includes investments in publicly-traded equity securities and funds and are accounted for as AFS marketable equity securities. Strategic Investments includes the Corporation's strategic investments such as CCB, Grupo Financiero Santander Serfin (Santander), Banco Itaú and other investments. The restricted shares of CCB and Banco Itaú are currently carried at cost but, as required by GAAP, will be accounted for as AFS marketable equity securities and carried at fair value with an offset to accumulated OCI starting one year prior to the lapse of their restrictions. Our investment in Santander is accounted for under the equity method of accounting. Income associated with *Equity Investments* is recorded in equity investment gains.

The following table presents the components of *All Other's* equity investment gains and a reconciliation to the total consolidated equity investment gains for the three months ended March 31, 2007 and 2006.

Components of Equity Investment Gains

(Dollars in millions)	Three Months Ended	
	March 31	
	2007	2006
Principal Investing	\$ 575	\$ 326
Corporate and Strategic Investments	321	245
Total equity investment gains included in All Other	896	571
Total equity investment gains included in the business segments	118	147
Total consolidated equity investment gains	\$ 1,014	\$ 718

The *Other* component of *All Other* includes the residual impact of the allowance for credit losses and the cost allocation processes, merger and restructuring charges, intersegment eliminations, and the results of certain businesses that are expected to be or have been sold or liquidated. *Other* also includes certain amounts associated with ALM activities, including the residual impact of funds transfer pricing allocation methodologies, amounts associated with the change in the value of derivatives used as economic hedges of interest rate and foreign exchange rate fluctuations that do not qualify for SFAS 133 hedge accounting treatment, certain gains or losses on sales of whole mortgage loans, and gains (losses) on sales of debt securities. The objective of the funds transfer pricing allocation methodology is to minimize the impact to the businesses from changes in interest rate and foreign exchange fluctuations. *Other* also includes adjustments to noninterest income and income tax expense to remove the FTE impact of items (primarily low-income housing tax credits) that have been grossed up within noninterest income to a FTE amount in the other segments.

Net income increased \$385 million to \$581 million driven primarily by increases in total noninterest income. The decrease in the provision for credit losses further contributed to the increase in net income. These changes were partially offset by a decrease in net interest income.

Net interest income decreased \$345 million resulting primarily from the sale of the Latin American operations and Hong Kong based retail and commercial banking business which were included in the Corporation's 2006 results. Net interest income was also adversely impacted by the adoption of FSP 13-2 which decreased net interest income by approximately \$65 million.

Total noninterest income increased \$608 million driven by increases in equity investment gains and all other income. The increase in equity investment gains of \$325 million was primarily due to favorable market conditions driving liquidity in the Principal Investing portfolio. The increase in all other income of \$166 million was primarily due to 2006 containing a \$175 million mark-to-market loss for certain economic hedges that did not qualify for SFAS 133 hedge accounting.

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Provision for credit losses decreased \$184 million to negative \$186 million for the three months ended March 31, 2007 as compared to negative \$2 million in the same period a year ago. This decrease resulted primarily from reserve reductions due to the sale of our Argentina portfolio.

Merger and restructuring charges were \$111 million for the three months ended March 31, 2007 compared to \$98 million for the same period in 2006. For additional information on merger and restructuring charges, see Note 2 of the Consolidated Financial Statements.

Income tax expense (benefit) was \$133 million for the three months ended March 31, 2007 compared to \$(50) million for the same period in 2006. The increase in expense was primarily driven by higher pre-tax income during the first quarter of 2007.

Off-Balance Sheet Financing Entities

Off-Balance Sheet Commercial Paper Conduits

In addition to traditional lending, we also support our customers' financing needs by facilitating their access to the commercial paper markets. These markets provide an attractive, lower-cost financing alternative for our customers. Our customers sell or otherwise transfer assets, such as high-grade trade or other receivables or leases, to a commercial paper financing entity, which in turn issues high-grade short-term commercial paper that is collateralized by the underlying assets. The purpose and use of these entities are more fully discussed on page 43 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

We receive fees for providing combinations of liquidity and SBLCs or similar loss protection commitments to the commercial paper financing entities. We manage our credit risk on these commitments by subjecting them to our normal underwriting and risk management processes. At March 31, 2007 and December 31, 2006, we had off-balance sheet liquidity commitments and SBLCs to these entities of \$42.2 billion and \$36.7 billion. Substantially all of these liquidity commitments and SBLCs mature within one year. These amounts are included in Table 8. Net revenues earned from fees associated with these off-balance sheet financing entities were \$23 million and \$17 million for the three months ended March 31, 2007 and 2006.

Qualified Special Purpose Entities

To improve our capital position and diversify funding sources, we also sell assets, primarily loans, to other off-balance sheet entities that obtain financing primarily by issuing term notes and, in some cases, commercial paper, that are collateralized by the underlying assets to third party market participants. These entities are QSPEs that have been isolated beyond our reach or that of our creditors, even in the event of bankruptcy or other receivership. The purpose and use of these entities are more fully discussed beginning on page 44 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

We may provide liquidity or loss protection commitments to certain QSPEs that issue commercial paper or notes with similar repricing characteristics, or we may enter into derivatives with these entities in which we assume certain risks. We manage any credit or market risk on commitments or derivatives through normal underwriting and risk management processes. At March 31, 2007 and December 31, 2006, we had off-balance sheet liquidity commitments and other financial guarantees to these entities of \$6.3 billion and \$7.6 billion, for which we received fees of \$3 million for both the three months ended March 31, 2007 and 2006. Substantially all of these commitments mature within one year and are included in Table 8. Derivative activity related to these entities is included in Note 4 of the Consolidated Financial Statements.

Obligations and Commitments

We have contractual obligations to make future payments on debt and lease agreements. Additionally, in the normal course of business, we enter into contractual arrangements whereby we commit to future purchases of products or services from unaffiliated parties. These obligations are more fully discussed in Note 10 of the Consolidated Financial Statements and Notes 12 and 13 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K.

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Many of our lending relationships contain funded and unfunded elements. The funded portion is reflected on our balance sheet. For lending relationships carried at historical cost, the unfunded component of these commitments is not recorded on our balance sheet until a draw is made under the credit facility; however, a reserve is established for probable losses. For lending commitments for which the Corporation has elected to account for under SFAS 159, the fair value of the commitment is recorded in accrued expenses and other liabilities. These commitments, as well as guarantees, are more fully discussed in Note 10 of the Consolidated Financial Statements. For more information on the adoption of SFAS 159, see Note 14 of the Consolidated Financial Statements.

The following table summarizes the total unfunded, or off-balance sheet, credit extension commitment amounts by expiration date. At March 31, 2007, charge cards (nonrevolving card lines) to individuals and government entities guaranteed by the U.S. government in the amount of \$9.6 billion (related outstandings of \$212 million) were not included in credit card line commitments in the table below.

Table 8
Credit Extension Commitments

(Dollars in millions)	March 31, 2007		
	Expires in 1 year or less	Thereafter	Total
Loan commitments ⁽¹⁾	\$ 162,213	\$ 184,171	\$ 346,384
Home equity lines of credit	1,680	101,046	102,726
Standby letters of credit and financial guarantees	29,412	23,823	53,235
Commercial letters of credit	4,027	281	4,308
Legally binding commitments ⁽²⁾	197,332	309,321	506,653
Credit card lines	855,467	14,359	869,826
Total credit extension commitments	\$ 1,052,799	\$ 323,680	\$ 1,376,479

(1)Included at March 31, 2007, are equity commitments of \$1.7 billion related to obligations to further fund equity investments.

(2)At March 31, 2007, total legally binding commitments included commitments measured at fair value in accordance with SFAS 159 with an aggregate committed exposure of \$21.5 billion. These commitments are reflected at notional value and do not include the fair value of the commitments of \$377 million recorded in accrued expenses and other liabilities on the Consolidated Balance Sheet.

Managing Risk

Our management governance structure enables us to manage all major aspects of our business through an integrated planning and review process that includes strategic, financial, associate, customer and risk planning. We derive much of our revenue from managing risk from customer transactions for profit. In addition to qualitative factors, we utilize quantitative measures to optimize risk and reward trade offs in order to achieve growth targets and financial objectives while reducing the variability of earnings and minimizing unexpected losses. Risk metrics that allow us to measure performance include economic capital targets, SVA targets and corporate risk limits. By allocating economic capital to a business unit, we effectively define that unit's ability to take on risk. Review and approval of business plans incorporates approval of economic capital allocation, and economic capital usage is monitored through financial and risk reporting. Country, trading, asset allocation and other limits supplement the allocation of economic capital. These limits are based on an analysis of risk and reward in each business unit and management is responsible for tracking and reporting performance measurements as well as any exceptions to guidelines or limits. Our risk management process continually evaluates risk and appropriate metrics needed to measure it. Our business exposes us to the following major risks: strategic, liquidity, credit, market and operational. For a more detailed discussion of our risk management activities, see pages 46 through 81 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

Strategic Risk Management

We use an integrated planning process to help manage strategic risk. A key component of the planning process aligns strategies, goals, tactics and resources throughout the enterprise. The process begins with the creation of a corporate-wide

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business plan which incorporates an assessment of the strategic risks. This business plan establishes the corporate strategic direction. The planning process then cascades through the business units, creating business unit plans that are aligned with the Corporation's strategic direction. At each level, tactics and metrics are identified to measure success in achieving goals and assure adherence to the plans. As part of this process, the business units continuously evaluate the impact of changing market and business conditions, and the overall risk in meeting objectives. See the Operational Risk Management section on page 87 for a further description of this process. Corporate Audit in turn monitors, and independently reviews and evaluates, the plans and measurement processes.

One of the key tools we use to manage strategic risk is economic capital allocation. Through the economic capital allocation process, we effectively manage each business unit's ability to take on risk. Review and approval of business plans incorporates approval of economic capital allocation, and economic capital usage is monitored through financial and risk reporting. Economic capital allocation plans for the business units are incorporated into the Corporation's operating plan that is approved by the Board on an annual basis.

Liquidity Risk and Capital Management

Liquidity Risk

Liquidity is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and business operations, and meet contractual obligations through unconstrained access to funding at reasonable market rates. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the needs and accommodate fluctuations in asset and liability levels due to changes in our business operations or unanticipated events. A more detailed discussion of our liquidity risk is included beginning on page 48 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

One ratio that can be used to monitor the stability of funding composition is the "loan to domestic deposit" ratio. This ratio reflects the percent of loans and leases that are funded by domestic deposits, a relatively stable funding source. A ratio below 100 percent indicates that our loan portfolio is completely funded by domestic deposits. The ratio was 121 percent at March 31, 2007 compared to 118 percent at December 31, 2006. The increase was primarily attributable to organic growth in the loan and lease portfolio, and a decision to retain a larger share of mortgage production on the Corporation's balance sheet.

The parent company maintains a cushion of excess liquidity that would be sufficient to fully fund holding company and nonbank affiliate operations for an extended period during which funding from normal sources is disrupted. The primary measure used to assess the parent company's liquidity is the "Time to Required Funding" during such a period of liquidity disruption. As of March 31, 2007, "Time to Required Funding" was 23 months compared to 24 months at December 31, 2006.

We originate loans for retention on our balance sheet and for distribution. As part of our "originate to distribute" strategy, commercial loan originations are distributed through syndication structures, and residential mortgages originated by *Consumer Real Estate* are frequently distributed in the secondary market. In connection with our balance sheet management activities, we may retain mortgage loans originated as well as purchase and sell loans based on our assessment of market conditions.

Regulatory Capital

As a regulated financial services company, we are governed by certain regulatory capital requirements. Presented in Table 9 are the regulatory capital ratios, actual capital amounts and minimum required capital amounts for the Corporation, Bank of America, N.A., and FIA Card Services, N.A., at March 31, 2007 and December 31, 2006. There have been no conditions or events since March 31, 2007 that management believes have changed the Corporation's, Bank of America, N.A.'s and FIA Card Services, N.A.'s capital classifications.

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Table 9
Regulatory Capital

(Dollars in millions)	March 31, 2007			December 31, 2006		
	Actual	Minimum	Required ⁽¹⁾	Actual	Minimum	Required ⁽¹⁾
	Ratio	Amount		Ratio	Amount	
Risk-based capital						
Tier 1						
Bank of America Corporation	8.57 %	\$ 91,112	\$ 42,516	8.64 %	\$ 91,064	\$ 42,181
Bank of America, N.A.	8.70	75,508	34,698	8.89	76,174	34,264
FIA Card Services, N.A.	15.58	20,484	5,257	14.08	19,562	5,558
Total						
Bank of America Corporation	11.94	126,958	85,031	11.88	125,226	84,363
Bank of America, N.A.	11.17	96,882	69,396	11.19	95,867	68,529
FIA Card Services, N.A.	18.53	24,357	10,515	17.02	23,648	11,117
Tier 1 Leverage						
Bank of America Corporation	6.25	91,112	43,719	6.36	91,064	42,935
Bank of America, N.A.	6.44	75,508	35,188	6.63	76,174	34,487
FIA Card Services, N.A.	17.15	20,484	3,583	16.88	19,562	3,478

(1) Dollar amount required to meet guidelines for adequately capitalized institutions.

Table 10 reconciles the Corporation's Total Shareholders' Equity to Tier 1 and Total Capital as defined by the regulations issued by the FRB at March 31, 2007 and December 31, 2006.

Table 10
Reconciliation of Tier 1 and Total Capital

(Dollars in millions)	March 31 2007	December 31 2006
Tier 1 Capital		
Total shareholders' equity	\$134,856	\$ 135,272
Goodwill	(65,696)	(65,662)
Nonqualifying intangible assets ⁽¹⁾	(3,781)	(3,782)
Effect of net unrealized losses on AFS debt and marketable equity securities and net losses on derivatives recorded in accumulated OCI, net of tax	6,369	6,565
Unamortized net periodic benefit costs recorded in accumulated OCI, net of tax	1,397	1,428
Trust securities ⁽²⁾	16,600	15,942
Other	1,367	1,301
Total Tier 1 Capital	91,112	91,064
Long-term debt qualifying as Tier 2 Capital	26,514	24,546
Allowance for loan and lease losses	8,732	9,016
Reserve for unfunded lending commitments	374	397
Other	226	203
Total Capital	\$126,958	\$ 125,226

(1) Nonqualifying intangible assets of the Corporation are comprised of certain core deposit intangibles, affinity relationships, and other intangibles.

(2) Trust Securities are net of unamortized discounts.

In November 2006, the Corporation announced a definitive agreement to acquire U.S. Trust for \$3.3 billion in cash. The transaction is expected to close in the third quarter of 2007. The Corporation anticipates that its Tier 1 and Total Capital Ratios will be negatively impacted by approximately 30 bps and its Tier 1 Leverage Ratio will be negatively impacted by approximately 20 bps upon the acquisition of U.S. Trust.

Dividends

In April 2007, the Board declared a regular quarterly cash dividend on common stock of \$0.56 per share, payable on June 22, 2007 to common shareholders of record on June 1, 2007.

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In January 2007, the Board declared a quarterly cash dividend of \$0.56 per common share payable on March 23, 2007 to shareholders of record on March 2, 2007.

In April 2007, the Board also declared three dividends in regards to preferred stock. The first was a \$1.75 regular cash dividend on the Cumulative Redeemable Preferred Stock, Series B, payable July 25, 2007 to shareholders of record on July 11, 2007. The second was a regular quarterly cash dividend of \$0.38775 per depositary share on the Series D Preferred Stock, payable June 14, 2007 to shareholders of record on May 31, 2007. The third declared dividend was a regular quarterly cash dividend of \$0.35291 per depositary share of the Floating Rate Non-Cumulative Preferred Stock, Series E, payable May 15, 2007 to shareholders of record on April 30, 2007.

In January 2007, the Board declared three dividends in regards to preferred stock. The first was a \$1.75 regular cash dividend on the Cumulative Redeemable Preferred Stock, Series B, payable April 25, 2007 to shareholders of record on April 11, 2007. The second was a regular quarterly cash dividend of \$0.38775 per depositary share on the Series D Preferred Stock, payable March 14, 2007 to shareholders of record on February 28, 2007. The third declared dividend was a regular quarterly cash dividend of \$0.40106 per depositary share of the Floating Rate Non-Cumulative Preferred Stock, Series E, payable February 15, 2007 to shareholders of record on January 31, 2007.

Common Share Repurchases

We may continue to repurchase shares, from time to time, in the open market or in private transactions through our approved repurchase programs. We repurchased approximately 48.0 million shares of common stock for the three months ended March 31, 2007 which more than offset the 28.9 million shares issued under employee stock plans.

In January 2007, the Board authorized a stock repurchase program of an additional 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$14.0 billion and is limited to a period of 12 to 18 months.

In April 2006, the Board authorized a stock repurchase program of up to 200 million shares of the Corporation's common stock at an aggregate cost not to exceed \$12.0 billion to be completed within a period of 12 to 18 months of which the lesser of approximately \$2.4 billion, or 15.1 million shares, remains available for repurchase under the program at March 31, 2007.

For additional information on common share repurchases, see Note 11 of the Consolidated Financial Statements.

Credit Risk Management

Credit risk is the risk of loss arising from the inability of a borrower or counterparty to meet its obligations. Credit risk can also arise from operational failures that result in an advance, commitment or investment of funds. We define the credit exposure to a borrower or counterparty as the loss potential arising from all product classifications including loans and leases, derivatives, trading account assets, assets held-for-sale, and unfunded lending commitments that include loan commitments, letters of credit and financial guarantees. For derivative positions, our credit risk is measured as the net replacement cost in the event the counterparties with contracts in a gain position to us fail to perform under the terms of those contracts. We use the current mark-to-market value to represent credit exposure without giving consideration to future mark-to-market changes. The credit risk amounts take into consideration the effects of legally enforceable master netting agreements and cash collateral. Our consumer and commercial credit extension and review procedures take into account funded and unfunded credit exposures. For additional information on derivatives and credit extension commitments, see Notes 4 and 10 of the Consolidated Financial Statements.

For credit risk purposes, we evaluate our consumer businesses on both a held and managed basis. Managed basis assumes that loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented. We evaluate credit performance on a managed basis as the receivables that have been securitized are subject to the same underwriting standards and ongoing monitoring as held loans. In addition to the discussion of credit quality statistics of both held and managed loans included in this section refer to the *Card Services* discussion beginning on page 46.

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We manage credit risk based on the risk profile of the borrower or counterparty, repayment sources, the nature of underlying collateral, and other support given current events, conditions and expectations. We classify our portfolios as either consumer or commercial and monitor credit risk separately as discussed below.

Consumer Portfolio Credit Risk Management

For a detailed discussion of our consumer portfolio credit risk management process, see page 53 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

Management of Consumer Credit Risk Concentrations

Consumer credit risk exposure is managed geographically and through our various product offerings with a goal that concentrations of credit exposure do not result in undesirable levels of risk. Our consumer loan portfolio in the state of California represented 23 percent and 22 percent of total managed consumer loans at March 31, 2007 and December 31, 2006 primarily driven by the residential mortgage portfolio. No single Metropolitan Statistical Area (MSA) within California or any other state represented more than 10 percent of the total consumer portfolio. The residential mortgage loans to borrowers in the state of California represented 32 percent and 31 percent of total residential mortgage loans at March 31, 2007 and December 31, 2006. As discussed below, the credit risk on 69 percent of these residential mortgage loans was mitigated through purchased credit protection designed to enhance our overall risk management strategy. No other state represented more than 10 percent of our total residential mortgage loan portfolio.

We purchase credit protection on certain portions of our portfolio that is designed to enhance our overall risk management strategy. At March 31, 2007 and December 31, 2006, we had mitigated a portion of our credit risk on approximately \$154.7 billion and \$131.0 billion of consumer loans primarily residential mortgage loans, through the purchase of credit protection. Our regulatory risk-weighted assets were reduced as a result of these transactions because we transferred a portion of our credit risk to unaffiliated parties. At March 31, 2007 and December 31, 2006, these transactions had the cumulative effect of reducing our risk-weighted assets by \$41.1 billion and \$36.4 billion, and resulted in increases of 33 bps and 30 bps in our Tier 1 Capital ratio at March 31, 2007 and December 31, 2006.

Consumer Credit Portfolio

Table 11 presents our held and managed consumer loans and leases, and related credit quality information. Overall, consumer credit quality remained sound.

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Table 11
Consumer Loans and Leases

(Dollars in millions)	Outstandings		Nonperforming ^(1, 2)		Accruing Past Due 90 Days or More ⁽³⁾		Net Charge-offs / Losses		Net Charge-off / Loss Ratios ⁽⁴⁾	
	March 31	December 31	March 31	December 31	March 31	December 31	Three Months Ended March 31		Three Months Ended March 31	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Held basis										
Residential mortgage	\$ 254,845	\$ 241,181	\$ 732	\$ 660	\$ 107	\$ 118	\$ 6	\$ 10	0.01%	0.02%
Credit card—domestic	54,490	61,195	n/a	n/a	1,803	1,991	806	634	5.66	3.77
Credit card—foreign	11,430	10,999	n/a	n/a	184	184	88	19	3.22	0.94
Home equity ⁽⁵⁾	91,725	87,896	363	291	—	—	17	9	0.08	0.05
Direct/Indirect consumer ⁽⁵⁾	62,124	55,501	2	2	371	347	235	79	1.59	0.68
Other consumer ^(5, 6)	8,189	8,933	133	77	34	38	92	42	4.22	1.67
Total held	482,803	465,705	1,230	1,030	2,499	2,678	1,244	793	1.06	0.82
Securitizations impact	109,903	110,151	2	2	2,752	2,407	1,145	648	4.23	2.60
Total managed	\$ 592,706	\$ 575,856	\$ 1,232	\$ 1,032	\$ 5,251	\$ 5,085	\$ 2,389	\$ 1,441	1.66	1.19
Managed basis										
Residential mortgage	\$ 259,265	\$ 245,840	\$ 732	\$ 660	\$ 107	\$ 118	\$ 6	\$ 10	0.01%	0.02%
Credit card—domestic	137,083	142,599	n/a	n/a	3,986	3,828	1,651	1,073	4.80	3.12
Credit card—foreign	28,333	27,890	n/a	n/a	633	608	302	173	4.37	3.08
Home equity ⁽⁵⁾	92,003	88,204	365	293	—	—	17	9	0.08	0.05
Direct/Indirect consumer ⁽⁵⁾	67,833	62,390	2	2	490	493	321	134	1.96	0.97
Other consumer ^(5, 6)	8,189	8,933	133	77	35	38	92	42	4.22	1.67
Total managed	\$ 592,706	\$ 575,856	\$ 1,232	\$ 1,032	\$ 5,251	\$ 5,085	\$ 2,389	\$ 1,441	1.66	1.19

(1) The definition of nonperforming does not include consumer credit card and consumer non-real estate loans and leases.

(2) Nonperforming consumer loans and leases as a percentage of outstanding consumer loans and leases were 0.25 percent and 0.22 percent on a held basis and 0.21 percent and 0.18 percent on a managed basis at March 31, 2007 and December 31, 2006.

(3) Accruing consumer loans and leases past due 90 days or more as a percentage of outstanding consumer loans and leases were 0.52 percent and 0.58 percent on a held basis and 0.89 percent and 0.88 percent on a managed basis at March 31, 2007 and December 31, 2006.

(4) Net charge-off/loss ratios are calculated as annualized held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases during the period for each loan and lease category.

(5) Home equity loan balances and home equity nonperforming loan balances previously included in direct/indirect consumer and other consumer of \$13.0 billion and \$42 million at December 31, 2006 have been reclassified to home equity to conform to the current period presentation.

(6) Outstandings include foreign consumer loans of \$4.7 billion and \$6.2 billion and consumer finance loans of \$3.5 billion and \$2.8 billion at March 31, 2007 and December 31, 2006.

n/a = not applicable

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Residential Mortgage

The residential mortgage portfolio makes up the largest percentage of our consumer loan portfolio at 53 percent of held consumer loans and leases and 44 percent of managed consumer loans and leases at March 31, 2007. Residential mortgages are originated for the home purchase and refinancing needs of our customers in *GCSBB* and *GWIM* and represent 22 percent of the managed residential portfolio. The remaining portion of the managed portfolio is in *All Other*, and is comprised of purchased and originated residential mortgage loans used to manage our overall ALM activities.

On a held basis, outstanding loans and leases increased \$13.7 billion at March 31, 2007 compared to December 31, 2006 driven by retained mortgage production and bulk purchases. Nonperforming balances increased \$72 million due to portfolio seasoning. Loans past due 90 days or more and still accruing interest of \$107 million are related to repurchases pursuant to our servicing agreements with Government National Mortgage Association (GNMA) mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

Credit Card – Domestic and Foreign

The consumer credit card portfolio is managed in *Card Services* within *GCSBB*. Outstandings in the held domestic credit card loan portfolio decreased \$6.7 billion at March 31, 2007 compared to December 31, 2006 due to seasonality combined with an increase in securitized levels. The \$188 million decrease in held domestic loans past due 90 days or more and still accruing interest was driven by the addition of legacy Bank of America accounts to the domestic securitization master trust and increased securitizations from the trust. Net charge-offs for the held domestic portfolio increased \$172 million to \$806 million, or 5.66 percent of total average held credit card – domestic loans compared to 3.77 percent (4.19 percent excluding the impact of SOP 03-3) in the first quarter of 2006. The increase was primarily due to portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform. These increases were partially offset by the addition of legacy Bank of America accounts which have a higher loss profile to the domestic consumer credit card securitization master trust and increased securitizations from the trust.

Managed domestic credit card outstandings decreased \$5.5 billion to \$137.1 billion at March 31, 2007 compared to December 31, 2006 due to seasonality. Managed net losses increased \$578 million to \$1.7 billion, or 4.80 percent of total average managed domestic loans compared to 3.12 percent in the first quarter of 2006, primarily due to portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform.

Outstandings in the held foreign credit card loan portfolio increased \$431 million to \$11.4 billion at March 31, 2007 compared to December 31, 2006 due to growth in the portfolio from continued increases in retail and cash volumes coupled with reduced payments. Net charge-offs for the held foreign portfolio increased \$69 million to \$88 million, or 3.22 percent of total average held credit card – foreign loans compared to 0.94 percent (2.77 percent excluding the impact of SOP 03-3) a year ago. The increase in held net charge-offs was due to seasoning of the European portfolio and higher personal insolvencies in the United Kingdom.

Managed foreign credit card outstandings increased \$443 million to \$28.3 billion at March 31, 2007 compared to December 31, 2006 due to the same reasons as the increase in held outstandings stated above. Net losses for the managed foreign portfolio increased \$129 million to \$302 million, or 4.37 percent of total average managed credit card – foreign loans for the three months ended March 31, 2007 compared to 3.08 percent a year ago. The increase in managed net losses was due to the same reasons as the increase in held net charge-offs stated above.

See below for a discussion of the impact of SOP 03-3 on 2006 managed losses and net charge-offs in the domestic and foreign credit card portfolios.

Home Equity

At March 31, 2007, 73 percent of the managed home equity portfolio was included in *GCSBB*, while the remainder of the portfolio was mostly in *GWIM*. This portfolio consists of both revolving and non-revolving first and second lien residential mortgage loans and lines of credit. On a held basis, outstanding home equity loans and lines increased \$3.8 billion, or four percent, at March 31, 2007 compared to December 31, 2006, as organic home equity production remained strong and was augmented by portfolio purchases. Nonperforming home equity loans and lines increased \$72 million compared to December 31, 2006 due to portfolio seasoning.

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Direct/Indirect Consumer

At March 31, 2007, 60 percent of the managed direct/indirect portfolio was included in *Business Lending* within *GCIB* (automotive, marine, motorcycle and recreational vehicle loans); 36 percent was included in *GCSBB* (student and other non-real estate secured and unsecured personal loans) and the remainder was included in *GWIM* (other non-real estate secured and unsecured personal loans).

On a held basis, outstanding loans and leases increased \$6.6 billion at March 31, 2007 compared to December 31, 2006 due to retail automotive portfolio purchases, growth in the *Card Services* unsecured lending product and reduced securitization activity. Loans past due 90 days or more and still accruing interest increased \$24 million due to growth in the portfolio and a trend towards more normalized delinquency levels post bankruptcy reform. Net charge-offs increased \$156 million to 1.59 percent of total average held direct/indirect loans compared to 0.68 percent (1.20 percent excluding the impact of SOP 03-3) a year ago. The increase was primarily driven by portfolio seasoning and a trend towards more normalized loss levels post bankruptcy reform in the *Card Services* unsecured lending portfolio.

Managed direct/indirect loans outstanding increased \$5.4 billion to \$67.8 billion driven by retail automotive portfolio purchases and growth in the *Card Services* unsecured lending product. Net losses for the managed loan portfolio increased \$187 million to \$321 million, or 1.96 percent of total average managed direct/indirect loans for the three months ended March 31, 2007 compared to 0.97 percent a year ago driven by the same reasons as the increase in held net charge-offs stated above.

See below for a discussion of the impact of SOP 03-3 on 2006 managed losses and net charge-offs.

Other Consumer

At March 31, 2007, 57 percent of the other consumer portfolio consists of the foreign consumer loan portfolio which was included in *Card Services* within *GCSBB*. The remainder of the portfolio was associated with our previously exited consumer finance businesses and was included in *All Other*. Other consumer outstanding loans and leases decreased \$744 million as of March 31, 2007 compared to December 31, 2006, driven primarily by the sale of our Latin American operations. Net charge-offs as a percentage of total average other consumer loans increased 255 bps (146 bps excluding the impact of SOP 03-3) from the same period a year ago. This increase was a result of higher net charge-offs in the foreign consumer loan portfolio primarily due to portfolio seasoning and higher personal insolvencies in the United Kingdom. See below for a discussion of the impact of SOP 03-3 on 2006 net charge-offs. Nonperforming balances increased \$56 million as of March 31, 2007 compared to December 31, 2006, driven primarily by the exercise of an optional cleanup call on an asset securitization during the quarter partially offset by the impact of the sale of our Latin American operations.

SOP 03-3

SOP 03-3 addresses accounting for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans acquired in a transfer if those differences are attributable, at least in part, to credit quality. SOP 03-3 requires impaired loans be recorded at fair value and prohibits "carrying over" or the creation of valuation allowances in the initial accounting of loans acquired in a transfer that are within the scope of this SOP (categories of loans for which it is probable, at the time of acquisition, that all amounts due according to the contractual terms of the loan agreement will not be collected). The prohibition of the valuation allowance carryover applies to the purchase of an individual loan, a pool of loans, a group of loans, and loans acquired in a purchase business combination.

In accordance with SOP 03-3, certain acquired loans of MBNA that were considered impaired were written down to fair value at the acquisition date. Therefore, reported net charge-offs and managed net losses were lower since these impaired loans that would have been charged off during the period were reduced to fair value as of the acquisition date.

Consumer net charge-offs, managed net losses, and associated ratios as reported and excluding the impact of SOP 03-3 for the three months ended March 31, 2006 are presented in Table 12. Management believes that excluding the impact of SOP 03-3 provides a more accurate reflection of portfolio credit quality. The impact of SOP 03-3 on net charge-offs and managed net losses for the three months ended March 31, 2007 was not material.

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Table 12
2006 Consumer Net Charge-offs and Managed Net Losses

(Dollars in millions)	Three Months Ended March 31, 2006							
	As Reported				Excluding Impact of SOP 03-3 ⁽¹⁾			
	Held		Managed		Held		Managed	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential mortgage	\$ 10	0.02%	\$ 10	0.02%	\$ 10	0.02%	\$ 10	0.02%
Credit card – domestic	634	3.77	1,073	3.12	705	4.19	1,144	3.33
Credit card – foreign	19	0.94	173	3.08	57	2.77	211	3.76
Home equity	9	0.05	9	0.05	9	0.05	9	0.05
Direct/Indirect consumer	79	0.68	134	0.97	139	1.20	194	1.40
Other consumer	42	1.67	42	1.67	70	2.76	70	2.76
Total consumer	\$ 793	0.82	\$1,441	1.19	\$ 990	1.03	\$1,638	1.35

(1) Excluding the impact of SOP 03-3 is a non-GAAP financial measure. Net charge-offs and managed net losses exclude the impact of SOP 03-3 which decreased net charge-offs and managed net losses on credit card – domestic \$71 million, credit card – foreign \$38 million, direct/indirect consumer \$60 million, and other consumer \$28 million for the three months ended March 31, 2006. The impact of SOP 03-3 on average outstanding held and managed consumer loans and leases for the three months ended March 31, 2006 was not material.

Nonperforming Consumer Assets Activity

Table 13 presents the additions and reductions to nonperforming assets in the held consumer portfolio during the most recent five quarters. Nonperforming levels have increased over the past four quarters and were driven by seasoning of the residential mortgage and home equity portfolios. The increase in nonperforming levels was also impacted by the increase in consumer finance nonperforming loans of \$78 million driven by the exercise of an optional cleanup call during the quarter on an asset securitization. The nonperforming consumer loans and leases ratio was 0.25 percent compared to 0.20 percent for the same period in 2006.

Table 13
Nonperforming Consumer Assets Activity ⁽¹⁾

(Dollars in millions)	First Quarter 2007	Fourth Quarter 2006	Third Quarter 2006	Second Quarter 2006	First Quarter 2006
Nonperforming loans and leases					
Balance, beginning of period	\$1,030	\$ 897	\$ 805	\$ 785	\$ 785
Additions to nonperforming loans and leases:					
New nonaccrual loans and leases	515	450	394	314	274
Reductions in nonperforming loans and leases:					
Paydowns and payoffs	(32)	(54)	(61)	(35)	(7)
Sales	—	(26)	(27)	(33)	(31)
Returns to performing status ⁽²⁾	(224)	(179)	(163)	(173)	(183)
Charge-offs ⁽³⁾	(35)	(43)	(33)	(41)	(33)
Transfers to foreclosed properties	(23)	(15)	(18)	(12)	(20)
Transfers to loans held-for-sale	(1)	—	—	—	—
Total net additions to nonperforming loans and leases	200	133	92	20	—
Total nonperforming loans and leases, end of period	1,230	1,030	897	805	785
Foreclosed properties					
Balance, beginning of period	59	60	47	62	61
Additions to foreclosed properties:					
New foreclosed properties	91	39	49	31	40
Reductions in foreclosed properties:					
Sales	(34)	(3)	(10)	(32)	(31)
Writedowns	(42)	(37)	(26)	(14)	(8)
Total net additions to (reductions in) foreclosed properties	15	(1)	13	(15)	1
Total foreclosed properties, end of period	74	59	60	47	62
Nonperforming consumer assets, end of period	\$1,304	\$1,089	\$ 957	\$ 852	\$ 847
Nonperforming consumer loans and leases as a percentage of outstanding consumer loans and leases	0.25%	0.22%	0.21%	0.19%	0.20%
Nonperforming consumer assets as a percentage of outstanding consumer loans, leases and foreclosed properties	0.27	0.23	0.22	0.20	0.22

(1) Balances do not include nonperforming loans held-for-sale included in other assets of \$28 million, \$30 million, \$28 million, \$31 million and \$27 million at March 31, 2007, December 31, 2006, September 30, 2006, June 30, 2006 and March 31, 2006, respectively.

(2) Consumer loans and leases are generally returned to performing status when principal or interest is less than 90 days past due.

(3) Our policy is not to classify consumer credit card and consumer non-real estate loans and leases as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity.

Commercial Portfolio Credit Risk Management

For a detailed discussion of our commercial portfolio credit risk management process, see page 57 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

Management of Commercial Credit Risk Concentrations

Portfolio credit risk is evaluated and managed with a goal that concentrations of credit exposure do not result in undesirable levels of risk. We review, measure, and manage concentrations of credit exposure by industry, product, geography and customer relationship. Distribution of loans and leases by loan size is an additional measure of the portfolio risk diversification. We also review, measure, and manage commercial real estate loans by geographic location and property type. In addition, within our international portfolio, we evaluate borrowings by region and by country. Tables 17, 19 and 22 summarize our concentrations. Additionally, we utilize syndication of exposure to third parties, loan sales, hedging and other risk mitigation techniques to manage the size and risk profile of the loan portfolio.

From the perspective of portfolio risk management, customer concentration management is most relevant in *GCIB*. Within that segment's *Business Lending* and *Capital Markets and Advisory Services* businesses, we facilitate bridge financing to fund acquisitions, recapitalizations and other short-term needs as well as provide syndicated financing for our clients. These concentrations are managed in part through our established "originate to distribute" strategy. These client transactions are sometimes large and leveraged. They can also have a higher degree of risk as we are providing offers or commitments for various components of the clients' capital structures, including lower rated unsecured and subordinated debt tranches. In many cases, these offers to finance will not be accepted. If accepted, these highly conditioned commitments are often retired prior to or shortly following funding via the placement of securities, syndication or the client's decision to terminate. Where we have a binding commitment and there is a market disruption or other unexpected event, there may be heightened exposure in the portfolios and higher potential for loss, unless an orderly disposition of the exposure can be made.

Prior to January 1, 2007, the Corporation accounted for all loans in the held-to-maturity portfolio on a historical cost basis and recorded incurred losses on this portfolio as part of the allowance for loan and lease losses. Effective January 1, 2007, the Corporation elected to account for certain large corporate loans and loan commitments (including issued but unfunded letters of credit which are considered utilized for credit risk management purposes), which exceed the Corporation's single name credit risk concentration guidelines at fair value in accordance with SFAS 159. Lending commitments, both funded and unfunded, are actively managed and monitored, and, as appropriate, credit risk for these lending relationships may be mitigated through the use of credit derivatives, with our credit view and market perspectives determining the size and timing of the hedging activity. These credit derivatives do not meet the requirements for hedge accounting under SFAS 133 and are therefore carried at fair value, with changes in fair value recorded in other income. Therefore, electing the fair value option allows the Corporation to account for these loans and loan commitments at fair value, which is more consistent with management's view of the underlying economics and the manner in which they are managed. In addition, accounting for these loans and loan commitments at fair value reduces the accounting asymmetry that would otherwise result from carrying the loans at historical cost and credit derivatives at fair value.

Fair values for the loans and unfunded commitments are based on market prices, where available, or discounted cash flows using market-based credit spreads of comparable debt instruments or credit derivatives of the specific borrower or comparable borrowers. Results of discounted cash flow calculations may be adjusted, as appropriate, to reflect other market conditions or the perceived credit risk of the borrower.

Subsequent to initial adoption, any fair value adjustment upon origination and changes in the fair value of loans and unfunded commitments is recorded in other income. By including the credit risk of the borrower in the fair value adjustments, any credit deterioration or improvement is recorded immediately as part of the fair value adjustment. As a result, the allowance for loan and lease losses and the reserve for unfunded lending commitments are no longer used to capture probable credit losses inherent in nonperforming or impaired loans and unfunded commitments for which the Corporation elected to account for at fair value in accordance with SFAS 159. The remaining Commercial Credit Portfolio tables have been modified to exclude loans and unfunded commitments that are carried at fair value and to adjust certain ratios for this accounting change.

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The Corporation initially adopted the fair value option for \$4.0 billion of outstanding commercial loans as of January 1, 2007 and recorded pre-tax net losses of \$21 million (net of adjustments related to the allowance for loan and lease losses and direct loan origination fees and costs) representing the excess of carrying value over fair value of the funded loans, with the after-tax amount recorded in retained earnings. At March 31, 2007, outstanding commercial loans measured at fair value had an aggregate fair value of \$3.86 billion recorded in loans and leases and included commercial – domestic loans of \$2.75 billion, commercial – foreign loans of \$932 million and commercial real estate loans of \$179 million. The aggregate outstanding principal balance of these loans was \$3.93 billion at March 31, 2007. Net gains recorded in other income resulting from changes in fair value of these loans totaled \$1 million during the three months ended March 31, 2007.

The Corporation also initially adopted the fair value option for \$21.1 billion of unfunded commercial commitments, including letters of credit, as of January 1, 2007, and recorded pre-tax net losses of \$321 million (net of associated adjustments related to the reserve for unfunded lending commitments) representing the excess of carrying value over fair value of the unfunded commitments, with the after-tax amount recorded in retained earnings. At March 31, 2007, unfunded commitments and letters of credit had fair values of \$356 million and \$21 million, respectively, and were recorded in accrued expenses and other liabilities. The March 31, 2007 notional amounts of unfunded commitments and letters of credit were \$20.4 billion and \$1.1 billion, respectively. Net losses recorded in other income resulting from changes in fair value of these commitments and letters of credit totaled \$28 million during the three months ended March 31, 2007.

Commercial Credit Portfolio

Commercial credit quality remained sound for the three months ended March 31, 2007. The loans and leases net charge-off ratio increased to 0.31 percent from 0.05 percent in the first quarter of 2006 and was primarily attributable to seasoning of the small business and business card portfolios. The nonperforming loan and accruing past due 90 days or more ratios remained unchanged at 0.31 percent and 0.16 percent compared to December 31, 2006.

Table 14 presents our commercial loans and leases and related asset quality information for the three months ended March 31, 2007 and 2006.

Table 14
Commercial Loans and Leases

	Outstandings		Nonperforming ⁽¹⁾		Accruing Past Due 90 Days or More ⁽²⁾		Net Charge-offs		Net Charge-off Ratios ⁽⁴⁾	
	March 31	December 31	March 31	December 31	March 31	December 31	Three Months Ended March 31	Three Months Ended March 31	Three Months Ended March 31	Three Months Ended March 31
	2007	2006	2007	2006	2007	2006	2007	2006 ⁽³⁾	2007	2006
(Dollars in millions)										
Commercial—domestic	\$160,190	\$ 161,982	\$ 501	\$ 584	\$ 326	\$ 265	\$ 184	\$ 52	0.46%	0.14%
Commercial real estate ⁽⁵⁾	36,022	36,258	189	118	21	78	3	(1)	0.03	(0.01)
Commercial lease financing	19,988	21,864	21	42	20	26	(1)	(23)	(0.03)	(0.45)
Commercial—foreign	20,771	20,681	29	13	4	9	(3)	1	(0.05)	0.01
Total measured at historical cost	236,971	240,785	740	757	371	378	183	29	0.31	0.05
Total measured at fair value ⁽⁶⁾	3,859	n/a	—	n/a	—	n/a	n/a	n/a	n/a	n/a
Total commercial loans and leases	\$240,830	\$ 240,785	\$ 740	\$ 757	\$ 371	\$ 378	\$ 183	\$ 29		

(1) Nonperforming commercial loans and leases as a percentage of outstanding commercial loans and leases measured at historical cost were 0.31 percent at both March 31, 2007 and December 31, 2006.

(2) Accruing commercial loans and leases past due 90 days or more as a percentage of outstanding commercial loans and leases measured at historical cost were 0.16 percent at both March 31, 2007 and December 31, 2006.

Including commercial loans and leases measured at fair value, the ratio would have been 0.15 percent at March 31, 2007.

(3) Includes a reduction in net charge-offs on commercial – domestic of \$13 million as a result of the impact of SOP 03-3 for the three months ended March 31, 2006. The impact of SOP 03-3 on average outstanding commercial – domestic loans and leases for 2006 was not material. See discussion of SOP 03-3 in the Consumer Credit Portfolio section on page 66.

(4) Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding loans and leases measured at historical cost during the period for each loan and lease category.

(5) Includes domestic commercial real estate loans of \$35.4 billion and \$35.7 billion at March 31, 2007 and December 31, 2006, and foreign commercial real estate loans of \$606 million and \$578 million at March 31, 2007 and December 31, 2006.

(6) Commercial loans measured at fair value in accordance with SFAS 159 include commercial – domestic loans of \$2.75 billion, commercial – foreign loans of \$932 million and commercial real estate loans of \$179 million at March 31, 2007.

n/a = not applicable

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Table 15 presents commercial credit exposure by type for utilized, unfunded and total committed credit exposure. The increase in total assets held-for-sale was primarily attributable to a \$5.1 billion increase in warehoused assets related to pending commercial mortgage-backed securitizations.

Table 15
Commercial Credit Exposure by Type

(Dollars in millions)	Commercial Utilized ^(1, 2)		Commercial Unfunded ^(3, 4)		Total Commercial Committed	
	March 31 2007	December 31 2006	March 31 2007	December 31 2006	March 31 2007	December 31 2006
Loans and leases	\$ 240,830	\$ 240,785	\$ 270,321	\$ 269,937	\$ 511,151	\$ 510,722
Standby letters of credit and financial guarantees	49,195	46,772	4,040	6,234	53,235	53,006
Derivative assets ⁽⁵⁾	25,279	23,439	—	—	25,279	23,439
Assets held-for-sale	27,835	21,936	804	1,136	28,639	23,072
Commercial letters of credit	3,991	4,258	317	224	4,308	4,482
Bankers' acceptances	2,159	1,885	1	1	2,160	1,886
Securitized assets	1,291	1,292	—	—	1,291	1,292
Foreclosed properties	17	10	—	—	17	10
Total commercial credit exposure	\$ 350,597	\$ 340,377	\$ 275,483	\$ 277,532	\$ 626,080	\$ 617,909

(1)Exposure includes standby letters of credit, financial guarantees, commercial letters of credit and bankers' acceptances for which the bank is legally bound to advance funds under prescribed conditions, during a specified period. Although funds have not been advanced, these exposure types are considered utilized for credit risk management purposes.

(2)Total commercial utilized exposure at March 31, 2007 includes loans and issued letters of credit measured at fair value in accordance with SFAS 159 and is comprised of loans outstanding of \$3.86 billion and letters of credit at notional value of \$1.1 billion.

(3)Total commercial unfunded exposure at March 31, 2007 includes loan commitments measured at fair value in accordance with SFAS 159 with a notional value of \$20.4 billion.

(4)Excludes unused business card lines which are not legally binding.

(5)Derivative assets are reported on a mark-to-market basis, reflect the effects of legally enforceable master netting agreements, and have been reduced by cash collateral of \$8.7 billion and \$7.3 billion at March 31, 2007 and December 31, 2006. In addition to cash collateral, derivative assets are also collateralized by \$7.5 billion and \$7.6 billion of primarily other marketable securities at March 31, 2007 and December 31, 2006 for which credit risk has not been reduced.

Table 16 presents commercial utilized criticized exposure by product type and as a percentage of total commercial utilized exposure for each category presented. Utilized criticized exposure related to assets held-for-sale of \$1.2 billion and \$600 million as of March 31, 2007 and December 31, 2006 and other utilized criticized exposure measured at fair value in accordance with SFAS 159 of \$264 million at March 31, 2007, are excluded from the table below. See Note 14 of the Consolidated Financial Statements for a discussion of the fair value portfolio. Criticized assets in the held-for-sale portfolio, including bridge exposure of \$1.0 billion and \$550 million at March 31, 2007 and December 31, 2006, are carried at the lower of cost or market and are managed in part through our "originate to distribute" strategy (see Management of Commercial Credit Risk Concentrations beginning on page 68 for more information on bridge financing). Had criticized exposure in the assets held-for-sale and fair value portfolios been included, the ratio of commercial utilized criticized exposure to total commercial utilized exposure would have been 2.40 percent and 2.25 percent as of March 31, 2007 and December 31, 2006.

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Table 16
Commercial Utilized Criticized Exposure^(1,2)

(Dollars in millions)	March 31, 2007		December 31, 2006	
	Amount	Percent ⁽³⁾	Amount	Percent ⁽³⁾
Commercial—domestic	\$5,284	2.48%	\$5,180	2.42%
Commercial real estate	1,041	2.59	806	1.98
Commercial lease financing	446	2.23	504	2.31
Commercial—foreign	348	0.78	571	1.37
Total commercial utilized criticized exposure	\$7,119	2.24	\$7,061	2.22

(1)Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities. Balances and ratios have been adjusted to exclude assets held-for-sale at March 31, 2007 and December 31, 2006 and exposure measured at fair value in accordance with SFAS 159 at March 31, 2007. Had criticized exposure in the assets held-for-sale and fair value portfolios been included, the ratio of commercial utilized criticized exposure to total commercial utilized exposure would have been 2.40 percent and 2.25 percent as of March 31, 2007 and December 31, 2006.

(2)Exposure includes standby letters of credit, financial guarantees, commercial letters of credit and bankers' acceptances for which the bank is legally bound to advance funds under prescribed conditions, during a specified period. Although funds have not been advanced, these exposure types are considered utilized for credit risk management purposes.

(3)Ratios are calculated as commercial utilized criticized exposure divided by total commercial utilized exposure for each exposure category.

Commercial – Domestic

At March 31, 2007, approximately 80 percent of the commercial—domestic portfolio was included in *Business Lending* (business banking, middle market and large multinational corporate loans and leases) and *Capital Markets and Advisory Services* (acquisition and bridge financing), both within *GCIB*. Outstanding loans and leases in *GCIB*, including loans measured at fair value, increased \$464 million to \$130.5 billion at March 31, 2007 compared to December 31, 2006 driven primarily by growth in margin loans and increased lending to the healthcare industry. Nonperforming loans and leases declined by \$105 million to \$355 million driven by a large repayment. Net charge-offs were up \$17 million from the first quarter of 2006 driven by a lower level of recoveries. Criticized utilized exposure, excluding assets in the held-for-sale and fair value portfolios, remained essentially flat at \$4.7 billion. See Management of Commercial Credit Risk Concentrations beginning on page 68 for a discussion of exposure measured at fair value in accordance with SFAS 159.

The remaining 20 percent of the commercial—domestic portfolio is in *GWIM* (business-purpose loans for wealthy individuals) and *GCSBB* (business card and small business loans). Outstanding loans and leases increased \$491 million to \$32.4 billion at March 31, 2007 compared to December 31, 2006 driven primarily by growth in the business card and small business portfolios within *GCSBB*. Increases in nonperforming loans and leases, loans past due 90 days or more and still accruing interest, net charge-offs and criticized utilized exposure were primarily driven by seasoning of the business card and small business portfolios.

Commercial Real Estate

The commercial real estate portfolio is managed in *Business Lending* within *GCIB* and consists of loans issued primarily to public and private developers, homebuilders and commercial real estate firms. Outstanding loans and leases, including loans measured at fair value, decreased \$57 million to \$36.2 billion as of March 31, 2007 compared to December 31, 2006. The decrease was primarily driven by loan syndications and contraction in the homebuilding market. The increase in total assets held-for-sale as presented in Table 15 was primarily driven by a higher level of warehoused assets pending commercial mortgage-backed securitizations. Utilized criticized exposure increased \$235 million to \$1.0 billion primarily attributable to the continuing impact of the housing slowdown on the homebuilding sector. See Management of Commercial Credit Risk Concentrations beginning on page 68 for a discussion of exposure measured at fair value in accordance with SFAS 159.

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Table 17 presents outstanding commercial real estate loans by geographic region and property type diversification, excluding those commercial loans and leases secured by owner-occupied real estate. Commercial loans and leases secured by owner-occupied real estate are made on the general creditworthiness of the borrower where real estate is obtained as additional security and the ultimate repayment of the credit is not dependent on the sale, lease and rental, or refinancing of the real estate. For purposes of this table, commercial real estate reflects loans dependent on the sale of the real estate as the primary source of repayment.

Table 17
Outstanding Commercial Real Estate Loans

(Dollars in millions)	March 31 2007	December 31 2006
By Geographic Region ⁽¹⁾		
California	\$ 7,167	\$ 7,781
Northeast	6,478	6,368
Southeast	4,898	5,097
Florida	3,849	3,898
Southwest	3,894	3,787
Midwest	2,417	2,271
Northwest	2,011	2,053
Midsouth	2,176	2,006
Other	977	870
Geographically diversified ⁽²⁾	1,729	1,549
Non-U.S.	605	578
Total outstanding commercial real estate loans ⁽⁴⁾	\$36,201	\$ 36,258
By Property Type		
Residential	\$ 8,098	\$ 8,151
Office buildings	4,828	4,823
Apartments	4,105	4,277
Land and land development	3,658	3,956
Shopping centers/retail	4,818	3,955
Industrial/warehouse	2,438	3,247
Multiple use	1,037	1,257
Hotels/motels	1,164	1,185
Resorts	198	180
Other ⁽³⁾	5,857	5,227
Total outstanding commercial real estate loans ⁽⁴⁾	\$36,201	\$ 36,258

(1) Distribution is based on geographic location of collateral. Geographic regions are in the U.S. unless otherwise noted.

(2) The geographically diversified category is comprised primarily of unsecured outstandings to real estate investment trusts and national homebuilders whose portfolios of properties span multiple geographic regions.

(3) Represents loans to borrowers whose primary business is commercial real estate, but the exposure is not secured by the listed property types.

(4) Includes commercial real estate loans measured at fair value in accordance with SFAS 159 of \$179 million at March 31, 2007.

Commercial Lease Financing

The commercial lease financing portfolio is managed in *Business Lending* within *GCIB*. Outstanding loans and leases decreased \$1.9 billion to \$20.0 billion as of March 31, 2007 compared to December 31, 2006 primarily due to the adoption of FSP 13-2. Net charge-offs increased \$22 million compared to the prior year primarily due to lower recoveries. For more information on the adoption of FSP 13-2, see Note 1 of the Consolidated Financial Statements.

Commercial – Foreign

The commercial – foreign portfolio is managed primarily in *Business Lending* and *Capital Markets and Advisory Services*, both within *GCIB*. Outstanding loans and leases, including loans measured at fair value, increased by \$1.0 billion to \$21.7 billion at March 31, 2007 compared to December 31, 2006 driven by organic growth, partially offset by the sale of our Latin American operations. Criticized utilized exposure, excluding criticized assets in the held-for-sale and fair value portfolios, decreased \$223 million to \$348 million, primarily attributable to the sale of our Latin American operations. See

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Management of Commercial Credit Risk Concentrations beginning on page 68 for a discussion of exposure measured at fair value in accordance with SFAS 159. For additional information on the commercial – foreign portfolio, refer to the Foreign Portfolio discussion beginning on page 75.

Nonperforming Commercial Assets Activity

Table 18 presents the additions and reductions to nonperforming assets in the commercial portfolio during the most recent five quarters.

Table 18

Nonperforming Commercial Assets Activity⁽¹⁾

(Dollars in millions)	First Quarter 2007	Fourth Quarter 2006	Third Quarter 2006	Second Quarter 2006	First Quarter 2006
Nonperforming loans and leases					
Balance, beginning of period	\$ 757	\$ 683	\$ 762	\$ 799	\$ 726
Additions to nonperforming loans and leases:					
New nonaccrual loans and leases	357	316	174	204	286
Advances	13	10	13	6	3
Reductions in nonperforming loans and leases:					
Paydowns and payoffs	(204)	(104)	(115)	(32)	(152)
Sales	(25)	(37)	(41)	(74)	—
Returns to performing status ⁽²⁾	(56)	(27)	(26)	(17)	(10)
Charge-offs ⁽³⁾	(73)	(82)	(84)	(124)	(41)
Transfers to foreclosed properties	(9)	—	—	—	(3)
Transfers to loans held-for-sale	(20)	(2)	—	—	(10)
Total net additions to (reductions in) nonperforming loans and leases	(17)	74	(79)	(37)	73
Total nonperforming loans and leases, end of period	740	757	683	762	799
Foreclosed properties					
Balance, beginning of period	10	16	27	34	31
Additions to foreclosed properties:					
New foreclosed properties	9	—	1	1	4
Reductions in foreclosed properties:					
Sales	(4)	(5)	(5)	(7)	(1)
Writedowns	—	(1)	(7)	(1)	—
Total net additions to (reductions in) foreclosed properties	5	(6)	(11)	(7)	3
Total foreclosed properties, end of period	15	10	16	27	34
Nonperforming commercial assets, end of period	\$ 755	\$ 767	\$ 699	\$ 789	\$ 833
Nonperforming commercial loans and leases as a percentage of outstanding commercial loans and leases	0.31 %	0.31 %	0.29 %	0.32 %	0.35 %
Nonperforming commercial assets as a percentage of outstanding commercial loans, leases and foreclosed properties	0.32	0.32	0.30	0.34	0.37

⁽¹⁾Balances do not include nonperforming loans held-for-sale included in other assets of \$66 million, \$50 million, \$71 million, \$83 million and \$57 million at March 31, 2007, December 31, 2006, September 30, 2006, June 30, 2006, and March 31, 2006, respectively. There were no nonperforming loans measured at fair value in accordance with SFAS 159 at March 31, 2007. See Note 14 of the Consolidated Financial Statements for a discussion of the changes in the fair value portfolio during the first quarter of 2007.

⁽²⁾Commercial loans and leases may be restored to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection.

⁽³⁾Certain loan and lease products, including business card, are not classified as nonperforming; therefore, the charge-offs on these loans have no impact on nonperforming activity.

Industry Concentrations

Table 19 presents commercial committed credit exposure by industry. Our commercial credit exposure is diversified across a broad range of industries. Total commercial credit exposure increased by \$8.2 billion, or one percent, at March 31, 2007 compared to December 31, 2006. Real estate increased by \$4.5 billion, or six percent, due to warehouse activity related to commercial mortgage-backed securitizations. Diversified financials increased \$4.3 billion, or six percent, due primarily to assets held-for-sale and private equity transactions.

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Credit protection is purchased to cover the funded portion as well as the unfunded portion of certain credit exposure which exists in the historical cost and the fair value portfolios. To lessen the cost of obtaining our desired credit protection levels, credit exposure may be added within an industry, borrower or counterparty group by selling protection. Since December 31, 2006, our net credit default protection purchased has been reduced by \$4.0 billion as we continue to refine our view of the underlying credit risk in the portfolio in light of our near term outlook on the corporate credit environment.

At March 31, 2007 and December 31, 2006, we had net notional credit default protection purchased in our credit derivatives portfolio of \$4.3 billion and \$8.3 billion. The net cost of credit default protection, including mark-to-market impacts, resulted in net losses of \$14 million for the three months ended March 31, 2007 compared to net losses of \$100 million for the same period in the prior year. Losses for the three months ended March 31, 2007 were a reflection of the premium cost and changes in market spreads of our hedge positions. The average VAR for these credit derivative hedges was \$43 million and \$72 million for the twelve months ended March 31, 2007 and 2006. The decrease in VAR was driven by a reduction in the average amount of credit protection outstanding during the period. There is a diversification effect between the credit derivative hedges and the market-based trading portfolio such that their combined average VAR was \$50 million and \$68 million for the twelve months ended March 31, 2007 and 2006. Refer to Trading Risk Management beginning on page 80 for a description of our VAR calculation for the market-based trading portfolio.

Table 19
Commercial Credit Exposure by Industry

(Dollars in millions)	Commercial Utilized ⁽¹⁾		Total Commercial Committed ⁽¹⁾	
	March 31	December 31	March 31	December 31
	2007	2006	2007	2006
Real estate ⁽²⁾	\$ 54,468	\$ 49,208	\$ 77,959	\$ 73,493
Diversified financials	28,948	24,802	71,353	67,027
Retailing	27,558	27,226	43,633	44,064
Government and public education	22,620	22,495	40,421	39,254
Capital goods	18,482	16,804	38,705	37,337
Banks	27,494	26,405	37,570	36,735
Consumer services	19,337	19,108	32,491	32,651
Healthcare equipment and services	16,592	15,787	32,323	31,095
Materials	15,746	15,882	28,117	28,693
Individuals and trusts	17,868	18,792	27,471	29,167
Commercial services and supplies	14,911	15,204	23,208	23,512
Food, beverage and tobacco	10,814	11,341	20,426	21,081
Energy	9,631	9,350	18,608	18,405
Media	7,592	8,659	17,796	19,056
Utilities	6,073	4,951	17,722	17,221
Transportation	10,785	11,451	16,250	17,189
Insurance	6,466	6,573	14,243	14,121
Religious and social organizations	7,758	7,840	10,293	10,507
Consumer durables and apparel	4,980	4,820	9,335	9,117
Telecommunication services	3,102	3,513	7,725	7,929
Technology hardware and equipment	2,918	3,279	7,550	8,046
Software and services	3,175	2,757	7,237	6,206
Pharmaceuticals and biotechnology	2,925	2,530	6,132	6,289
Food and staples retailing	1,878	2,153	4,957	4,222
Automobiles and components	1,449	1,529	4,790	5,098
Household and personal products	699	720	2,451	2,205
Semiconductors and semiconductor equipment	720	802	1,353	1,364
Other	5,608	6,396	5,961	6,825
Total commercial credit exposure by industry	\$ 350,597	\$ 340,377	\$ 626,080	\$ 617,909
Net credit default protection purchased on total commitments			\$ (4,274)	\$ (8,260)

(1) Total commercial utilized and total commercial committed exposure at March 31, 2007 includes loans and unfunded commitments measured at fair value in accordance with SFAS 159 and is comprised of loans outstanding of \$3.86 billion, issued letters of credit at notional value of \$1.1 billion and unfunded loan commitments at notional value of \$20.4 billion.

(2) Industries are viewed from a variety of perspectives to best isolate the perceived risks. For purposes of this table, the real estate industry is defined based upon the borrowers' or counterparties' primary business activity using operating cash flow and primary source of repayment as key factors.

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Tables 20 and 21 present the maturity profiles and the credit exposure debt ratings of the net credit default protection portfolio at March 31, 2007 and December 31, 2006.

Table 20
Net Credit Default Protection by Maturity Profile

	March 31 2007	December 31 2006
Less than or equal to one year	2 %	7 %
Greater than one year and less than or equal to five years	55	46
Greater than five years	43	47
Total net credit default protection	100 %	100 %

Table 21
Net Credit Default Protection by Credit Exposure Debt Rating⁽¹⁾

(Dollars in millions)	March 31, 2007		December 31, 2006	
Ratings	Net Notional	Percent	Net Notional	Percent
AAA	\$ 6	(0.1) %	\$ (23)	0.3 %
AA	(102)	2.4	(237)	2.9
A	(1,853)	43.4	(2,598)	31.5
BBB	(1,874)	43.8	(3,968)	48.0
BB	(524)	12.3	(1,341)	16.2
B	(147)	3.4	(334)	4.0
CCC and below	(85)	2.0	(50)	0.6
NR ⁽²⁾	305	(7.2)	291	(3.5)
Total net credit default protection	\$ (4,274)	100.0 %	\$ (8,260)	100.0 %

(1) In order to mitigate the cost of purchasing credit protection, credit exposure can be added by selling credit protection. The distribution of debt rating for net notional credit default protection purchased is shown as a negative and the net notional credit protection sold is shown as a positive amount.

(2) In addition to unrated names, "NR" includes \$301 million and \$302 million in net credit default swaps index positions at March 31, 2007 and December 31, 2006. While index positions are principally investment grade, credit default swaps indices include names in and across each of the ratings categories.

Foreign Portfolio

Our foreign credit and trading portfolio is subject to country risk. We define country risk as the risk of loss from unfavorable economic and political developments, currency fluctuations, social instability and changes in government policies. A risk management framework is in place to measure, monitor and manage foreign risk and exposures. Management oversight of country risk including cross-border risk is provided by the Country Risk Committee.

Table 22 sets forth foreign exposure to borrowers or counterparties in emerging markets. Foreign exposure includes credit exposure net of local liabilities, securities, and other investments domiciled in countries other than the U.S. Foreign exposure can be adjusted for externally guaranteed outstandings and certain collateral types. Outstandings which are assigned external guarantees are reported under the country of the guarantor. Outstandings with tangible collateral are reflected in the country where the collateral is held. For securities received, other than cross-border resale agreements, outstandings are assigned to the domicile of the issuer of the securities. Resale agreements are presented based on the domicile of the counterparty consistent with FFIEC reporting rules.

As presented in Table 22 foreign exposure to borrowers or counterparties in emerging markets increased \$2.1 billion to \$22.9 billion at March 31, 2007, compared to \$20.9 billion at December 31, 2006. The increase was primarily due to higher sovereign and corporate securities trading exposures as well as higher other financing exposure in Asia Pacific. Foreign exposure to borrowers or counterparties in emerging markets represented 17 percent and 16 percent of total foreign exposure at March 31, 2007 and December 31, 2006.

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Table 22
Selected Emerging Markets ⁽¹⁾

(Dollars in millions)	Loans and Leases, and Loan Commitments	Other Financing ⁽²⁾	Derivative Assets ⁽³⁾	Securities/ Other Investments ⁽⁴⁾	Total Cross-border Exposure ⁽⁵⁾	Local Country Exposure Net of Local Liabilities ⁽⁶⁾	Total Emerging Market Exposure at March 31 2007	Increase/ (Decrease) From December 31 2006
Region/Country								
Asia Pacific								
China	\$ 232	\$ 56	\$ 72	\$ 3,375	\$ 3,735	\$ —	\$ 3,735	\$ 121
South Korea	262	722	73	3,121	4,178	—	4,178	801
India	598	732	280	1,009	2,619	—	2,619	584
Singapore	269	9	71	469	818	—	818	(54)
Taiwan	279	79	65	41	464	304	768	26
Hong Kong	336	32	72	261	701	—	701	(163)
Other Asia Pacific ⁽⁷⁾	78	24	9	436	547	17	564	(27)
Total Asia Pacific	2,054	1,654	642	8,712	13,062	321	13,383	1,288
Latin America								
Mexico	992	219	67	2,601	3,879	—	3,879	(52)
Brazil	167	87	25	2,719	2,998	273	3,271	620
Other Latin America ⁽⁷⁾	306	175	13	248	742	195	937	77
Total Latin America	1,465	481	105	5,568	7,619	468	8,087	645
Middle East and Africa ⁽⁷⁾	544	125	111	408	1,188	—	1,188	72
Central and Eastern Europe ⁽⁷⁾	6	26	28	212	272	—	272	57
Total emerging market exposure	\$ 4,069	\$ 2,286	\$ 886	\$ 14,900	\$ 22,141	\$ 789	\$ 22,930	\$ 2,062

(1) There is no generally accepted definition of emerging markets. The definition that we use includes all countries in Latin America excluding Cayman Islands and Bermuda; all countries in Asia Pacific excluding Japan, Australia and New Zealand; all countries in Middle East and Africa; and all countries in Central and Eastern Europe excluding Greece. There was no emerging market exposure included in the portfolio measured at fair value in accordance with SFAS 159 at March 31, 2007.

(2) Includes acceptances, standby letters of credit, commercial letters of credit and formal guarantees.

(3) Derivative assets are reported on a mark-to-market basis and have been reduced by the amount of cash collateral applied of \$58 million and \$9 million at March 31, 2007 and December 31, 2006. There are no other marketable securities collateralizing derivative assets at March 31, 2007. There were less than \$1 million of other marketable securities collateralizing derivative assets at December 31, 2006.

(4) Generally, cross-border resale agreements are presented based on the domicile of the counterparty, consistent with FFIEC reporting rules. Cross-border resale agreements where the underlying securities are U.S. Treasuries, in which case the domicile is the U.S., are excluded from this presentation.

(5) Cross-border exposure includes amounts payable to us by borrowers or counterparties with a country of residence other than the one in which the credit is booked, regardless of the currency in which the claim is denominated, consistent with FFIEC reporting rules.

(6) Local country exposure includes amounts payable to us by borrowers with a country of residence in which the credit is booked, regardless of the currency in which the claim is denominated. Local funding or liabilities are subtracted from local exposures as allowed by the FFIEC. Total amount of available local liabilities funding local country exposure at March 31, 2007 was \$17.6 billion compared to \$20.7 billion at December 31, 2006. Local liabilities at March 31, 2007 in Asia Pacific and Latin America were \$16.3 billion and \$1.3 billion, of which \$6.5 billion were in Singapore, \$4.6 billion in Hong Kong, \$1.8 billion in South Korea, \$1.1 billion in Mexico, \$1.1 billion in India, \$839 million in China, and \$538 million in Taiwan. There were no other countries with available local liabilities funding local country exposure greater than \$500 million.

(7) No country included in Other Asia Pacific, Other Latin America, Middle East and Africa, and Central and Eastern Europe had total foreign exposure of more than \$500 million.

At March 31, 2007 and December 31, 2006, 58 percent of the emerging markets exposure was in Asia Pacific. Asia Pacific emerging markets exposure increased by \$1.3 billion. Growth was driven by higher cross-border securities trading and other financing exposure primarily in South Korea and India. Our exposure in China was primarily related to our equity investment in CCB which accounted for \$3.0 billion at both March 31, 2007 and December 31, 2006.

At March 31, 2007, 35 percent of the emerging markets exposure was in Latin America compared to 36 percent at December 31, 2006. Latin America emerging markets exposure increased by \$645 million driven by an increase in cross-border equity investment in Banco Itaú in Brazil. In early 2007, we also closed the transactions for the sale of our operations in Chile and Uruguay for equity in Banco Itaú. Our investment in Banco Itaú accounted for \$2.6 billion and \$1.9 billion of exposure in Brazil at March 31, 2007 and December 31, 2006. The March 31, 2007 equity investment in Banco Itaú represents seven percent of its outstanding voting and non-voting shares.

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Our 24.9 percent investment in Santander accounted for \$2.3 billion of exposure in Mexico at both March 31, 2007 and December 31, 2006.

In March 2007, the Corporation completed the sale of its BankBoston Argentina assets to a consortium led by Johannesburg-based Standard Bank Group Ltd in exchange for the assumption of BankBoston Argentina liabilities of approximately \$2.0 billion.

Provision for Credit Losses

The provision for credit losses was \$1.2 billion for the three months ended March 31, 2007, a slight decrease compared to the same period in 2006.

The consumer portion of the provision for credit losses decreased \$168 million to \$1.1 billion for the three months ended March 31, 2007 compared to the same period a year ago. This decrease was primarily driven by reserve reductions from the addition of legacy Bank of America accounts which have a higher loss profile to the domestic consumer credit card securitization master trust and increased securitizations from the trust. These decreases were partially offset by higher net charge-offs resulting from portfolio seasoning and the trend toward more normalized loss levels post bankruptcy reform.

The commercial portion of the provision for credit losses increased \$126 million to \$159 million for the three months ended March 31, 2007 compared to a year ago. The increase was primarily driven by seasoning of the small business and business card portfolios in *GCSBB*, as well as, lower commercial recoveries in *GCIB*. Partially offsetting these increases was a reduction of reserves in *All Other* reflecting the sale of our Argentina portfolio during the first quarter of 2007.

Allowance for Credit Losses

Allowance for Loan and Lease Losses

The allowance for loan and lease losses is allocated based on two components. We evaluate the adequacy of the allowance for loan and lease losses based on the combined total of these two components. The allowance for loan and lease losses excludes loans measured at fair value in accordance with SFAS 159 as subsequent mark-to-market adjustments related to loans measured at fair value include a credit risk component.

The first component of the allowance for loan and lease losses covers those commercial loans measured at historical cost that are either nonperforming or impaired. An allowance is allocated when the discounted cash flows (or collateral value or observable market price) are lower than the carrying value of that loan. For purposes of computing the specific loss component of the allowance, larger impaired loans are evaluated individually and smaller impaired loans are evaluated as a pool using historical loss experience for the respective product type and risk rating of the loans.

The second component of the allowance for loan and lease losses covers performing commercial loans and leases measured at historical cost and consumer loans. The allowance for commercial loan and lease losses is established by product type after analyzing historical loss experience by internal risk rating, current economic conditions, industry performance trends, geographic or obligor concentrations within each portfolio segment, and any other pertinent information. The commercial historical loss experience is updated quarterly to incorporate the most recent data reflective of the current economic environment. As of March 31, 2007, quarterly updating of historical loss experience did not have a material impact on the allowance for loan and lease losses. The allowance for consumer and certain homogeneous commercial loan and lease products is based on aggregated portfolio segment evaluations, generally by product type. Loss forecast models are utilized that consider a variety of factors including, but not limited to, historical loss experience, estimated defaults or foreclosures based on portfolio trends, delinquencies, economic trends and credit scores. These loss forecast models are updated on a quarterly basis in order to incorporate information reflective of the current economic environment. As of March 31, 2007, quarterly updating of the loss forecast models increased the allowance for loan and lease losses due to higher anticipated losses from portfolio seasoning and a trend toward more normalized loss levels post bankruptcy reform. This increase was offset by reserve reductions resulting from consumer credit card securitization activities. Included within this second

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component of the allowance for loan and lease losses and determined separately from the procedures outlined above are reserves which are maintained to cover uncertainties that affect our estimate of probable losses including the imprecision inherent in the forecasting methodologies, as well as domestic and global economic uncertainty, large single name defaults and event risk.

We monitor differences between estimated and actual incurred loan and lease losses. This monitoring process includes periodic assessments by management of loan and lease portfolios and the models used to estimate incurred losses in those portfolios.

Additions to the allowance for loan and lease losses are made by charges to the provision for credit losses. Credit exposures deemed to be uncollectible are charged against the allowance for loan and lease losses. Recoveries of previously charged off amounts are credited to the allowance for loan and lease losses.

The allowance for loan and lease losses for the consumer portfolio as presented in Table 24 was \$5.4 billion at March 31, 2007, a decrease of \$200 million from December 31 2006. This decrease was primarily attributable to reserve reductions from the addition of legacy Bank of America accounts which have a higher loss profile to the domestic consumer credit card master trust and increased securitizations from the trust. This decrease was partially offset by increases in reserves due to higher anticipated losses from portfolio seasoning and a trend towards more normalized loss levels post bankruptcy reform.

The allowance for commercial loan and lease losses was \$3.4 billion at March 31, 2007, an \$84 million decrease from December 31, 2006. Commercial — foreign allowance levels decreased due to the sales of our Latin American portfolios and operations. The increase in commercial — domestic allowance levels was primarily attributable to an increase in reserves due to higher anticipated losses from seasoning of the small business and business card portfolios within *GCSBB*, partially offset by reductions in *GCIB* commercial reserves due to the adoption of SFAS 159 for certain large corporate clients. See Management of Commercial Credit Risk Concentrations beginning on page 68 for additional information related to the adoption of SFAS 159.

Reserve for Unfunded Lending Commitments

In addition to the allowance for loan and lease losses, we also estimate probable losses related to unfunded lending commitments measured at historical cost, such as letters of credit and financial guarantees, and binding unfunded loan commitments. The reserve for unfunded lending commitments excludes commitments measured at fair value in accordance with SFAS 159. Unfunded lending commitments are subject to individual reviews and are analyzed and segregated by risk according to our internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, utilization assumptions, current economic conditions and performance trends within specific portfolio segments, and any other pertinent information result in the estimation of the reserve for unfunded lending commitments. The reserve for unfunded lending commitments is included in accrued expenses and other liabilities on the Consolidated Balance Sheet.

We monitor differences between estimated and actual incurred credit losses upon draws of the commitments. This monitoring process includes periodic assessments by management of credit portfolios and the models used to estimate incurred losses in those portfolios.

Changes to the reserve for unfunded lending commitments are generally made through the provision for credit losses. The reserve for unfunded lending commitments at March 31, 2007 was \$374 million, a \$23 million decrease from December 31, 2006 primarily driven by the adoption of SFAS 159 for certain large corporate clients. See Management of Commercial Credit Risk Concentrations beginning on page 68 for additional information related to the adoption of SFAS 159.

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Table 23 presents a rollforward of the allowance for credit losses for the three months ended March 31, 2007 and 2006.

Table 23
Allowance for Credit Losses

(Dollars in millions)	Three Months Ended March 31	
	2007	2006
Allowance for loan and lease losses, January 1	\$ 9,016	\$ 8,045
Transition adjustment due to the adoption of SFAS 159	(32)	—
MBNA balance, January 1, 2006	—	577
Loans and leases charged off		
Residential mortgage	(13)	(18)
Credit card—domestic	(899)	(743)
Credit card—foreign	(102)	(32)
Home equity	(20)	(14)
Direct/Indirect consumer	(354)	(127)
Other consumer	(119)	(72)
Total consumer charge-offs	(1,507)	(1,006)
Commercial—domestic	(214)	(94)
Commercial real estate	(4)	—
Commercial lease financing	(10)	(3)
Commercial—foreign	(8)	(14)
Total commercial charge-offs	(236)	(111)
Total loans and leases charged off	(1,743)	(1,117)
Recoveries of loans and leases previously charged off		
Residential mortgage	7	8
Credit card—domestic	93	109
Credit card—foreign	14	13
Home equity	3	5
Direct/Indirect consumer	119	48
Other consumer	27	30
Total consumer recoveries	263	213
Commercial—domestic	30	42
Commercial real estate	1	1
Commercial lease financing	11	26
Commercial—foreign	11	13
Total commercial recoveries	53	82
Total recoveries of loans and leases previously charged off	316	295
Net charge-offs	(1,427)	(822)
Provision for loan and lease losses	1,228	1,270
Other	(53)	(3)
Allowance for loan and lease losses, March 31	8,732	9,067
Reserve for unfunded lending commitments, January 1	397	395
Transition adjustment due to the adoption of SFAS 159	(28)	—
Provision for unfunded lending commitments	7	—
Other	(2)	—
Reserve for unfunded lending commitments, March 31	374	395
Allowance for credit losses, March 31	\$ 9,106	\$ 9,462
Loans and leases outstanding measured at historical cost at March 31	\$ 719,774	\$ 619,525
Allowance for loan and lease losses as a percentage of total loans and leases outstanding measured at historical cost at March 31 ⁽¹⁾	1.21 %	1.46 %
Consumer allowance for loan and lease losses as a percentage of total consumer loans and leases outstanding measured at historical cost at March 31	1.11	1.40
Commercial allowance for loan and lease losses as a percentage of total commercial loans and leases outstanding measured at historical cost at March 31 ⁽¹⁾	1.42	1.58
Average loans and leases outstanding measured at historical cost during the period	\$ 714,042	\$ 615,968
Annualized net charge-offs as a percentage of average loans and leases outstanding measured at historical cost during the period ^(1,2)	0.81 %	0.54 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases measured at historical cost at March 31	443	572
Ratio of the allowance for loan and lease losses at March 31 to annualized net charge-offs ⁽²⁾	1.51	2.72

(1) Ratios do not include loans measured at fair value in accordance with SFAS 159 at and for the period ended March 31, 2007. Loans measured at fair value were \$3.86 billion at March 31, 2007.

(2) For the three months ended March 31, 2006, the impact of SOP 03-3 decreased net charge-offs by \$210 million. Excluding the impact of SOP 03-3, annualized net charge-offs as a percentage of average loans and leases outstanding for the three months ended March 31, 2006 was 0.68 percent, and the ratio of the allowance for loan and lease losses to annualized net charge-offs was 2.19 at March 31, 2006.

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For reporting purposes, we allocate the allowance for credit losses across products. However, the allowance is available to absorb any credit losses without restriction. Table 24 presents our allocation by product type.

Table 24
Allocation of the Allowance for Credit Losses by Product Type

(Dollars in millions)	March 31, 2007		December 31, 2006	
	Amount	Percent	Amount	Percent
Allowance for loan and lease losses				
Residential mortgage	\$ 252	2.9%	\$ 248	2.8%
Credit card—domestic	2,959	33.9	3,176	35.2
Credit card—foreign	328	3.8	336	3.7
Home equity	143	1.6	133	1.5
Direct/Indirect consumer	1,306	15.0	1,200	13.3
Other consumer	372	4.2	467	5.2
Total consumer	5,360	61.4	5,560	61.7
Commercial—domestic	2,253	25.8	2,162	24.0
Commercial real estate	592	6.8	588	6.5
Commercial lease financing	182	2.1	217	2.4
Commercial—foreign	345	3.9	489	5.4
Total commercial ⁽¹⁾	3,372	38.6	3,456	38.3
Allowance for loan and lease losses	8,732	100.0%	9,016	100.0%
Reserve for unfunded lending commitments	374		397	
Allowance for credit losses	\$9,106		\$9,413	

(1)Includes allowance for loan and lease losses of commercial impaired loans of \$57 million and \$43 million at March 31, 2007 and December 31, 2006.

Market Risk Management

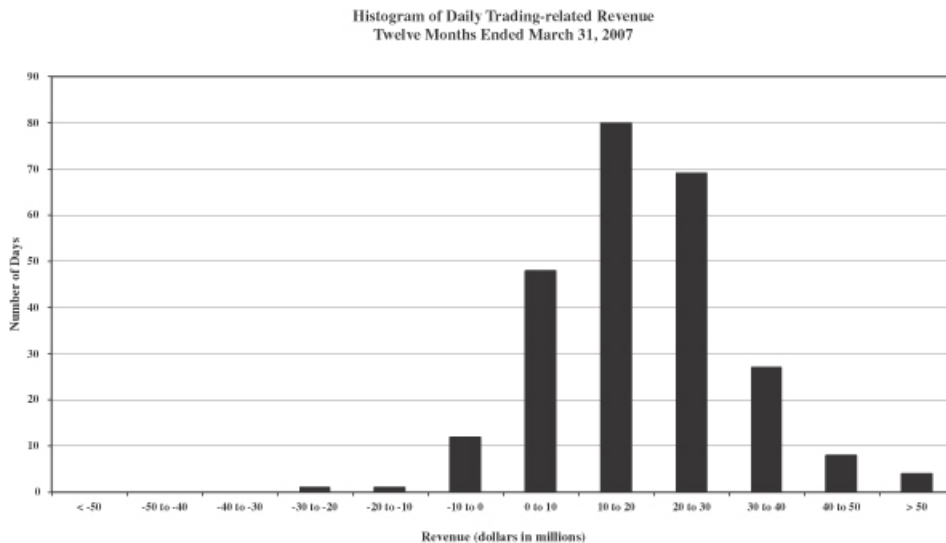
Market risk is the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions such as market movements. This risk is inherent in the financial instruments associated with our operations and/or activities including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives. Market-sensitive assets and liabilities are generated through loans and deposits associated with our traditional banking business, customer and proprietary trading operations, ALM process, credit risk mitigation activities, and mortgage banking activities. More detailed information on our market risk management process is included on pages 72 through 80 of Management's Discussion and Analysis of Financial Condition and Results of Operations filed in the Corporation's 2006 Annual Report on Form 10-K.

Trading Risk Management

The histogram of daily revenue or loss below is a graphic depiction of trading volatility and illustrates the daily level of trading-related revenue for the twelve months ended March 31, 2007. Trading-related revenue encompasses proprietary trading and customer-related activities. During the twelve months ended March 31, 2007, positive trading-related revenue

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was recorded for 94 percent of the trading days. Furthermore, only one percent of the total trading days had losses greater than \$10 million, and the largest loss was \$22 million. This can be compared to the twelve months ended March 31, 2006, where positive trading-related revenue was recorded for 88 percent of the trading days and only four percent of the total trading days had losses greater than \$10 million, and the largest loss was \$55 million.



To evaluate risk in our trading activities, we focus on the actual and potential volatility of individual positions as well as portfolios. At a portfolio and corporate level, we use VAR modeling and stress testing. VAR is a key statistic used to measure market risk. In order to manage day-to-day risks, VAR is subject to trading limits both for our overall trading portfolio and within individual businesses. All limit excesses are communicated to management for review.

A VAR model simulates the value of a portfolio under a range of hypothetical scenarios in order to generate a distribution of potential gains and losses. The VAR represents the worst loss the portfolio is expected to experience with a given level of confidence. VAR depends on the volatility of the positions in the portfolio and on how strongly their risks are correlated. Within any VAR model, there are significant and numerous assumptions that will differ from company to company. Our VAR model uses a historical simulation approach based on three years of historical data and assumes a 99 percent confidence level. Statistically, this means that losses will exceed VAR, on average, one out of 100 trading days, or two to three times each year. Actual losses did not exceed VAR in the twelve months ended March 31, 2007 and exceeded VAR twice in the twelve months ended March 31, 2006.

The assumptions and data underlying our VAR model are updated on a regular basis. In addition, the predictive accuracy of the model is periodically tested by comparing actual losses for individual businesses with the losses predicted by the VAR model. Management reviews and evaluates the results of these tests.

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Table 25 presents average, high and low daily VAR for the twelve months ended March 31, 2007 and 2006.

Table 25
Trading Activities Market Risk

(Dollars in millions)	Twelve Months Ended March 31					
	2007			2006		
	VAR			VAR		
	Average	High ⁽¹⁾	Low ⁽¹⁾	Average	High ⁽¹⁾	Low ⁽¹⁾
Foreign exchange	\$ 8.9	\$ 25.3	\$ 3.6	\$ 5.4	\$ 11.1	\$ 2.9
Interest rate	15.2	37.0	6.6	24.4	58.2	10.8
Credit	28.7	39.9	21.3	22.7	33.4	15.8
Real estate/mortgage	8.9	16.7	4.7	11.1	20.6	5.6
Equities	18.1	39.6	9.6	18.6	35.1	9.6
Commodities	6.3	9.9	3.7	6.0	10.6	3.4
Portfolio diversification	(44.8)	—	—	(47.9)	—	—
Total market-based trading portfolio ⁽²⁾	\$ 41.3	\$ 59.8	\$ 26.0	\$ 40.3	\$ 55.0	\$ 26.8

(1) The high and low for the total portfolio may not equal the sum of the individual components as the highs or lows of the individual portfolios may have occurred on different trading days.

(2) See Commercial Portfolio Credit Risk Management beginning on page 68 for a discussion of the VAR related to the credit derivatives that economically hedge the loan portfolio.

Stress Testing

Because the very nature of a VAR model suggests results can exceed our estimates, we also “stress test” our portfolio. Stress testing estimates the value change in our trading portfolio that may result from abnormal market movements. Various types of stress tests are run regularly against the overall trading portfolio and individual businesses. Historical scenarios simulate the impact of price changes which occurred during a set of extended historical market events. The results of these scenarios are reported daily to management. During the twelve months ended March 31, 2007, the largest losses among these scenarios ranged from \$101 million to \$591 million. Hypothetical scenarios evaluate the potential impact of extreme but plausible events. These scenarios are developed to address perceived vulnerabilities in the market and in our portfolios, and are periodically updated. Management reviews and evaluates results of these scenarios monthly. During the twelve months ended March 31, 2007, the largest losses among these scenarios ranged from \$436 million to \$685 million. Worst-case losses, which represent the most extreme losses in our daily VAR calculation, are reported daily. Finally, desk-level stress tests are performed daily for individual businesses. These stress tests evaluate the potential adverse impact of large moves in the market risk factors to which those businesses are most sensitive.

Interest Rate Risk Management for Nontrading Activities

Interest rate risk represents the most significant market risk exposure to our nontrading exposures. Our overall goal is to manage interest rate risk so that movements in interest rates do not adversely affect core net interest income – managed basis. Interest rate risk is measured as the potential volatility in our core net interest income – managed basis caused by changes in market interest rates. Client facing activities, primarily lending and deposit-taking, create interest rate sensitive positions on our balance sheet. Interest rate risk from these activities, as well as the impact of changing market conditions, is managed through our ALM activities.

Simulations are used to estimate the impact on core net interest income – managed basis using numerous interest rate scenarios, balance sheet trends and strategies. These simulations evaluate how the above mentioned scenarios impact core net interest income – managed basis on short-term financial instruments, debt securities, loans, deposits, borrowings, and derivative instruments. In addition, these simulations incorporate assumptions about balance sheet dynamics such as loan and deposit growth and pricing, changes in funding mix, and asset and liability repricing and maturity characteristics.

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Management analyzes core net interest income – managed basis forecasts utilizing different rate scenarios, with the base case utilizing the forward interest rates. Management frequently updates the core net interest income – managed basis forecast for changing assumptions and differing outlooks based on economic trends and market conditions. Thus, we continually monitor our balance sheet position in an effort to maintain an acceptable level of exposure to interest rate changes.

We prepare forward-looking forecasts of core net interest income – managed basis. These baseline forecasts take into consideration expected future business growth, ALM positioning, and the direction of interest rate movements as implied by forward interest rates. We then measure and evaluate the impact that alternative interest rate scenarios have to these static baseline forecasts in order to assess interest rate sensitivity under varied conditions. The spot and 12-month forward monthly rates used in our respective baseline forecasts at March 31, 2007 and December 31, 2006 were as follows:

Table 26
Forward Rates

	March 31, 2007		December 31, 2006	
	Federal Funds	Ten Year Swap	Federal Funds	Ten Year Swap
Spot Rates	5.25 %	5.18 %	5.25 %	5.18 %
12-month forward rates	4.67	5.20	4.85	5.19

The following table reflects the pre-tax dollar impact to forecasted core net interest income – managed basis over the next twelve months from March 31, 2007 and December 31, 2006, resulting from a 100 bp gradual parallel increase, a 100 bp gradual parallel decrease, a 100 bp gradual curve flattening (increase in short-term rates or decrease in long-term rates) and a 100 bp gradual curve steepening (decrease in short-term rates or increase in long-term rates) from the forward market curve. For further discussion of core net interest income – managed basis see page 40.

Table 27
Estimated Core Net Interest Income – Managed Basis at Risk

(Dollars in millions)			March 31	December 31
Curve Change	Short Rate	Long Rate	2007	2006
+100 Parallel shift	+100	+100	\$ (631)	\$ (557)
-100 Parallel shift	-100	-100	688	770
Flatteners				
Short end	+100	—	(763)	(687)
Long end	—	-100	(256)	(192)
Steepeners				
Short end	-100	—	895	971
Long end	—	+100	153	138

The sensitivity analysis above assumes that we take no action in response to these rate shifts over the indicated years. The estimated exposure is reported on a managed basis and reflects impacts that may be realized primarily in net interest income and card income. This sensitivity analysis excludes any impact that could occur in the valuation of retained interests in the Corporation's securitizations due to changes in interest rate levels. For additional information on securitizations, see Note 8 of the Consolidated Financial Statements.

Our core net interest income – managed basis, was slightly liability sensitive at both March 31, 2007 and December 31, 2006. Beyond what is already implied in the forward market curve, the interest rate risk position has become modestly more exposed to rising rates since December 31, 2006. Over a 12-month horizon, we would benefit from falling rates or a steepening of the yield curve beyond what is already implied in the forward market curve.

As part of our ALM activities, we use securities, residential mortgages, and interest rate and foreign exchange derivatives in managing interest rate sensitivity.

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Securities

The securities portfolio is an integral part of our ALM position. The securities portfolio is primarily comprised of mortgage-backed securities and includes investments to a lesser extent in corporate, municipal and other investment grade debt securities. During the three months ended March 31, 2007 and 2006, we purchased AFS debt securities of \$2.9 billion and \$26.5 billion, sold \$4.1 billion and \$7.0 billion, and had maturities and received paydowns of \$5.6 billion and \$5.4 billion. We realized \$62 million and \$14 million in gains on sales of debt securities during the three months ended March 31, 2007 and 2006. The value of our accumulated OCI related to AFS debt securities increased (improved) by \$313 million (pre-tax) during the three months ended March 31, 2007 which was driven by mortgage-backed securities paydowns and a slight decrease in mortgage interest rates and was partially offset by sales of other debt securities sold at realized gains. For those securities that are in an unrealized loss position we have the intent and ability to hold these securities to recovery.

Accumulated OCI includes \$2.8 billion in after-tax losses at March 31, 2007, related to after-tax unrealized losses associated with our AFS securities portfolio, including \$2.9 billion of after-tax unrealized losses related to AFS debt securities and \$69 million of after-tax unrealized gains related to AFS equity securities. Total market value of the AFS debt securities was \$181.0 billion at March 31, 2007 with a weighted average duration of 4.3 years and primarily relates to our mortgage-backed securities portfolio.

Prospective changes to the accumulated OCI amounts for the AFS securities portfolio will be driven by further interest rate, credit or price fluctuations, the collection of cash flows including prepayment and maturity activity, and the passage of time.

In connection with adopting SFAS 159 the Corporation reclassified approximately \$3.7 billion from AFS debt securities to trading account assets. There were no net unrealized gains or losses associated with these securities recorded in accumulated OCI as these securities were hedged using SFAS 133 hedge accounting. Accordingly there was no impact on the Corporation's transition adjustment to beginning retained earnings upon adoption of SFAS 159 on January 1, 2007.

Residential Mortgage Portfolio

During the three months ended March 31, 2007 and 2006, we purchased \$16.5 billion and \$4.3 billion of residential mortgages related to ALM activities, and added \$18.1 billion and \$7.0 billion of originated residential mortgages. We sold \$11.3 billion of residential mortgages during the quarter, which included \$8.0 billion of originated residential mortgages. Additionally, we received paydowns of \$7.3 billion and \$5.5 billion for the three months ended March 31, 2007 and 2006. The ending balance at March 31, 2007 was \$254.8 billion, compared to \$188.3 billion at March 31, 2006.

Interest Rate and Foreign Exchange Derivative Contracts

Interest rate and foreign exchange derivative contracts are utilized in our ALM activities and serve as an efficient tool to mitigate our interest rate and foreign exchange risk. We use derivatives to hedge the changes in cash flows or changes in fair value on our balance sheet due to interest rate and foreign exchange components. For additional information on our hedging activities see Note 4 of the Consolidated Financial Statements.

Our interest rate contracts are generally non-leveraged generic interest rate and foreign exchange basis swaps, options, futures, and forwards. In addition, we use foreign exchange contracts, including cross-currency interest rate swaps and foreign currency forward contracts, to mitigate the foreign exchange risk associated with foreign currency-denominated assets and liabilities, as well as certain equity investments in foreign subsidiaries. Table 28 reflects the notional amounts, fair value, weighted average receive fixed and pay fixed rates, expected maturity, and estimated duration of our open ALM derivatives at March 31, 2007 and December 31, 2006.

Changes to the composition of our derivatives portfolio reflect actions taken for interest rate and foreign exchange rate risk management. The decisions to reposition our derivative portfolio are based upon the current assessment of economic and financial conditions including the interest rate environment, balance sheet composition and trends, and the relative mix of our

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cash and derivative positions. The notional amount of our net receive fixed swap position (including foreign exchange contracts) increased \$20.2 billion to \$32.5 billion at March 31, 2007 compared to \$12.3 billion at December 31, 2006. The notional amount of our foreign exchange basis swaps increased \$5.3 billion to \$37.2 billion at March 31, 2007 compared to \$31.9 billion at December 31, 2006. The notional amount of our option position increased \$86.6 billion to \$329.9 billion at March 31, 2007 compared to December 31, 2006. The increase in the notional amount of options was due primarily to the addition of interest rate caps. Notional levels of futures and forward rate contracts changed from \$8.5 billion at December 31, 2006 to \$4.0 billion at March 31, 2007.

The following table includes derivatives utilized in our ALM activities, including those designated as SFAS 133 accounting hedges and economic hedges. The fair value of net ALM contracts increased from a gain of \$1.5 billion at December 31, 2006 to a gain of \$1.8 billion at March 31, 2007. The increase was primarily attributable to gains from changes in the value of foreign exchange basis swaps of \$526 million, and receive fixed interest rate swaps of \$258 million. These gains were partially offset by losses from changes in the values of option products of \$231 million, foreign exchange contracts of \$148 million, and pay fixed interest rate swaps of \$143 million. The increase in the value of foreign exchange basis swaps was due to the strengthening of most foreign currencies against the dollar during the three months ended March 31, 2007. The increase in the value of receive fixed interest rate swaps was due to losses on terminations and the change in interest rates during the quarter. The decrease in the value of the option portfolio is primarily due to terminations and the time decay of the portfolio. The decrease in the value of foreign exchange contracts is primarily due to the increase in foreign interest rates during the three months ended March 31, 2007. The decrease in the value of pay fixed interest rate swaps is primarily due to net gains on terminations and the change in interest rates during the quarter.

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Table 28
Asset and Liability Management Interest Rate and Foreign Exchange Contracts

March 31, 2007

(Dollars in millions, average estimated duration in years)	Fair Value	Expected Maturity							Average Estimated Duration
		Total	2007	2008	2009	2010	2011	Thereafter	
Receive fixed interest rate swaps ^(1,7)	\$ (490)								5.91
Notional amount		\$ 45,996	\$ 995	\$ 4,844	\$ 3,900	\$ 3,252	\$ 1,630	\$ 31,375	
Weighted average fixed rate		4.84%	4.33%	3.99%	4.17%	4.35 %	4.50 %	5.14%	
Pay fixed interest rate swaps ⁽¹⁾	118								3.91
Notional amount		\$ 35,893	\$ —	\$ 15,000	\$ —	\$ —	\$ 250	\$ 20,643	
Weighted average fixed rate		4.91%	—%	4.78%	—%	—%	5.43 %	4.99%	
Foreign exchange basis swaps ^(2,7,8)	2,518								
Notional amount		\$ 37,186	\$ 77	\$ 2,326	\$ 3,046	\$ 5,423	\$ 4,005	\$ 22,309	
Option products ⁽³⁾	86								
Notional amount		329,918	200,000	129,813	—	70	—	35	
Foreign exchange contracts ^(4,7,8)	(467)								
Notional amount ⁽⁵⁾		22,016	(486)	1,612	1,920	3,894	1,117	13,959	
Futures and forward rate contracts ⁽⁶⁾	(8)								
Notional amount ⁽⁵⁾		4,025	4,025	—	—	—	—	—	
Net ALM contracts	\$1,757								

December 31, 2006

(Dollars in millions, average estimated duration in years)	Fair Value	Expected Maturity							Average Estimated Duration
		Total	2007	2008	2009	2010	2011	Thereafter	
Receive fixed interest rate swaps ^(1,7)	\$ (748)								4.42
Notional amount		\$ 91,502	\$ 2,795	\$ 7,844	\$ 48,900	\$ 3,252	\$ 1,630	\$ 27,081	
Weighted average fixed rate		4.90%	4.80%	4.41%	4.90%	4.35 %	4.50 %	5.14%	
Pay fixed interest rate swaps ⁽¹⁾	261								2.93
Notional amount		\$ 100,217	\$ 15,000	\$ 2,500	\$ 44,000	\$ —	\$ 250	\$ 38,467	
Weighted average fixed rate		4.98%	5.12%	5.11%	4.86%	—%	5.43 %	5.06%	
Foreign exchange basis swaps ^(2,7,8)	1,992								
Notional amount		\$ 31,916	\$ 174	\$ 2,292	\$ 3,012	\$ 5,351	\$ 3,962	\$ 17,125	
Option products ⁽³⁾	317								
Notional amount		243,280	200,000	43,176	—	70	—	34	
Foreign exchange contracts ^(4,7,8)	(319)								
Notional amount ⁽⁵⁾		20,319	(753)	1,588	1,901	3,850	1,104	12,629	
Futures and forward rate contracts	(46)								
Notional amount ⁽⁵⁾		8,480	8,480	—	—	—	—	—	
Net ALM contracts	\$1,457								

(1) At March 31, 2007 and December 31, 2006, \$1.2 billion and \$4.2 billion of the receive fixed and \$15.0 billion and \$52.5 billion of the pay fixed swap notional represented forward starting swaps that will not be effective until their respective contractual start dates.

(2) Foreign exchange basis swaps consist of cross-currency variable interest rate swaps used separately or in conjunction with receive fixed interest rate swaps.

(3) Option products include \$325.1 billion and \$225.1 billion in caps, and \$4.8 billion and \$18.2 billion in swaptions at March 31, 2007 and December 31, 2006.

(4) Foreign exchange contracts include foreign-denominated receive fixed interest rate swaps, cross-currency receive fixed interest rate swaps and foreign currency forward rate contracts. Total notional was comprised of \$22.4

billion in foreign-denominated and cross-currency receive fixed swaps and \$430 million in foreign currency forward rate contracts at March 31, 2007 and \$21.0 billion in foreign-denominated and cross-currency receive fixed

swaps and \$697 million in foreign currency forward rate contracts at December 31, 2006.

(5) Reflects the net of long and short positions.

(6) At March 31, 2007, the position was comprised of \$4.4 billion in forward purchase contracts that settled in April and May 2007, offset by forward sale contracts of \$415 million settling in April 2007 with an average yield of

5.50 percent.

(7) Not shown in the table above are basis adjustments on fixed rate debt issued by the Corporation and hedged under fair value hedge relationships pursuant to SFAS 133 that substantially offset the fair values of these derivatives.

(8) Not shown in the table above are foreign currency translation adjustments on certain foreign denominated debt issued by the Corporation which substantially offset the fair values of these derivatives.

The Corporation uses interest rate derivative instruments to hedge the variability in the cash flows of its assets and liabilities, and other forecasted transactions (cash flow hedges). The net losses on both open and closed derivative instruments recorded in accumulated OCI net-of-tax was \$3.6 billion at March 31, 2007. These net losses are expected to be

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reclassified into earnings in the same period when the hedged cash flows affect earnings and will decrease income or increase expense on the respective hedged cash flows. Assuming no change in open cash flow derivative hedge positions and no changes to interest rates beyond what is implied in forward yield curves at March 31, 2007, the net losses are expected to be reclassified into earnings as follows: \$1.0 billion (pre-tax), or 18 percent within the next year, 58 percent within five years, 84 percent within 10 years, with the remaining 16 percent thereafter. For more information on derivatives designated as cash flow hedges see Note 4 of the Consolidated Financial Statements.

The amounts included in accumulated OCI for terminated derivative contracts were losses of \$3.4 billion and \$3.2 billion, net-of-tax, at March 31, 2007 and December 31, 2006. The increase in losses was attributable primarily to losses in the value of interest rate derivatives that were terminated during the three month period. Losses on these terminated derivative contracts are reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings.

Mortgage Banking Risk Management

IRLCs on loans intended to be sold are subject to interest rate risk between the date of the IRLC and the date the loan is funded. Residential first mortgage loans held-for-sale are subject to interest rate risk from the date of funding until the loans are sold to the secondary market. To hedge interest rate risk, we utilize forward loan sale commitments and other derivative instruments including purchased options. These instruments are used as economic hedges of IRLCs and residential first mortgage loans held-for-sale. At March 31, 2007, the notional amount of derivatives economically hedging the IRLCs and residential first mortgage loans held-for-sale was \$17.2 billion.

The Corporation adopted SFAS 159 as of January 1, 2007 and elected to account for certain mortgage loans held-for-sale at fair value. At March 31, 2007, residential mortgage loans held-for-sale in connection with mortgage banking activities for which the fair value option was elected had an aggregate fair value of \$9.71 billion and an aggregate outstanding principal balance of \$9.68 billion. Net gains resulting from changes in fair value of these loans, including realized gains and losses on sale, of \$56 million were recorded in mortgage banking income during the period. Following adoption of SFAS 159, all direct loan origination fees of \$13 million and costs of \$29 million related to loans held-for-sale for which the fair value option was elected were recognized in earnings. Previously, these items would have been capitalized as part of the carrying amount of the loans and recognized in earnings upon the sale of such loans.

We manage changes in the value of MSRs by entering into derivative financial instruments. MSRs are a nonfinancial asset created when the underlying mortgage loan is sold to investors and we retain the right to service the loan. We use certain derivatives such as options and interest rate swaps as economic hedges of MSRs. At March 31, 2007, the amount of MSRs identified as being hedged by derivatives was approximately \$3.0 billion. The notional amount of the derivative contracts designated as economic hedges of MSRs at March 31, 2007 was \$39.9 billion. For additional information on MSRs see Note 15 of the Consolidated Financial Statements.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, including system conversions and integration, and external events. Successful operational risk management is particularly important to diversified financial services companies because of the nature, volume and complexity of the financial services business.

We approach operational risk from two perspectives: enterprise-wide and line of business-specific. The Compliance and Operational Risk Committee provides oversight of significant company-wide operational and compliance issues. Within Global Risk Management, Enterprise Compliance and Operational Risk Management develops policies, practices, controls and monitoring tools for assessing and managing operational risks across the Corporation. We also mitigate operational risk through a broad-based approach to process management and process improvement. Improvement efforts are focused on reduction of variation in outputs. We have a dedicated Quality and Productivity team to manage and certify the process management and improvement efforts. For selected risks, we use specialized support groups, such as Information Security and Supply Chain Management, to develop corporate-wide risk management practices, such as an information security program and a supplier program to ensure that suppliers adopt appropriate policies and procedures when performing work on

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behalf of the Corporation. These specialized groups also assist the lines of business in the development and implementation of risk management practices specific to the needs of the individual businesses. These groups also work with line of business executives and risk executives to develop appropriate policies, practices, controls and monitoring tools for each line of business. Through training and communication efforts, compliance and operational risk awareness is driven across the Corporation.

The lines of business are responsible for all the risks within the business line, including operational risks. Operational and Compliance Risk executives, working in conjunction with senior line of business executives, have developed key tools to help manage, monitor and report operational risk in each business line. Examples of these include personnel management practices, data reconciliation processes, fraud management units, transaction processing monitoring and analysis, business recovery planning and new product introduction processes. In addition, the lines of business are responsible for monitoring adherence to corporate practices. Management uses a self-assessment process, which helps to identify and evaluate the status of risk issues, including mitigation plans, as appropriate. The goal of the self-assessment process is to periodically assess changing market and business conditions and to evaluate key operational risks impacting each line of business. In addition to information gathered from the self-assessment process, key operational risk indicators have been developed and are used to help identify trends and issues on both a corporate and a business line level.

Recent Accounting and Reporting Developments

See Note 1 of the Consolidated Financial Statements for a discussion of recently adopted accounting pronouncements.

Complex Accounting Estimates

Our significant accounting principles, as described in Note 1 of the Consolidated Financial Statements of the Corporation's 2006 Annual Report on Form 10-K, are essential in understanding Management's Discussion and Analysis of Financial Condition and Results of Operations. Many of our significant accounting principles require complex judgments to estimate values of assets and liabilities. We have procedures and processes to facilitate making these judgments. Effective January 1, 2007, the Corporation adopted SFAS 157 and SFAS 159. For further information on fair value of certain financial assets and liabilities see Note 14 of the Consolidated Financial Statements. For a complete discussion of our more judgmental and complex accounting estimates, see Complex Accounting Estimates on pages 81 through 84 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's 2006 Annual Report on Form 10-K.

Glossary

Assets in Custody — Consist largely of custodial and non-discretionary trust assets administered for customers excluding brokerage assets. Trust assets encompass a broad range of asset types including real estate, private company ownership interest, personal property and investments.

Assets Under Management (AUM) — The total market value of assets under the investment advisory and discretion of *Global Wealth and Investment Management* which generate asset management fees based on a percentage of the assets' market value. AUM reflects assets that are generally managed for institutional, high net-worth and retail clients and are distributed through various investment products including mutual funds, other commingled vehicles and separate accounts.

Bridge Loan — A short-term loan or security which is expected to be replaced by permanent financing (debt or equity securities, loan syndication or asset sales) prior to the maturity date of the loan. Bridge loans may include an unfunded commitment, as well as funded amounts, and are generally expected to be retired in one year or less.

Client Brokerage Assets — Include client assets which are held in brokerage accounts. This includes non-discretionary brokerage and fee-based assets which generate brokerage income and asset management fee revenue.

Co-branding Affinity Agreements — Contracts with our endorsing partners outlining specific marketing rights, compensation and other terms and conditions mutually agreed to by the Corporation and its partners.

Committed Credit Exposure — Committed credit exposure includes any funded portion of a facility plus the unfunded portion of a facility on which the Corporation is legally bound to advance funds during a specified period under prescribed conditions.

Core Net Interest Income — Managed Basis — Net interest income on a fully taxable-equivalent basis excluding the impact of market-based activities and certain securitizations.

Credit Derivatives/ Credit Default Swaps (CDS) — A derivative contract that provides protection against the deterioration of credit quality and would allow one party to receive payment in the event of default by a third party under a borrowing arrangement.

Derivative — A contract or agreement whose value is derived from changes in an underlying index such as interest rates, foreign exchange rates or prices of securities. Derivatives utilized by the Corporation include swaps, financial futures and forward settlement contracts, and option contracts.

Excess Servicing Income — For certain assets that have been securitized, interest income, fee revenue and recoveries in excess of interest paid to the investors, gross credit losses and other trust expenses related to the securitized receivables are all reclassified into excess servicing income, which is a component of card income. Excess servicing income also includes the fair market value adjustments related to the Corporation's interest-only strips as a result of changes in the estimated future net cash flows expected to be earned in future periods and changes in projected loan payment rates.

Interest-only (IO) Strip — A residual interest in a securitization trust representing the right to receive future net cash flows from securitized assets after payments to third party investors and net credit losses. These arise when assets are transferred to a special purpose entity as part of an asset securitization transaction qualifying for sale treatment under GAAP.

Letter of Credit — A document issued by the Corporation on behalf of a customer to a third party promising to pay that third party upon presentation of specified documents. A letter of credit effectively substitutes the Corporation's credit for that of the Corporation's customer.

Managed Basis — Managed basis presentation includes results from both on-balance sheet loans and off-balance sheet loans, and excludes the impact of securitization activity, with the exception of the mark-to-market adjustment on residual interests from securitization and the impact of the gains recognized on securitized loan principal receivables. Managed basis disclosures assume that loans that have been securitized were not sold and presents earnings on these loans in a manner similar to the way loans that have not been sold (i.e., held loans) are presented.

Managed Credit Impact — Represents the provision for credit losses on held loans combined with realized credit losses associated with the securitized loan portfolio.

Managed Net Losses — Represents net charge-offs on held loans combined with realized credit losses associated with the securitized loan portfolio.

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Mortgage Servicing Right (MSR) — The right to service a mortgage loan retained when the underlying loan is sold or securitized. Servicing includes collections for principal, interest and escrow payments from borrowers and accounting for and remitting principal and interest payments to investors.

Net Interest Yield — Net interest income divided by average total interest-earning assets.

Operating Basis — A basis of presentation not defined by GAAP that excludes merger and restructuring charges.

Reported Credit Impact — Represents the provision for credit losses recorded in *All Other* combined with the impact of the securitization reclassification to present the consolidated results of the Corporation on a GAAP basis.

Return on Average Common Shareholders' Equity (ROE) — Measures the earnings contribution of a unit as a percentage of the shareholders' equity allocated to that unit.

Return on Average Tangible Shareholders' Equity (ROTE) — Measures the earnings contribution of a unit as a percentage of the shareholders' equity allocated to that unit reduced by allocated goodwill.

Securitize / Securitization — A process by which financial assets are sold to a special purpose entity, which then issues securities collateralized by those underlying assets, and the return on the securities issued is based on the principal and interest cash flow of the underlying assets.

Shareholder Value Added (SVA) — Cash basis earnings on an operating basis less a charge for the use of capital.

Unrecognized Tax Benefit (UTB) — The difference between the benefit recognized for a tax position in accordance with FIN 48, which is measured as the largest dollar amount of that position that is more-likely-than-not to be sustained upon settlement, and the tax benefit claimed on a tax return.

Value-at-Risk (VAR) — A VAR model estimates a range of hypothetical scenarios to calculate a potential loss which is not expected to be exceeded with a specified confidence level. VAR is a key statistic used to measure and manage market risk.

Variable Interest Entities (VIE) — A term defined by FIN 46(R) for an entity whose equity investors do not have a controlling financial interest. The entity may not have sufficient equity at risk to finance its activities without additional subordinated financial support from third parties. The equity investors may lack the ability to make significant decisions about the entity's activities, or they may not absorb the losses or receive the residual returns generated by the assets and other contractual arrangements of the VIE. A VIE must be consolidated by its primary beneficiary, if any, which is the party that will absorb the majority of the expected losses or expected residual returns of the VIE or both.

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Accounting Pronouncements

SFAS 133	Accounting for Derivative Instruments and Hedging Activities, as amended
SFAS 157	Fair Value Measurements
SFAS 159	The Fair Value Option for Financial Assets and Financial Liabilities
FIN 46(R)	Consolidation of Variable Interest Entities (revised December 2003)—an interpretation of ARB No. 51
FIN 48	Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109
FSP 13-2	Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction
SOP 03-3	Accounting for Certain Loans or Debt Securities Acquired in a Transfer

Acronyms

AFS	Available-for-sale
AICPA	American Institute of Certified Public Accountants
ALCO	Asset and Liability Committee
ALM	Asset and liability management
EPS	Earnings per common share
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit and Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
FIN	Financial Accounting Standards Board Interpretation
FRB	Board of Governors of the Federal Reserve System
FSA	Financial Services Authority
FSP	Financial Accounting Standards Board Staff Position
FTE	Fully taxable-equivalent
GAAP	Generally accepted accounting principles in the United States
IRLC	Interest Rate Lock Commitment
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income
QSPE	Qualified Special Purpose Entity
RCC	Risk and Capital Committee
SBLCs	Standby letters of credit
SEC	Securities and Exchange Commission
SFAS	Financial Accounting Standards Board Statement of Financial Accounting Standards
SOP	American Institute of Certified Public Accountants Statement of Position
SPE	Special Purpose Entity

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Management's Discussion and Analysis of Financial Condition and Results of Operations—Market Risk Management beginning on page 80 and the sections referenced therein for Quantitative and Qualitative Disclosures about Market Risk.

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Item 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As of the end of the period covered by this report and pursuant to Rule 13a-15 of the Securities Exchange Act of 1934 (the Exchange Act), the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness and design of the Corporation's disclosure controls and procedures (as that term is defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded, as of the end of the period covered by this report, that the Corporation's disclosure controls and procedures were effective in recording, processing, summarizing and reporting information required to be disclosed by the Corporation, within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in internal controls

In addition and as of the end of the period covered by this report, there have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter to which this report relates that have materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10 of the Consolidated Financial Statements for litigation and regulatory disclosure that supplements the disclosure in the Corporation's 2006 Annual Report on Form 10-K.

Item 1A. Risk Factors

There are no material changes from the risk factors set forth under Part I, Item 1A. "Risk Factors" in the Corporation's 2006 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and the Use of Proceeds

See Note 11 of the Consolidated Financial Statements for information on the monthly share repurchase activity for the three months ended March 31, 2007 and 2006, including total common shares repurchased under announced programs, weighted average per share price and the remaining buyback authority under announced programs.

Item 5. Other Information

Reference is made to the Corporation's Current Report on Form 8-K, filed with the Commission on February 16, 2007 (the Form 8-K), describing the registered offering by BAC Capital Trust XIII of its Floating Rate Preferred Hybrid Income Term Securities (the Floating Rate Preferred HITS) and the registered offering by BAC Capital Trust XIV of its Fixed-to-Floating Rate Preferred Hybrid Income Term Securities (the Fixed-to-Floating Rate Preferred HITS).

Simultaneously with the closing of the offerings of the Floating Rate Preferred HITS and the Fixed-to-Floating Rate Preferred HITS, the Corporation entered into two replacement capital covenants (each a Replacement Capital Covenant and together the Replacement Capital Covenants), one corresponding to the Floating Rate Preferred HITS and the other corresponding to the Fixed-to-Floating Rate Preferred HITS, each for the benefit of persons that buy, hold or sell a specified

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series of long-term indebtedness of the Corporation (the Covered Debt). As of the date of this report, the Corporation's 5 5/8% Junior Subordinated Notes due 2035 (Cusip No. 060505AZ7) constitutes the Covered Debt whose holders are entitled to the benefits of the Replacement Capital Covenant corresponding to the Fixed-to-Floating Rate Preferred HITS and the Corporation's 6 5/8% Junior Subordinated Notes due 2036 (Cusip No. 060505CG7) constitutes the Covered Debt whose holders are entitled to the benefits of the Replacement Capital Covenant corresponding to the Floating Rate Preferred HITS. Copies of the Replacement Capital Covenants were filed as exhibits to the Form 8-K.

The Replacement Capital Covenants restrict the ability of the Corporation and its subsidiaries to redeem or purchase the Floating Rate Preferred HITS or Fixed-to-Floating Rate Preferred HITS, as applicable, and related securities described in the Form 8-K (collectively, the HITS), except to the extent that (a) the Corporation has obtained the prior approval of the Federal Reserve Board (the Federal Reserve) for the redemption or purchase of the applicable HITS, if such approval is then required under the Federal Reserve's capital guidelines applicable to bank holding companies, and (b) the applicable redemption or purchase price of the HITS to be redeemed or purchased does not exceed the aggregate amount of proceeds received by the Corporation from the sale of certain specified securities such as common stock, rights to acquire common stock, mandatorily convertible preferred stock, qualifying non-cumulative perpetual preferred stock, REIT preferred securities and qualifying capital securities, provided that, in the case of any such redemption or purchase, such securities qualify as Tier 1 capital of the Corporation under the risk-based guidelines of the Federal Reserve and are not "restricted core capital elements" under such guidelines.

Item 6. Exhibits

Exhibit 3(a)	Amended and Restated Certificate of Incorporation of the Registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3(a) of the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006
Exhibit 3(b)	Amended and Restated Bylaws of the Registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed January 24, 2007
Exhibit 4(a)	Certificate of Designations of the Registrant's Floating Rate Non-Cumulative Preferred Stock, Series F, included in Exhibit 3(a) hereof
Exhibit 4(b)	Certificate of Designations of the Registrant's Adjustable Rate Non-Cumulative Preferred Stock, Series G, included in Exhibit 3(a) hereof
Exhibit 4(c)	Second Supplemental Indenture dated as of January 25, 2007, between the Registrant, as successor to NationsBank Corporation, and The Bank of New York Trust Company, N.A., as successor trustee to The Bank of New York, incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form S-4 filed on March 16, 2007
Exhibit 4(d)	Agency Agreement dated as of January 16, 2007 among the Registrant, B of A Issuance, B.V., The Bank of New York and The Bank of New York (Luxembourg), S.A., relating to B of A Issuance, B.V. U.S. \$6,000,000,000 Structured Securities Program
Exhibit 11	Earnings Per Share Computation - included in Note 11 of the Consolidated Financial Statements
Exhibit 12	Ratio of Earnings to Fixed Charges Ratio of Earnings to Fixed Charges and Preferred Dividends
Exhibit 31(a)	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31(b)	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32(a)	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32(b)	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bank of America Corporation

Date: May 9, 2007

/s/ Neil A. Cotty
Neil A. Cotty
Chief Accounting Officer
(Duly Authorized Officer)

Bank of America Corporation

Form 10-Q

Index to Exhibits

<u>Exhibit</u>	<u>Description</u>
3(a)	Amended and Restated Certificate of Incorporation of the Registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3(a) of the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006
3(b)	Amended and Restated Bylaws of the Registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed January 24, 2007
4(a)	Certificate of Designations of the Registrant's Floating Rate Non-Cumulative Preferred Stock, Series F, included in Exhibit 3(a) hereof
4(b)	Certificate of Designations of the Registrant's Adjustable Rate Non-Cumulative Preferred Stock, Series G, included in Exhibit 3(a) hereof
4(c)	Second Supplemental Indenture dated as of January 25, 2007, between the Registrant, as successor to NationsBank Corporation, and The Bank of New York Trust Company, N.A., as successor trustee to The Bank of New York, incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form S-4 filed on March 16, 2007
4(d)	Agency Agreement dated as of January 16, 2007 among the Registrant, B of A Issuance, B.V., The Bank of New York and The Bank of New York (Luxembourg), S.A., relating to B of A Issuance, B.V. U.S. \$6,000,000,000 Structured Securities Program
11	Earnings Per Share Computation - included in Note 11 of the Consolidated Financial Statements
12	Ratio of Earnings to Fixed Charges Ratio of Earnings to Fixed Charges and Preferred Dividends
31(a)	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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32(b)	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

AGENCY AGREEMENT

relating to

B OF A ISSUANCE B.V.

U.S. \$6,000,000,000

Structured Securities Program

among

B OF A ISSUANCE B.V.

as Issuer

and

BANK OF AMERICA CORPORATION

as Guarantor

and

THE BANK OF NEW YORK

as Principal Agent

and

THE BANK OF NEW YORK (LUXEMBOURG) S.A.

as Paying Agent and Luxembourg Listing Agent

DATED AS OF JANUARY 16, 2007

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<u>Schedule 20</u>	—	Form of Calculation Agency Agreement
<u>Schedule 21</u>	—	Form of Delivery Agency Agreement

THIS AGENCY AGREEMENT (this "Agreement") dated as of January 16, 2007 is made by and among:

- (i) B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer");
- (ii) Bank of America Corporation, a Delaware corporation (the "Guarantor," and together with the Issuer, the "Offerors");
- (iii) The Bank of New York, a national banking association organized under the laws of the United States (the "Agent" and the "Principal Agent"); and
- (iv) The Bank of New York (Luxembourg) S.A., a société anonyme organized under the laws of Luxembourg (the "Paying Agent" and the "Luxembourg Listing Agent").

WHEREAS, the Issuer proposes to issue Notes, Certificates and Warrants (the "Securities"), in an amount up to U.S. \$6,000,000,000 (or its equivalent in other currencies) outstanding at any one time (calculated in accordance with the provisions of Clause 8(7) hereto), as provided in a Program Agreement of even date (as amended and supplemented from time to time, the "Program Agreement") by and among the Issuer, the Guarantor and Banc of America Securities Limited (the "Arranger") and as described in a Base Prospectus (as defined in the Program Agreement);

WHEREAS, the Securities will be guaranteed by the Guarantor as provided in the senior guarantee agreement and the subordinated guarantee agreement (the "Guarantees") in favor of holders of the Securities executed by the Guarantor of even date;

WHEREAS, the Securities will be issued in the denominations and amounts specified in the applicable Final Terms (as defined in the Program Agreement); and

WHEREAS, unless otherwise determined by the Issuer and specified in the applicable Final Terms, beneficial interests in each Tranche of Notes and Certificates initially will be represented by a Temporary Global Security, exchangeable, as provided in such Temporary Global Security, for beneficial interests in a Permanent Global Security, beneficial interests in each Tranche of Warrants initially will be represented by a Permanent Global Security, and beneficial interests in a Global Security may be exchangeable for Definitive Securities, in each case, as further described herein and in accordance with the terms of the Global Securities.

NOW, THEREFORE, it is agreed as follows:

1. Definitions and Interpretation

(1) Terms and expressions defined in the Program Agreement or the Securities or used in the applicable Conditions shall have the same meanings in this Agreement, except where the context requires otherwise.

(2) Without prejudice to the foregoing in this Agreement:

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the person;

"Calculation Agency Agreement" means the Calculation Agency Agreement, of even date herewith, among the Issuer, the Guarantor and one or more agents named as such therein, as Calculation Agent (the "Calculation Agent"), substantially in the form set out in Schedule 20 hereto;

“Certificate” means any certificate issued or to be issued by the Issuer pursuant to this Agreement and includes the Global Certificates, as well as any applicable Registered Certificates, Definitive Certificates and Coupons;

“CGN” and “Classic Global Note” mean a Temporary Global Note in the form set out in Schedule 1 hereto or a Permanent Global Note in the form set out in Schedule 2 hereto, in either case where the applicable Final Terms specify the Notes as being in CGN form;

“Coupons” means the interest coupons substantially in the form set out in Schedule 9 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) which are or will be attached to an interest-bearing Definitive Security, if issued, on issue;

“Definitive Certificate” means a Certificate in definitive form substantially in the form set out in Schedule 6 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued under certain circumstances pursuant hereto;

“Definitive Note” means a Note in definitive form substantially in the form set out in Schedule 3 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued under certain circumstances pursuant hereto;

“Definitive Security” means a Definitive Certificate, Definitive Note or Definitive Warrant;

“Definitive Warrant” means a Warrant in definitive form substantially in the form set out in Schedule 8 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued under certain circumstances pursuant hereto;

“Delivery Agency Agreement” means the Delivery Agency Agreement, of even date herewith, among the Issuer, the Guarantor and one or more agents named as such therein, as Delivery Agent (the “Delivery Agent”), substantially in the form set out in Schedule 21 hereto;

“Eurosystem-eligible NGN” means a NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms;

“Global Certificate” means a Temporary Global Certificate or a Permanent Global Certificate;

“Global Note” means a Temporary Global Note or a Permanent Global Note;

“Global Security” means a Temporary Global Security or a Permanent Global Security;

“Instruments” means, collectively, the Certificates and the Warrants;

“NGN” and “New Global Note” mean a Temporary Global Note in the form set out in Schedule 1 hereto or a Permanent Global Note in the form set out in Schedule 2 hereto, in either case where the applicable Final Terms specify the Notes as being in NGN form;

“Note” means any note issued or to be issued by the Issuer pursuant to this Agreement and includes the Global Notes, as well as any applicable Registered Notes, Definitive Notes and Coupons;

“outstanding” means, in relation to the Securities, all the Securities issued other than (a) those which have been redeemed in accordance with the applicable Conditions, (b) those in respect of which the redemption date in accordance with the Conditions has occurred and the redemption consideration (including any interest accrued on such Securities (if the Securities are Notes or Certificates) to the date for such redemption and any interest or other amounts payable or deliverable under the Conditions after such date) have been duly paid to the Principal Agent as provided in this Agreement or delivered pursuant to the Delivery Agency Agreement and remain available for payment or delivery against presentation and surrender of Securities and/or Receipts and/or Coupons,

as the case may be, (c) those which have become void under General Note Condition 8 or General Instrument Condition 15, (d) those which have been purchased and canceled as provided in General Note Condition 6 or General Instrument Condition 11 (or as otherwise provided in the applicable Global Security), (e) those mutilated or defaced Securities which have been surrendered in exchange for replacement Securities pursuant to General Note Condition 10 or General Instrument Condition 16, (f) (for purposes only of determining how many Securities are outstanding and without prejudice to their status for any other purpose) those Securities alleged to have been lost, stolen or destroyed and in respect of which replacement Securities have been issued pursuant to General Note Condition 10 and General Instrument Condition 16, (g) any Temporary Global Security to the extent that it shall have been exchanged for a Permanent Global Security, in each case pursuant to their respective provisions; provided that for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Holders and (ii) the determination of how many Securities are outstanding for the purposes of Schedule 15, those Securities which are beneficially held by, or are held on behalf of, the Issuer or any of its Affiliates shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“Paying Agents” means the Principal Agent and the Paying Agent referred to above and such other paying Agent or Agents as may be appointed from time to time hereunder;

“Permanent Global Certificate” means a permanent global certificate substantially in the form set out in Schedule 5 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued (if indicated in the applicable Final Terms or Securities Note) by the Issuer pursuant to this Agreement in exchange for the Temporary Global Certificate issued in respect of Certificates of the same Series;

“Permanent Global Note” means a permanent global note substantially in the form set out in Schedule 2 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued (if indicated in the applicable Final Terms or Securities Note) by the Issuer pursuant to this Agreement in exchange for the Temporary Global Note issued in respect of Notes of the same Series;

“Permanent Global Security” means a Permanent Global Note, Permanent Global Certificate or Permanent Global Warrant;

“Permanent Global Warrant” means a permanent global warrant substantially in the form set out in Schedule 7 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) issued or to be issued (if indicated in the applicable Final Terms or Securities Note) by the Issuer pursuant to this Agreement;

“Registered Certificate” means a Certificate in registered form and as to which the Issuer and the Guarantor will appoint a transfer agent, paying agent and registrar, all as more fully described in the applicable Final Terms or Securities Note;

“Registered Note” means a Note in registered form and as to which the Issuer and the Guarantor will appoint a transfer agent, paying agent and registrar, all as more fully described in the applicable Final Terms or Securities Note;

“Registered Security” means a Registered Note, Registered Certificate or Registered Warrant;

“Registered Warrant” means a Warrant in registered form and as to which the Issuer and the Guarantor will appoint a transfer agent, paying agent and registrar, all as more fully described in the applicable Final Terms or Securities Note;

“Restricted Period” shall be determined as set forth in Clause 4(2), unless otherwise indicated;

“Temporary Global Certificate” means a temporary global certificate substantially in the form set out in Schedule 4 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and

the relevant Dealer) initially representing Certificates issued or to be issued pursuant to this Agreement and issued in respect of the Certificates of the same Tranche;

“Temporary Global Note” means a temporary global note substantially in the form set out in Schedule 1 hereto (or in such other form as may be agreed between the Issuer, the Guarantor, the Agent and the relevant Dealer) initially representing Notes issued or to be issued pursuant to this Agreement and issued in respect of Notes of the same Tranche;

“Temporary Global Security” means a Temporary Global Note or a Temporary Global Certificate;

“U.S. person” shall, unless otherwise indicated, have the meaning set forth in Regulation S under the U.S. Securities Act of 1933, as amended; and

“Warrant” means any warrant issued or to be issued by the Issuer pursuant to this Agreement and includes the Global Warrants, as well as any applicable Registered Warrants and Definitive Warrants.

(3) The term “Securities” as used in this Agreement shall include the Temporary Global Security and the Permanent Global Security, Definitive Security, Registered Security and Coupons, as applicable. The term “Global Security” as used in this Agreement shall include both the Temporary Global Security and the Permanent Global Security, as applicable, each of which is a “Global Security.” The term “Holders” shall have the same meaning in this Agreement as given in the General Note Conditions or the General Instrument Conditions, as applicable.

(4) For purposes of this Agreement, the Securities of each Series shall form a separate series of Securities and the provisions of this Agreement shall apply *mutatis mutandis* separately and independently to the Securities of each Series and in such provisions the expressions “Securities,” “Holders,” “Receipts,” “Receiptholders,” “Coupons,” “Couponholders,” “Talons” and “Talonholders” shall be construed accordingly.

(5) All references in this Agreement to principal, interest or to any moneys payable or amounts deliverable by the Issuer in respect of the Securities under this Agreement shall have the meaning set out in General Note Condition 5 or General Instrument Condition 12, as applicable.

(6) All references in this Agreement to the “relevant currency” shall be construed as references to the currency in which the relevant Securities and/or Coupons are denominated (or payable in the case of Certificates and Warrants payable in cash and Dual Currency Notes).

(7) In this Agreement, Clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement. All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted or to any statutory instrument, order or regulation made thereunder or under such re-enactment.

(8) All references in this Agreement to an agreement, instrument or other document (including, without limitation, this Agreement, the Program Agreement, the Securities, the Guarantees, the Delivery Agency Agreement, the Calculation Agency Agreement and any Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied or supplemented from time to time.

(9) Any references herein to Euroclear or Clearstream, Luxembourg shall be deemed to include, whenever the context permits, a reference to any additional or alternative clearance system approved by the Issuer, the Guarantor and the Agent. References to the “records” of Euroclear and Clearstream, Luxembourg shall be to the records that each of such entities holds for its customers, which reflect the amount of such customer’s interest in the Securities.

2. Appointments of Principal Agent, Paying Agents, Luxembourg Listing Agent, Delivery Agent and Calculation Agent

(1) The Offerors hereby appoint The Bank of New York as principal agent, and The Bank of New York hereby acknowledges its acceptance of such appointment as principal agent of the Issuer, upon the terms and subject to the conditions set out below, for the purposes of:

- (a) completing, authenticating and delivering Global Securities and (if required) authenticating and delivering Definitive Securities;
- (b) giving effectuation instructions in respect of each Global Note which is an Eurosystem-eligible NGN;
- (c) exchanging Temporary Global Notes for Permanent Global Notes or Definitive Notes, as the case may be, and exchanging Temporary Global Certificates for Permanent Global Certificates or Definitive Certificates, as the case may be, any such exchange to be made in accordance with the terms of such Temporary Global Note or Temporary Global Certificate and, in respect of such exchange, (i) making all notations on Global Notes which are CGNs or Global Certificates, as required by their terms and (ii) instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Global Notes which are NGNs;
- (d) under certain circumstances, exchanging Permanent Global Securities for Definitive Securities in accordance with the terms of such Permanent Global Securities and, in respect of such exchange, (i) making all notations on Permanent Global Securities which are CGNs or Instruments, as required by their terms and (ii) instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Permanent Global Notes which are NGNs;
- (e) paying sums due on Global Securities and Definitive Securities, Receipts and Coupons and instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Global Notes which are NGNs (as provided in this Agreement);
- (f) determining the end of the Restricted Period applicable to each Tranche;
- (g) arranging on behalf of the Offerors for notices to be communicated to the Holders;
- (h) preparing and sending any required periodic reports to the Ministry of Finance of Japan (the “MoF”), or any other appropriate regulatory authority and, subject to confirmation from the Issuer and/or the Guarantor for the need for such further reporting, ensuring that all necessary action is taken to comply with any reporting requirements of any competent authority of any relevant currency as may be in force from time to time with respect to the Securities to be issued under the Program;
- (i) subject to the Procedures Memorandum, submitting to the appropriate stock exchange such number of copies of each Final Terms which relate to Securities which are to be listed on that stock exchange as it may reasonably require;
- (j) receiving notice from Euroclear or Clearstream, Luxembourg relating to the certifications of non-United States beneficial ownership of the Securities; and
- (k) performing all other obligations and duties imposed upon it by the applicable Conditions, this Agreement or as may be agreed between the Offerors and the Agent in connection with a particular Series or Tranche of Securities.

(2) The Offerors, in their discretion, may appoint (or remove) one or more agents outside the United States and its possessions (each, a "Paying Agent") for the payment (subject to applicable laws and regulations) of the principal of, any interest, other amounts payable and Additional Amounts, if any (as defined in General Note Condition 6 and General Instrument Condition 13, as applicable), on the Notes and Certificates. The Offerors hereby appoint The Bank of New York (Luxembourg) S.A., at its office in Luxembourg at Aerogolf Center, 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg, as Paying Agent in Luxembourg. The Bank of New York (Luxembourg) S.A. is also hereby appointed as Luxembourg Listing Agent for purposes of the Securities. Upon its written acceptance of such appointment or execution of a copy of this Agreement, each Paying Agent shall have the powers and authority granted to and conferred upon it herein and in the Securities, and such further powers and authority, acceptable to it, to act on behalf of the Offerors as the Offerors hereafter may grant to or confer upon it in writing. As used herein, "paying agencies" shall mean paying agencies maintained by a Paying Agent on behalf of the Offerors as provided elsewhere herein.

(3) The Offerors will appoint one or more agents to make certain calculations with respect to the Securities (the "Calculation Agent") pursuant to the Conditions, substantially in the form of the Calculation Agency Agreement.

(4) The Offerors will appoint one or more agents to deliver relevant Physical Delivery Amount(s) with respect to Physical Delivery Securities (the "Delivery Agent") pursuant to the Conditions, substantially in the form of the Delivery Agency Agreement.

(5) In relation to each issue of Eurosystem-eligible NGNs, the Issuer hereby authorizes and instructs the Agent to elect, as directed by the Issuer, Euroclear or Clearstream, Luxembourg as common safekeeper. From time to time, the Offerors and the Agent may agree to vary this election. Each Offeror acknowledges that any such election is subject to the right of Euroclear and Clearstream, Luxembourg to jointly determine that the other shall act as common safekeeper in relation to any such issue and agrees that no liability shall attach to the Agent in respect of any such election made by it.

(6) The obligations of the Paying Agents under this Agreement shall be several and not joint.

3. Issue of Temporary Global Notes, Temporary Global Certificates and Permanent Global Warrants

(1) Subject to sub-clause (2), following receipt of a notification from the Issuer in respect of an issue of Securities (such notification being by receipt of a confirmation (a "Confirmation"), substantially in the applicable form set out in the Procedures Memorandum), the Agent will take the steps required of the Agent in the Procedures Memorandum. For this purpose the Agent is hereby authorized on behalf of the Issuer:

(a) to prepare a Temporary Global Security in accordance with such Confirmation by attaching a copy of the applicable Final Terms to a copy of the relevant master Temporary Global Security;

(b) to prepare a Permanent Global Warrant in accordance with such Confirmation by attaching a copy of the applicable Final Terms to a copy of the relevant master Permanent Global Warrant;

(c) to authenticate (or cause to be authenticated) such Temporary Global Security or Permanent Global Warrant;

(d) to deliver the Temporary Global Security or Permanent Global Warrant, as applicable, to the specified common depository (in the case of a Temporary Global Note which is a CGN, a Global Certificate or a Global Warrant) or specified common safekeeper (if the Temporary Global Note is a NGN) for Euroclear and Clearstream, Luxembourg and (i) in the case of an issue of a Temporary Global Note which is a CGN, a Global Certificate or a Global Warrant, to instruct Euroclear or Clearstream, Luxembourg, as the case may be, unless otherwise agreed in

writing between the Agent and the Issuer, (A) in the case of an issue of Securities on a non-syndicated basis, to credit the applicable Securities represented by such Global Security, to the Agent's distribution account, and (B) in the case of an issue of Securities on a syndicated basis, to hold such Securities pursuant to the Issuer's order, and (ii) in the case of a Temporary Global Note which is a Eurosystem-eligible NGN, to instruct the common safekeeper to effectuate the same;

(e) to ensure that the Securities of each Tranche are assigned a common code ("Common Code") and International Security Identification Number ("ISIN") by Euroclear and Clearstream, Luxembourg which in the case of Notes or Certificates, are different from the Common Code and ISIN assigned to any other Tranche of the same Series until 40 calendar days after the completion of the distribution of the Notes or Certificates, as applicable, of such Tranche as notified by the Agent to the relevant Dealer; and

(f) if the Temporary Global Note is a NGN, instruct Euroclear and Clearstream, Luxembourg to make the appropriate entries in their records to reflect the initial outstanding aggregate principal amount of the relevant Tranche of Notes.

(2) The Agent shall only be required to perform its obligations under sub-clause (1) if it holds:

(a) master Temporary Global Securities or master Permanent Global Warrants, as the case may be, duly executed by a person or persons authorized to execute the same on behalf of the Issuer, which may be used by the Agent for the purpose of preparing Temporary Global Securities in accordance with Clause 3(1)(a) or Permanent Global Warrants in accordance with Clause 3(1)(b); and

(b) master Permanent Global Notes or master Permanent Global Certificates, duly executed by a person or persons authorized to execute the same on behalf of the Issuer, which may be used by the Agent for the purpose of preparing Permanent Global Notes and Permanent Global Certificates in accordance with Clause 4 below.

(3) The Agent will provide Euroclear and/or Clearstream, Luxembourg with the notifications, instructions or other information to be given by the Agent to Euroclear and/or Clearstream, Luxembourg in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg.

4. Determination of Exchange Date, Issue of Permanent Global Notes, Permanent Global Certificates or Definitive Securities and Determination of Restricted Period

(1)(a) The Agent shall determine the Exchange Date for each Temporary Global Note or Temporary Global Certificate, as applicable, or portion thereof, in accordance with the terms thereof. Forthwith upon determining the Exchange Date in respect of any Tranche, the Agent shall notify such determination to the Issuer, the relevant Dealer, Euroclear and Clearstream, Luxembourg.

(b) The Agent shall deliver, upon notice from Euroclear or Clearstream, Luxembourg, a Permanent Global Note, Permanent Global Certificate, Definitive Notes or Definitive Certificates, as the case may be, in accordance with the terms of the Temporary Global Note or Temporary Global Certificate, as applicable, in each case against certification of non-U.S. beneficial ownership as required by U.S. Treasury Regulations unless such certification has already been given. Upon any such exchange of a portion of a Temporary Global Note or Temporary Global Certificate for an interest in a Permanent Global Note or Permanent Global Certificate, as the case may be, the Agent is hereby authorized on behalf of the Issuer:

(i) for the first Tranche of any Series of Notes or Certificates, to prepare and complete a Permanent Global Note or Permanent Global Certificate, as applicable, in accordance with the terms of the Temporary Global Notes or Temporary Global

Certificates applicable to such Tranche by attaching a copy of the applicable Final Terms to a copy of the relevant master Permanent Global Note or Permanent Global Certificate, as applicable;

(ii) for the first Tranche of any Series of Notes, where the Permanent Global Note is a CGN, or Certificates, to authenticate such Permanent Global Note or Permanent Global Certificate, as applicable;

(iii) for the first Tranche of any Series of Notes, where the Permanent Global Note is a CGN, or Certificates, to deliver such Permanent Global Note or Permanent Global Certificate, as applicable, to the common depository which is holding the Temporary Global Note or Temporary Global Certificate applicable to such Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg either in exchange for such Temporary Global Note or Temporary Global Certificate, as applicable, or, in the case of a partial exchange, on entering details of such partial exchange of the Temporary Global Note or Temporary Global Certificate in the relevant spaces in Schedule 2 of both the Temporary Global Note and the Permanent Global Note or the Temporary Global Certificate and the Permanent Global Certificate, as applicable, and in either case against receipt from the common depository of confirmation that such common depository is holding the Permanent Global Note or Permanent Global Certificate, as applicable, in safe custody for the account of Euroclear and/or Clearstream, Luxembourg;

(iv) for the first Tranche of any Series of Notes where the Permanent Global Note is a NGN, to deliver such Permanent Global Note to the common safekeeper which is holding the Temporary Global Note representing the Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg to effectuate (in the case of a Permanent Global Note which is a Eurosystem-eligible NGN) and to hold on behalf of the Issuer pending its exchange for the Temporary Global Note;

(v) in the case of a subsequent Tranche of any Series of Notes, where the Permanent Global Note is a CGN, or Certificates, to attach a copy of the applicable Final Terms to the Permanent Global Note or Permanent Global Certificate applicable to the relevant Series and to enter details of any exchange in whole or part as stated above; and

(vi) in the case of a subsequent Tranche of any Series of Notes where the Permanent Global Note is a NGN, to deliver the applicable Final Terms to the specified common safekeeper for attachment to the Permanent Global Note applicable to the relevant Series.

(2)(a) For a Tranche in respect of which there is only one Dealer, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth calendar day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes or Certificates of that Tranche was completed.

(b) For a Tranche in respect of which there is more than one Dealer but is not issued on a syndicated basis, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth calendar day following the latest of the dates certified by all the relevant Dealers to the Agent as being the respective dates as of which distribution of the Notes or Certificates of that Tranche purchased by each such Dealer was completed.

(c) For a Tranche issued on a syndicated basis, the Agent will determine the end of the Restricted Period in respect of such Tranche as being the fortieth calendar day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes or Certificates of that Tranche was completed.

(d) Forthwith upon determining the end of the Restricted Period in respect of any Tranche, the Agent shall notify such determination to the Issuer, the Guarantor and the relevant Dealer or the Lead Manager in the case of a syndicated issue.

(3) Upon any exchange of all or a part of an interest in a Temporary Global Note or a Temporary Global Certificate for an interest in a Permanent Global Note or a Permanent Global Certificate, as applicable, or upon any exchange of all or a part of an interest in a Global Security for Definitive Securities, the Agent shall (i) procure that the relevant Global Security shall, if it is a CGN or an Instrument, be endorsed by or on behalf of the Agent to reflect the reduction of its nominal amount by the aggregate nominal amount so exchanged and, where applicable, the Permanent Global Security shall be endorsed by or on behalf of the Agent to reflect the increases in its nominal amount as a result of any exchange for an interest in the Temporary Global Note or Temporary Global Certificate, as applicable, or (ii) in the case of any Global Note which is a NGN, instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such exchange. Until exchanged in full, the Holder of an interest in any Global Security shall in all respects be entitled to the same benefits under this Agreement as the Holder of Definitive Securities (and if applicable, Receipts and Talons) authenticated and delivered under this Agreement, subject as set out in the Conditions. The Agent is authorized on behalf of the Issuer and instructed (a) in the case of any Global Note which is a CGN or in the case of a Certificate, to endorse or to arrange for the endorsement of the relevant Global Security to reflect the reduction in the nominal amount represented by it by the amount so exchanged and, if appropriate, to endorse the Permanent Global Security to reflect any increase in the nominal amount represented by it and, in either case, to sign in the relevant space on the relevant Global Security recording the exchange and reduction or increase, (b) in the case of any Global Note which is a NGN, to instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such exchange and (c) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Global Security.

(4) Where the Agent delivers any authenticated Global Note to a common safekeeper for effectuation using electronic means, it is authorized and instructed to destroy the Global Note retained by it following its receipt of confirmation from the common safekeeper that the relevant Global Note has been effectuated.

(5) Any exchange of all or a part of an interest in a Temporary Global Note or Temporary Global Security for an interest in a Permanent Global Note or Permanent Global Security, as applicable, or any exchange of all or a part of an interest in a Global Security for Definitive Securities shall be made only outside the United States and its possessions.

5. Issue of Definitive Securities

(1) Interests in a Global Security will be exchangeable for Definitive Securities with Coupons, if any, attached: (i) as to Permanent Global Notes or Permanent Global Certificates in bearer form, on not less than 60 calendar days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any Holder of an interest in the applicable Global Security), (ii) in the case of Global Notes, if an Event of Default (as defined in the Conditions) occurs and is continuing, (iii) if the Issuer is notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) after the original issuance of the Securities or has announced an intention permanently to cease business or has in fact done so and no alternative clearance system approved by the Holders is available, or (iv) if the Issuer, after notice to the Agent, determines to issue the applicable Securities in Definitive form. Upon the occurrence of these events, the Agent shall deliver the relevant Definitive Securities in accordance with the terms of the relevant Global Security. For this purpose, the Agent is hereby authorized on behalf of the Issuer:

(a) to authenticate such Definitive Securities in accordance with the provisions of this Agreement; and

(b) to deliver such Definitive Securities to or to the order of Euroclear, Clearstream, Luxembourg and/or the requesting Holder(s), as applicable, in exchange for such Global Security.

The Agent shall notify the Issuer forthwith upon receipt of a written request for issue of Definitive Securities in accordance with the provisions of a Global Security and this Agreement (and the aggregate amount of such Temporary Global Note, Temporary Global Certificate or Permanent Global Security, as the case may be, to be exchanged in connection therewith).

(2) The Issuer undertakes to deliver to the Agent sufficient numbers of executed Definitive Securities with, if applicable, Receipts, Coupons and Talons attached to enable the Agent to comply with its obligations under this Clause 5.

6. Terms of Issue

(1) The Agent shall cause all Temporary Global Securities, Permanent Global Securities and Definitive Securities that are delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that such Securities are issued only in accordance with the provisions of this Agreement and the relevant Global Security and Conditions.

(2) Subject to the procedures set out in the Procedures Memorandum, for the purposes of Clause 3(1), the Agent is entitled to treat a telephone, telex, e-mail or facsimile communication from a person purporting to be (and who the Agent believes in good faith to be) the authorized representative of the Issuer named in the lists referred to in, or notified pursuant to, Clause 17(7) as sufficient instructions and authority of the Issuer for the Agent to act in accordance with Clause 3(1).

(3) If a person who has signed on behalf of the Issuer any Security not yet issued but held by the Agent in accordance with Clause 3(1) ceases to be authorized as described in Clause 17(7), the Agent (unless the Issuer gives notice to the Agent that Securities signed by that person do not constitute valid and binding obligations of the Issuer or otherwise until replacements have been provided to the Agent) shall continue to have authority to issue any such Securities, and the Issuer hereby warrants to the Agent that such Securities shall be, unless notified as aforesaid, valid and binding obligations of the Issuer. Promptly upon such person ceasing to be authorized, the Issuer shall provide the Agent with replacement Securities. Upon receipt of such replacement Securities, the Agent shall cancel and destroy the Securities held by it which are signed by such person and shall provide to the Issuer a confirmation of destruction in respect thereof specifying the Securities so canceled and destroyed.

(4) If the Agent pays an amount (the "Advance") to the Issuer on the basis that a payment (the "Payment") has been, or will be, received from a Dealer and if the Payment is not received by the Agent on the date the Agent pays the Issuer, the Agent shall notify the Issuer by telex or facsimile that the Payment has not been received and the Issuer shall repay to the Agent the Advance and shall pay interest on the Advance (or the unreimbursed portion thereof) from (and including) the date such Advance is made to (but excluding) the earlier of repayment of the Advance and receipt by the Agent of the Payment (at a rate quoted at that time by the Agent as its cost of funding the Advance).

(5) Except in the case of issues where the Agent does not act as receiving bank for the Issuer in respect of the purchase price of the Securities being issued, if on the relevant Issue Date, a Dealer does not pay the full purchase price due from it in respect of any Security (the "Defaulted Security") and, as a result, the Defaulted Security remains in the Agent's distribution account with Euroclear and/or Clearstream, Luxembourg after such Issue Date, the Agent will continue to hold the Defaulted Security pursuant to the order of the Issuer. The Agent shall notify the Issuer forthwith of the failure of the Dealer to pay the full purchase price due from it in respect of any Defaulted Security and, subsequently, shall notify the Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Security and pay to the Issuer the amount so received.

7. Payments and Deliveries

(1) Subject to sub-clause (12) below, the Agent shall advise the Issuer as soon as shall be practicable preceding the date on which any payment is to be made to the Agent pursuant to this sub-clause (1) of the payment amount, value date and payment instructions and the Issuer will before 10:00 a.m. London time on each date on which any payment in respect of any Securities issued by it becomes due, transfer to an account specified by

the Agent such amount in the relevant currency as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Agent and the Issuer may agree.

(2) The Issuer will ensure that no later than 4:00 p.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to sub-clause (1), the Agent shall receive from the paying bank of the Issuer an irrevocable confirmation in the form of an authenticated SWIFT message that such payment shall be made. For the purposes of this Clause 7, "Business Day" means a day which is both:

(a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Charlotte, North Carolina and any additional business center(s) specified in the applicable Final Terms ("Additional Business Center(s)"); and

(b) either (1) for any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center (the "Principal Financial Center") of the country of the relevant Specified Currency (if other than London) or (2) for any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("TARGET System") or any successor thereto is operating. Unless otherwise provided in the applicable Final Terms, the Principal Financial Center of any country for the purpose of this Clause 7 shall be as provided in the ISDA Definitions, except that the Principal Financial Center of Australia shall be Melbourne and Sydney, the Principal Financial Center of Canada shall be Toronto and the Principal Financial Center of New Zealand shall be Wellington.

(3) The Agent shall ensure that payments of both principal, interest or any other amount in respect of any Temporary Global Note or Temporary Global Certificate will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities laws and U.S. Treasury regulations has been received from Euroclear and/or Clearstream, Luxembourg in accordance with the terms thereof.

(4) Subject to the receipt by the Agent of payment as provided in sub-clause (1) above, the Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due in respect of the Securities on behalf of the Issuer in the manner provided in the Conditions. If any payment provided for in sub-clause (1) is made late but otherwise in accordance with the provisions of this Agreement, the Agent and each Paying Agent shall nevertheless make payments in respect of the Securities as aforesaid following receipt by it of such payment.

(5) If for any reason the Agent considers in its sole discretion that the amounts to be received by the Agent pursuant to sub-clause (1) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Securities, neither the Agent nor any Paying Agent shall be obliged to pay any such claims until the Agent has received the full amount of all such payments. Should the Agent or any Paying Agent elect not to make payment of amounts falling due in respect of the Securities as aforesaid, it shall advise the Issuer of any such decision as soon as practicable by telephone with confirmation by facsimile.

(6) Without prejudice to sub-clauses (4) and (5), if the Agent pays any amounts to the Holders, Receiptholders or Couponholders or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Securities in accordance with sub-clause (1) (the excess of the amounts so paid over the amounts so received being the "Shortfall"), the Issuer will, in addition to paying amounts due under sub-clause (1), pay to the Agent on demand interest (at a rate which represents the Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Agent of the Shortfall.

(7) The Agent shall on demand promptly reimburse each Paying Agent for payments in respect of Securities properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the Agent has notified the Paying Agent, prior to the opening of business in the location of the office of the

Paying Agent through which payment in respect of the Securities can be made prior to the day on which such Agent has to give payment instructions in respect of the due date of a payment in respect of the Securities, that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Securities.

(8) If the Agent pays out on or after the due date therefor, or becomes liable to pay out, funds on the assumption that a corresponding payment by the Issuer has been or will be made and such payment has in fact not been made by the Issuer, then the Issuer shall on demand reimburse the Agent for the relevant amount, and pay interest to the Agent on such amount from the date on which it is paid out to the date of reimbursement at a rate per annum equal to the cost to the Agent of funding the amount paid out, as certified by the Agent and expressed as a rate per annum. For the avoidance of doubt, the provisions of the General Note Conditions as to subordination shall not apply to the Issuer's obligations under this sub-clause (8).

(9) While any Securities are represented by a Global Security or Global Securities, all payments or deliveries due in respect of such Securities shall be made to, or to the order of, the Holder of the Global Security or Global Securities, subject to, and in accordance with, the provisions of the Global Security or Global Securities. In the case of a Global Note which is a CGN, a Global Certificate or a Global Warrant, the Paying Agent to which any Global Security was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Security to be annotated so as to evidence the amounts and dates of such payments of principal, interest or other amounts, as applicable. In the case of any Global Note which is a NGN, the Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(10) All payments in respect of any Security (including payments by the Guarantor pursuant to the Guarantees) shall be made outside the United States and its possessions and shall not be made by transfer to an account at a bank, or delivered to an address, located inside the United States or its possessions, by any office or agency of the Issuer, the Guarantor, the Principal Agent, or any Paying Agent. Terms used in the preceding clause shall have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder. No payments shall be made to a U.S. person.

(11) If the amount of principal, interest or other amounts then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made therefrom), (i) the Paying Agent to which a Security is presented for the purpose of making such payment shall, unless the Security is a NGN, make a record of such shortfall on the Security and such record shall, in the absence of manifest error, be prima facie evidence that the payment in question has not to that extent been made or (ii) in the case of any Global Note which is a NGN, the Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such shortfall in payment.

(12) If any payments or deliveries due on any Physical Delivery Notes, as defined in the General Note Conditions, or Physical Delivery Instruments, as defined in the General Instrument Conditions, including pursuant to Clause 10 above, are required to be paid by delivery of any asset other than cash, then neither the Agent nor any Paying Agent shall be responsible hereunder for the delivery of such non-cash consideration. Instead, the delivery of such non-cash consideration shall be effected or procured by the Delivery Agent in the manner provided by the Delivery Agency Agreement upon receipt of an Asset Transfer Notice, an Exercise Notice or a Certificate Settlement Notice, as applicable, from the relevant Holder in the manner contemplated by the General Note Conditions or the General Instrument Conditions, as applicable. No Physical Delivery Amount shall be delivered in the United States or its possessions, transferred to an account at a bank or delivered to an address located inside the United States or its possessions, or to, or for the account or benefit of a U.S. person. For purposes of taking any action required to be taken by the Agent hereunder, including, but not limited to, any notations required to be made on the Securities, the Agent may rely upon any notification delivered to it by the Delivery Agent pursuant to the Delivery Agency Agreement as to the amounts delivered by the Delivery Agent thereunder (or any shortfall, as the case may be) on any Interest Payment Date, Maturity Date, Settlement Date, or any other relevant payment date.

8. Determinations and Notifications in Respect of Securities

(1) The Agent or the Calculation Agent, as the case may be, shall make all such determinations and calculations (howsoever described) as it is required to do under the Conditions, all subject to and in accordance with the Conditions, provided that certain calculations with respect to the Securities, and associated publication or notification, shall be made by the Calculation Agent in accordance with the Conditions.

(2) The Agent or the Calculation Agent, as the case may be, shall not be responsible to either Offeror or to any third party (except in the event of gross negligence, default or bad faith of the Agent or the Calculation Agent) as a result of the Agent or the Calculation Agent having acted in good faith on any quotation given by any reference bank which subsequently may be found to be incorrect.

(3) The Agent or the Calculation Agent, as the case may be, promptly shall notify (and confirm in writing to) the Offerors, the Agent or the other Paying Agents (as the case may be) and (in respect of a Series of Notes or Certificates listed on a stock exchange) the relevant stock exchange of, *inter alia*, each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions as soon as practicable after the determination thereof (and in any event no later than the Business Day as defined in Clause 7(2) immediately preceding the date on which payment is to be made to the Agent pursuant to Clause 7(l)) and of any subsequent amendment thereto pursuant to the Conditions.

(4) The Agent or the Calculation Agent, as the case may be, shall use its best efforts to cause each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions to be published as required in accordance with the Conditions as soon as possible after their determination or calculation.

(5) If the Agent or the Calculation Agent, as the case may be, does not at any material time for any reason determine and/or calculate and/or publish the Rate of Interest, Interest Amount and/or Interest Payment Date in respect of any Interest Period or any other amount, rate or date as provided in this Clause 8, it forthwith shall notify the Offerors and the Paying Agents of such fact.

(6) Determinations with regard to Securities (including, without limitation, Index Linked Securities, Share Linked Securities, Inflation Linked Securities, Commodity Linked Securities, FX Linked Securities, Hybrid Securities, Securities linked to other Underlying Assets or Dual Currency Notes) shall be made by the Calculation Agent specified in the applicable Final Terms in the manner specified in the applicable Final Terms. Unless otherwise agreed between the Offerors and the relevant Dealer, such determinations shall be made on the basis of the Calculation Agency Agreement.

(7) For the purposes of monitoring the aggregate principal amount of Securities issued under the Program, the Agent shall determine the U.S. Dollar equivalent of the principal amount of each issue of Securities denominated in another currency, each issue of Partly Paid Notes, Index Linked Securities, Share Linked Securities, Inflation Linked Securities, Commodity Linked Securities, FX Linked Securities, Hybrid Securities, Securities linked to other Underlying Assets and Dual Currency Notes, as follows:

(a) the U.S. Dollar equivalent of Securities denominated in a currency other than U.S. Dollars shall be determined as of the Agreement Date for such Securities on the basis of the spot rate for the sale of the U.S. Dollar against the purchase of the relevant currency quoted by a foreign exchange dealer selected by the Issuer on the relevant day of calculation;

(b) the U.S. Dollar equivalent of Index Linked Securities, Share Linked Securities, Inflation Linked Securities, Commodity Linked Securities, FX Linked Securities, Hybrid Securities, Dual Currency Notes and Securities linked to other Underlying Assets (in each case, other than Warrants), shall be calculated as specified above by reference to the original nominal amount of such Securities;

(c) the U.S. Dollar equivalent of Partly Paid Notes shall be determined as specified above by reference to the original principal amount of such Notes regardless of the amount paid on the Notes; and

(d) the U.S. Dollar equivalent of Zero Coupon Notes, Dual Currency Notes and other Securities not otherwise described in subclauses (a) – (c) above that are issued at a discount or premium, as well as Warrants, shall be calculated as specified above by reference to the net proceeds received by the Issuer for the relevant issue.

9. Notice of Any Withholding or Deduction

If the Issuer, in respect of any payment under the Securities, or the Guarantor, in respect of any payment under the Guarantees, is compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges, the Issuer or the Guarantor, as applicable, shall give written notice thereof to the Agent as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Agent such information as it shall require to enable it to comply with such requirement.

10. Optional Early Redemption, Put Notices, Certificate Settlement Notices, Asset Transfer Notices and Exercise Notices

(1) If so permitted by the applicable Final Terms, and subject always to the provisions set forth in the Conditions and the applicable Final Terms, if the Issuer decides to redeem any outstanding Securities (in whole or in part) for the time being outstanding prior to their Maturity Date, Expiration Date or Settlement Date, as applicable, or (if applicable) the Interest Payment Date falling in the redemption month (as the case may be) in accordance with the Conditions, the Issuer shall give written notice of such decision to the Agent not less than seven London Business Days before the date on which the Issuer will give notice of such redemption to the Holders in accordance with the Conditions in order to enable the Agent to undertake its obligations herein and in the Conditions.

(2) If only some of the Securities of like tenor and of the same Series are to be redeemed on such date, the Agent shall make the required drawing in accordance with the Conditions but shall give the Issuer reasonable notice of the time and place proposed for such drawing. Where partial redemptions are to be effected when there are Definitive Securities outstanding, the Principal Agent will select by lot the Securities to be redeemed from the outstanding Securities in compliance with all applicable laws and stock exchange requirements and deemed by the Agent to be appropriate and fair. Where partial redemptions are to be effected when there are no Definitive Securities outstanding, the rights of Holders will be governed by the standard provisions of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). Notice of any partial redemption and, when there are Definitive Securities outstanding, of the serial numbers of the Securities so drawn, will be given by the Agent to the Holders in accordance with the terms of the Securities and this Agreement.

(3) On behalf of and at the expense of the Issuer, the Agent shall publish the notice required in connection with any such redemption and shall at the same time also publish a separate list of the serial numbers of any Securities previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the record date, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers of the Securities to be redeemed. Such notice will be published in accordance with the Conditions. The Agent also will notify the other Paying Agents of any date fixed for redemption of any Securities.

(4) Immediately prior to the date on which any notice of redemption is to be given to the Holders, the Issuer shall deliver to the Agent a certificate stating that the Issuer is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that all conditions precedent to such redemption have occurred or been satisfied and shall comply with all notice requirements provided for in the Conditions.

(5) Each Paying Agent will keep a stock of Put Notices (as defined in the General Note Conditions) for Definitive Notes held outside of a clearing system in the form set out in Schedule 16, which shall be delivered in accordance with General Note Condition 6(d), and will make such notices available on demand to Holders of such Notes for which the Conditions provide for redemption at the option of Holders of Notes. Each Paying Agent shall promptly transfer a copy of any valid Put Notice that it receives to the Issuer, the Guarantor and the Principal Agent. Upon receipt of any Note deposited in the exercise of such option in accordance with the Conditions, the Paying Agent with which such Note is deposited shall hold such Note (together with any Coupons, if any, relating to it and deposited with it) on behalf of the depositing Holder of Notes (but shall not, save as provided below, release it) until the due date for redemption of the relevant Note consequent upon the exercise of such option, when, subject as provided below and Clause 7(12) above, it shall present such Note (and any such Coupons, if any) to itself, the Issuer and the Guarantor for payment of the amount due thereon together with any interest and any other amounts due on such date in accordance with the Conditions and shall pay such amounts in accordance with General Note Condition 5, and if applicable, the directions of such Holder contained in the Put Notice. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Coupons, if any) by uninsured post to, and at the risk of, the relevant Holder of such Note unless such Holder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address outside the United States and its possessions as may have been given by such Holder in the Put Notice. At the end of each period for the exercise of such option, each Paying Agent shall promptly notify the Agent of the principal amount of the Notes in respect of which such option has been exercised with it, together with their serial numbers, and the Agent shall promptly notify such details to the Issuer.

(6) Each Paying Agent will keep a stock of Asset Transfer Notices (as defined in the General Note Conditions) for Physical Delivery Notes held outside of a clearing system in the form set out in Schedule 17, which shall be delivered in accordance with General Note Condition 5(f)(A)(1), and will make such notices available on demand to Holders of such Notes. Each Paying Agent shall promptly transfer a copy of any valid Asset Transfer Notice that it receives to the Issuer, the Guarantor and the Principal Agent. Upon receipt of any Note deposited in connection with the delivery of any Physical Delivery Amount as to a Physical Delivery Note, the Paying Agent with which such Note is deposited shall hold such Note (together with any Coupons, if any, relating to it and deposited with it) on behalf of the depositing Holder of such Note (but shall not, except as provided below, release it) until the due date for delivery of the applicable Physical Delivery Amount of the relevant Note, when, subject as provided below and Clause 7(12) above, it shall present such Note (and any such Coupons, if any), together with the serial numbers of the applicable Notes, to itself, the Issuer, the Guarantor and the Delivery Agent for delivery of the Physical Delivery Amount due thereon in accordance with the Conditions. If, prior to such due date for delivery, such Note becomes immediately due and payable or if upon due presentation, delivery or payment of the Physical Delivery Amount or any moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Coupons, if any) by uninsured post to, and at the risk of, the relevant Holder of such Note unless such Holder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address outside the United States and its possessions as may have been given by such Holder in the Asset Transfer Notice.

(7) Each Paying Agent will keep a stock of Certificate Settlement Notices (as defined in the General Instrument Conditions) for Definitive Certificates held outside of a clearing system in the form set out in Schedule 19, which shall be delivered in accordance with General Instrument Condition 8, and will make such notices available on demand to Holders of such Certificates. Each Paying Agent shall promptly transfer a copy of any valid Certificate Settlement Notice that it receives to the Issuer, the Guarantor and the Principal Agent. Upon receipt of any Certificate deposited for settlement in accordance with the Conditions, the Paying Agent with which such Certificate is deposited shall hold such Certificate (together with any Coupons, if any, relating to it and deposited with it) on behalf of the depositing Holder of such Certificates (but shall not, except as provided below, release it) until the settlement date of the relevant Certificate, when, subject as provided below and Clause 7(12) above, it shall present such Certificate (and any such Coupons, if any) to itself, the Issuer, the Guarantor and the Delivery Agent (if applicable) for payment of the amount due or deliverable thereon together with any interest and any other amounts due or deliverable on such date in accordance with the Conditions and shall pay or deliver such amounts in accordance with General Instrument Condition 8(b), and if applicable, the directions of the Holder of the Certificates contained in the Certificate Settlement Notice. If, prior to such settlement date, such Certificate becomes immediately due and payable or if upon due presentation, payment of any amounts due or deliverable or any money

is improperly withheld or refused, the Paying Agent concerned shall post such Certificate (together with any such Coupons, if any) by uninsured post to, and at the risk of, the relevant Holder of such Certificate unless such Holder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Certificates at such address outside the United States and its possessions as may have been given by such Holder in the Certificate Settlement Notice. At the end of each Certificate Settlement Notice Period (as defined in General Instrument Condition 8(a)), each Paying Agent shall promptly notify the Agent of the number of Certificates that have been redeemed, together with their serial numbers, and the Agent shall promptly notify such details to the Issuer.

(8) Each Paying Agent will keep a stock of Exercise Notices (as defined in the General Instrument Conditions) for Definitive Warrants held outside of a clearing system in the form set out in Schedule 18, which shall be delivered in accordance with General Instrument Condition 6(a), and will make such notices available on demand to Holders of such Warrants. Each Paying Agent shall promptly transfer a copy of any valid Exercise Notice that it receives to the Issuer, the Guarantor and the Principal Agent. Upon receipt of any Warrant deposited in the exercise of such Warrant in accordance with the Conditions, the Paying Agent with which such Warrant is deposited shall hold such Warrant on behalf of the depositing Holder of such Warrant (but shall not, except as provided below, release it) until the due date for delivery of the amounts payable or deliverable on the relevant Warrant consequent upon its exercise, when, subject as provided below and Clause 7(12) above, it shall present such Warrant, to itself, the Issuer, the Guarantor and the Delivery Agent (if applicable) for delivery of the amount payable or deliverable thereon in accordance with the Conditions and shall pay or deliver such amounts in accordance with General Instrument Condition 6(c), and if applicable, the directions of the Holder of the Warrants contained in the Exercise Notice. If upon due presentation, payment of any amounts due or deliverable or any money is improperly withheld or refused, the Paying Agent concerned shall post such Warrant by uninsured post to, and at the risk of, the relevant Holder of the Warrant unless such Holder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Warrants at such address outside the United States and its possessions as may have been given by such Holder in the Exercise Notice. At the end of the Exercise Period (as defined in General Instrument Condition 5) for any Warrants, each Paying Agent shall promptly notify the Agent of the number of Warrants that have been exercised, together with their serial numbers (if any), and the Agent shall promptly notify such details to the Issuer.

(9) The Principal Agent shall as promptly as practicable (and in any event not later than 3:00 p.m. (local time) on the following Business Day on which a duly completed Asset Transfer Notice, Certificate Settlement Notice or Exercise Notice, as the case may be, is delivered to it), and in accordance with General Note Condition 5(f) (A)(2) in the case of Notes or General Instrument Condition 9(b) in the case of Instruments, notify the Issuer, the Guarantor, the Calculation Agent and (if applicable) the Delivery Agent of details of the Securities in respect of which an Asset Transfer Notice, Certificate Settlement Notice or Exercise Notice, as the case may be, has been delivered by any Holder of Notes, Certificates or Warrants (such notification to be in such forms and in such manner as the Issuer, the Guarantor, the relevant Dealer, the Calculation Agent and (if applicable) the Delivery Agent may reasonably request from time to time).

(10) The Principal Agent shall keep a full and complete record of all Securities and of their exercise, redemption and cancellation in accordance with this Clause 10 and make such records available at all reasonable times to the Issuer and the Guarantor.

(11) The Principal Agent shall, as soon as practicable after the date on which all the Securities represented by any Global Security have been exercised or redeemed or have expired or have become null and void and upon delivery by or on behalf of the common depository (in the case of a Global Note issued in CGN form or an Instrument) or the common safekeeper (in the case of a Global Note issued in NGN form) of the relevant Global Security to the Principal Agent, cancel the relevant Global Security or cause it to be cancelled and thereafter, unless otherwise instructed by the Issuer, destroy the relevant Global Security and certify such destruction to the Issuer.

(12) The Principal Agent shall make such arrangements (including the notification of the relevant clearing system) as are necessary to collect, on behalf of the Issuer, any taxes or duties as specified in the Conditions incurred by the Issuer in connection with the exercise or redemption of the Securities, provided that the Issuer gives notice to the Principal Agent of the relevant taxes or duties which will be incurred by the Issuer on an exercise or redemption of Securities.

11. Receipt and Publication of Notices; Receipt of Certificates

(1) Upon the receipt by the Agent of a written demand or notice from any Holder in accordance with the Conditions, the Agent shall forward a copy thereof to the Offerors.

(2) On behalf of and at the request and expense of the Issuer, the Agent shall cause to be published all notices required to be given by the Issuer to the Holders in accordance with the Conditions.

12. Cancellation of Securities, Receipts, Coupons and Talons

(1) All Securities which are redeemed, all Warrants which are exercised, all Receipts or Coupons which are paid and all Talons which are exchanged shall be delivered outside the United States and its possessions to the Agent, and shall be canceled by the Agent. In addition, each Offeror shall notify the Agent in writing of all Securities which are purchased by or on behalf of such Offeror or any of its subsidiaries and all such Securities surrendered to the Agent for cancellation, together (in the case of Securities in Definitive form) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, shall be canceled by the Agent.

(2) Each Offeror shall have the right to request in writing that the Agent provide, without limitation, the following information:

(a) the aggregate principal amount of Notes and the number of Certificates which have been redeemed and the aggregate amount paid or delivered in respect thereof;

(b) the number of Warrants which have been exercised and the payments or deliveries made upon such exercise;

(c) the number of Securities canceled together (in the case of Definitive Securities, if any) with details of all unmatured Receipts, Coupons or Talons (if any) attached thereto or delivered therewith;

(d) the aggregate amount paid in respect of interest on the Notes and Certificates;

(e) the total number by maturity date of Receipts, Coupons and Talons so canceled; and

(f) in the case of Definitive Securities, if any, the serial numbers of such Securities, which shall be given to the Issuer by the Agent as soon as reasonably practicable and in any event within three months after the date of such repayment or, as the case may be, payment or exchange.

(3) The Agent shall destroy all canceled Securities, Receipts, Coupons and Talons.

(4) The Agent shall keep a full and complete record of all Securities, Receipts, Coupons and Talons (other than serial numbers of Coupons, except those which have been replaced pursuant to General Note Condition 10 and General Instrument Condition 16) and of all replacement Securities, Receipts, Coupons or Talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Securities, Receipts, Coupons or Talons. The Agent shall at all reasonable times make such record available to the Issuer and any persons authorized by it for inspection and for the taking of copies thereof or extracts therefrom.

(5) All records and certificates made or given pursuant to this Clause 12 and Clause 13 shall make a distinction between Securities, Receipts, Coupons and Talons of each Series.

(6) The Agent is authorized by the Issuer and instructed to (a) in the case of any Global Note which is a CGN, Global Certificate or Global Warrant, to endorse or to arrange for the endorsement of the relevant Global Security to reflect the reduction in the nominal amount or number of Certificates or Warrants represented by

it by the amount so redeemed, exercised or purchased and cancelled and (b) in the case of any Global Note which is a NGN, to instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such redemption or purchase and cancellation, as the case may be.

(7) The Issuer shall have the right, at its option, to compel any beneficial owner of any Securities to void the transfer of such Securities to any person that is a U.S. person or to redeem any Securities held any person that is a U.S. person, as provided in General Note Condition 1 or General Instrument Condition 1.

13. Issue of Replacement Securities, Receipts, Coupons and Talons

(1) The Issuer will cause a sufficient quantity of additional forms of Securities, Receipts, Coupons and Talons to be available, upon request to the Agent in Luxembourg (in such capacity, the "Replacement Agent") at its specified office for the purpose of issuing replacement Securities, Receipts, Coupons and Talons as provided below.

(2) The Replacement Agent will, subject to, and in accordance with, the Conditions and the following provisions of this Clause 13, authenticate (or in the case of a Global Note that is a Eurosystem-eligible NGN, instruct the common safekeeper to effectuate the same) and cause to be delivered any replacement Securities, Receipts, Coupons and Talons which the Issuer may determine to issue in place of Securities, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.

(3) In the case of a mutilated or defaced Security, the Replacement Agent shall ensure that (unless otherwise covered by such indemnity as the Issuer may reasonably require) any replacement Security will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Security which is presented for replacement.

(4) The Replacement Agent shall not issue any replacement Security, Receipt, Coupon or Talon unless and until the applicant therefor shall have:

- (a) paid such reasonable costs and expenses as may be incurred in connection therewith, including any tax or other governmental charge that may be imposed in relation thereto;
- (b) furnished it with such evidence and indemnity as the Agent may reasonably require; and
- (c) in the case of any mutilated or defaced Security, Receipt, Coupon or Talon, surrendered it to the Replacement Agent.

(5) The Replacement Agent shall cancel any mutilated or defaced Securities, Receipts, Coupons and Talons in respect of which replacement Securities, Receipts, Coupons and Talons have been issued pursuant to this Clause 13 and shall furnish the Issuer with a certificate stating the serial numbers of the Securities, Receipts, Coupons and Talons so cancelled and, unless otherwise instructed by the Issuer in writing, shall destroy such cancelled Securities, Receipts, Coupons and Talons and furnish the Issuer with a destruction certificate stating the serial number of the Securities (in the case of Definitive Securities) and the number by maturity date or settlement date of Receipts, Coupons and Talons so destroyed.

(6) The Replacement Agent, on issuing any replacement Security, Receipt, Coupon or Talon, forthwith shall inform the Issuer, the Agent and the other Paying Agents of the serial number of such replacement Security, Receipt, Coupon or Talon issued and (if known) of the serial number of the Security, Receipt, Coupon or Talon in place of which such replacement Security, Receipt, Coupon or Talon has been issued. Whenever replacement Receipts, Coupons or Talons are issued pursuant to the provisions of this Clause 13, the Replacement Agent also shall notify the Agent and the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Receipts, Coupons or Talons and of the replacement Receipts, Coupons or Talons issued.

(7) The Agent shall keep a full and complete record of all replacement Securities, Receipts, Coupons and Talons issued and shall make such record available at all reasonable times to the Issuer and any persons authorized by it for inspection and for the taking of copies thereof or extracts therefrom.

(8) Whenever any Security, Receipt, Coupon or Talon for which a replacement Security, Receipt, Coupon or Talon has been issued and in respect of which the serial number is known is presented to the Agent or any of the Paying Agents for payment, the Agent or, as the case may be, the relevant Paying Agent shall immediately send notice thereof to the Issuer and the other Paying Agents and shall not make payment in respect thereto, until instructed by the Issuer.

14. Copies of Documents Available for Inspection

The Agent and the Paying Agents shall hold available for inspection copies of:

(1) the organizational documents of the Offerors;

(2) the latest available audited financial statements of (a) the Guarantor and its consolidated subsidiaries, beginning with such financial statements for the fiscal year ended December 31, 2005; and (b) the Issuer, beginning with such financial statements for the period from its inception through December 31, 2007;

(3) the Program Agreement, this Agreement, the Delivery Agency Agreement, the Calculation Agency Agreement and the Guarantees;

(4) the Base Prospectus; and

(5) any future prospectuses, information memoranda and supplements (except that the Final Terms relating to any unlisted Security will only be available for inspection by a Holder of such Security and such Holder must produce evidence satisfactory to the Paying Agent as to ownership) to the Base Prospectus and any other documents incorporated therein by reference and in the case of a syndicated issue of listed Securities, the syndication agreement (or equivalent document).

For this purpose, the Offerors shall furnish the Agent and the Paying Agents with sufficient copies of each of such documents.

15. Meetings of Holders

(1) The provisions of Schedule 15 hereto shall apply to meetings of the Holders and shall have effect in the same manner as if set out in this Agreement.

(2) Without prejudice to sub-clause (1), each of the Agent and the Paying Agents on the request of any Holder shall issue voting certificates and block voting instructions in accordance with Schedule 15 and shall forthwith give notice to the Issuer and the Guarantor in writing of any revocation or amendment of a block voting instruction. Each of the Agent and the Paying Agents will keep a full and complete record of all voting certificates and block voting instructions issued by it and, not less than 24 hours before the time appointed for holding a meeting or adjourned meeting, will deposit at such place as the Agent shall designate or approve, full particulars of all voting certificates and block voting instructions issued by it in respect of such meeting or adjourned meeting.

16. Repayment by the Agent

Upon the Issuer being discharged from its obligation to make payments or other deliveries in respect of any Securities pursuant to the relevant Conditions, and provided that there is no outstanding, bona fide and proper claim in respect of any such payments, the Agent shall forthwith on written demand pay to the Issuer sums equivalent to any amounts paid to it by the Issuer for the purposes of such payments.

17. Conditions of Appointment

(1) The Agent shall be entitled to deal with money paid to it by the Offerors for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

- (a) that it shall not exercise any right of set-off, lien or similar claim in respect thereof; and
- (b) as provided in sub-clause (2) below; and
- (c) that it shall not be liable to account to the Offerors for any interest thereon.

(2) In acting hereunder and in connection with the Securities, the Agent and the Paying Agents shall act solely as agents of the Issuer and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or Holders, Receiptholders, Couponholders or Talonholders.

(3) The Agent and the Paying Agents hereby undertake to the Offerors to perform such obligations and duties, and shall be obliged to perform such duties and only such duties as are herein, in the Conditions and in the Procedures Memorandum specifically set forth and no implied duties or obligations shall be read into this Agreement or the Securities against the Agent and the Paying Agents, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.

(4) The Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(5) Each of the Agent and the Paying Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from an Offeror or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the relevant Offeror.

(6) Any of the Agent and the Paying Agents and their officers, directors and employees may become the owner of, or acquire any interest in any Securities, Receipts, Coupons or Talons with the same rights that it or he would have if the Agent or the relevant Paying Agent, as the case may be, were not appointed hereunder, and may engage or be interested in any financial or other transactions with the Offerors and may act on, or as depository, safekeeper, trustee or agent for, any committee or body of Holders or Couponholders or in connection with any other obligations of the Offerors as freely as if the Agent or the relevant Paying Agent, as the case may be, were not appointed hereunder.

(7) Each Offeror shall provide the Agent with a certified copy of the list of persons authorized to execute documents and take action on its behalf in connection with this Agreement and shall notify the Agent immediately in writing if any of such persons ceases to be so authorized or if any additional person becomes so authorized together, in the case of an additional authorized person, with evidence satisfactory to the Agent that such person has been so authorized, provided, however, that the Agent shall not incur any liability for any losses, claims or damages resulting from the relevant Offeror's failure to provide such notification to the Agent.

18. Communication Between the Parties

A copy of all communications relating to the subject matter of this Agreement between any Offeror and the Holders, Receiptholders or Couponholders and any of the Paying Agents shall be sent to the Agent by the relevant Paying Agent.

19. Changes in Agent and Paying Agents

(1) The Offerors agree that, for so long as any Security is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Securities have been made available to the Agent or to the Delivery Agent, as applicable, or have been returned to the relevant Offeror as provided herein:

(a) so long as any Securities are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

(b) there will at all times be a Paying Agent with a specified office in a city in Europe;

(c) there will at all times be an Agent; and

(d) the Issuer will maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to Directive 2004/48/EC (as used in General Note Condition 11(d) or General Instrument Condition 17(d), as applicable), or any law supplementing or complying with such Directive.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of General Note Condition 5(b) and General Instrument Condition 12(b). Any variation, termination, appointment or change only shall take effect (other than in the case of insolvency (as provided in sub-clause (5)), when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Holders in accordance with the Conditions.

(2) The Agent may (subject as provided in sub-clause (4)) at any time resign as Agent by giving at least 45 calendar days' written notice to the Offerors of such intention on its part, specifying the date on which its desired resignation shall become effective, provided that such date shall never be less than three months after the receipt of such notice by the Offerors unless the Offerors agree to accept less notice.

(3) The Agent may (subject as provided in sub-clause (4)) be removed at any time on at least 45 calendar days' notice by the filing with it of an instrument in writing signed on behalf of each Offeror, specifying such removal and the date when it shall become effective.

(4) Any resignation under sub-clause (2) or removal under sub-clause (3) shall only take effect upon the appointment by the Offerors as hereinafter provided, of a successor Agent and (other than in cases of insolvency of the Agent) on the expiration of the notice to be given under Clause 21. The Offerors agree with the Agent that if, by the day falling ten calendar days before the expiration of any notice under sub-clause (2), the Offerors have not appointed a successor Agent, then the Agent shall be entitled, on behalf of the Offerors, to appoint as a successor Agent in its place a reputable financial institution of good standing as it may reasonably determine to be capable of performing the duties of the Agent hereunder.

(5) In case at any time the Agent resigns, or is removed, or becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a successor Agent, which shall be a reputable financial institution of good standing, may be appointed by the Offerors by an instrument in writing filed with the successor Agent. Upon the appointment as aforesaid of a successor Agent and acceptance by the latter of such appointment and (other than in

the case of insolvency of the Agent) upon expiration of the notice to be given under Clause 21, the Agent so superseded shall cease to be the Agent hereunder.

(6) Subject to sub-clause (l):

(a) the Offerors may, after prior consultation (other than in the case of insolvency of any Paying Agent) with the Agent, terminate the appointment of any of the Paying Agents at any time; or

(b) the Offerors may in respect of the Program, or in respect of any Series of Securities, if so required by the relevant Stock Exchange or regulatory body, appoint one or more additional Paying Agents by giving to the Agent, and to the relevant Paying Agent, at least 10 calendar days' notice in writing to that effect.

(7) Subject to sub-clause (l), all or any of the Paying Agents may resign their respective appointments hereunder at any time by giving the Offerors and the Agent at least 45 calendar days' written notice to that effect.

(8) Upon its resignation or removal becoming effective, the Agent or the relevant Paying Agent:

(a) shall, in the case of the Agent, forthwith transfer all moneys held by it hereunder and the records referred to in Clause 12(4) to the successor Agent hereunder; and

(b) shall be entitled to the payment by the Issuer of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of Clause 25.

(9) Upon its appointment becoming effective, a successor Agent and any new Paying Agent, without further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor or, as the case may be, a Paying Agent with like effect as if originally named as Agent or (as the case may be) a Paying Agent hereunder.

20. Merger and Consolidation

Any entity into which the Agent or any Paying Agent may be merged or converted, or any entity with which the Agent or any of the Paying Agents may be consolidated or any entity resulting from any merger, conversion or consolidation to which the Agent or any of the Paying Agents shall be a party, or any entity to which the Agent or any of the Paying Agents shall sell or otherwise transfer all or substantially all the assets or the corporate trust business of the Agent or any Paying Agent shall, on the date when such merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Agent or, as the case may be, Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, unless otherwise required by the Offerors, and after the said effective date all references in this Agreement to the Agent or, as the case may be, such Paying Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation or transfer forthwith shall be given to the Offerors by the relevant Agent or Paying Agent.

21. Notification of Changes to Paying Agents

Following receipt of notice of resignation from the Agent or any Paying Agent and forthwith upon appointing a successor Agent or, as the case may be, other Paying Agents or on giving notice to terminate the appointment of any Agent or, as the case may be, Paying Agent, the Agent (on behalf of and at the expense of the Issuer) shall give or cause to be given not more than 60 calendar days' nor less than 30 calendar days' notice thereof to the Holders in accordance with the Conditions.

22. Change of Specified Office

If the Agent or any Paying Agent determines to change its specified office, it shall give to the Offerors and (if applicable) the Agent written notice of such determination giving the address of the new specified office which shall be in the same city and stating the date on which such change is to take effect, which shall not be less than 45 calendar days thereafter. The Agent (on behalf and at the expense of the Issuer) shall within 15 calendar days of receipt of such notice (unless the appointment of the Agent or the relevant Paying Agent, as the case may be, is to terminate pursuant to Clause 19 on or prior to the date of such change) give or cause to be given not more than 45 calendar days' nor less than 30 calendar days' notice thereof to the Holders in accordance with the Conditions.

23. Notices

All notices hereunder shall be deemed to have been given when deposited in the mail as first class mail, registered or certified, return receipt requested, or postage prepaid, addressed to any party hereto as follows:

Address

The Issuer:

B of A Issuance B.V.
Herengracht 469
1017 BS Amsterdam
The Netherlands
Attn: Armstrong Okobia
Facsimile: 31 20 4214 970

The Guarantor:

Bank of America Corporation
Bank of America Corporate Center
NC1-007-07-06
100 North Tryon Street
Charlotte, North Carolina 28255-0065
U.S.A.
Attn: Corporate Treasury – Securities Administration
Facsimile: (704) 386-0270

with a copy to:

Bank of America Corporation
Legal Department
101 South Tryon Street
NC1-002-29-01
Charlotte, North Carolina 28255
U.S.A.
Attn: General Counsel
Facsimile: (704) 386-1670

The Agent:

The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom
Attn: Corporate Trust Administration
Facsimile: 44 20 7964 6399

The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Luxembourg
Attn: Corporate Trust Administration
Facsimile: 352 46 26 85 804

or at any other address of which any of the foregoing shall have notified the others in writing.

(1) if delivered in person to the relevant address specified in the signature pages hereof and if so delivered, shall be deemed to have been delivered at the time of receipt; or

(2) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgment of receipt is received (in the case of facsimile).

Where a communication is received after business hours it shall be deemed to be received and become effective on the next Business Day. Every communication shall be irrevocable save in respect of any manifest error therein.

24. Taxes and Stamp Duties

The Issuer agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

25. Commissions, Fees and Expenses

(1) The Issuer, failing whom the Guarantor, undertakes to pay in respect of the services of the Agent and the Paying Agents under this Agreement such fees and expenses as may be agreed between them from time to time, the initial such fees being set out in a letter of even date herewith from the Agent to, and countersigned by, the Issuer.

(2) The Issuer, failing whom the Guarantor, will promptly pay on demand all reasonable out-of-pocket expenses (including legal, advertising, facsimile, telex and postage expenses) properly incurred by the Agent and the Paying Agents in connection with their services hereunder, including, without limitation, the expenses contemplated in Clause 24.

26. Indemnity

(1) The Issuer undertakes to indemnify and hold harmless each of the Agent and the Paying Agents against all losses, liabilities, costs (including, without limitation, legal fees and expenses), expenses, claims, actions or demands which the Agent or any Paying Agent, as the case may be, may reasonably incur or which may be made against the Agent or any Paying Agent, as a result of or in connection with the appointment or the exercise of or performance of the powers, discretions, authorities and duties of the Agent or any Paying Agent under this Agreement, except such as may result from its own gross negligence, bad faith or failure to comply with its obligations hereunder or that of its officers, employees or agents.

(2) Each of the Agent and the Paying Agents shall severally indemnify and hold harmless the Offerors against any loss, liability, costs (including, without limitation, legal fees and expenses), expense, claim, action or demand which it may reasonably incur or which may be made against it as a result of such Agent's or

Paying Agent's own negligence, bad faith or material failure to comply with its obligations under this Agreement or that of its officers, employees or agents.

(3) The Agent shall not in any event be liable for special, indirect, punitive or consequential damages of any kind whatsoever (including loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Agent had been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

(4) If, under any applicable law and whether pursuant to a judgment being made or registered or in the liquidation, insolvency or analogous process of any party hereto or for any other reason, any payment under or in connection with this Agreement is made or fails to be satisfied in a currency (the "Other Currency") other than that in which the relevant payment is expressed to be due (the "Required Currency") under this Agreement, then, to the extent that the payment (when converted into the Required Currency at the rate of exchange on the date of payment or, if it is not practicable for the payee to purchase the Required Currency with the Other Currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by the payee falls short of the amount due under the terms of this Agreement, the payor shall, as a separate and independent obligation, indemnify and hold harmless the payee against the amount of such shortfall. For the purpose of this Clause 26, "rate of exchange" means the rate at which the payee is able on the relevant date to purchase the Required Currency with the Other Currency and shall take into account any premium and other costs of exchange.

(5) The provisions of this Clause 26 shall survive the termination or expiration of this Agreement and the resignation or removal of the Agent and the Paying Agents.

27. Reporting

(1) The Agent shall upon receipt of a written request therefor from an Offeror and after the payment of any further remuneration agreed between an Offeror and the Agent (on behalf of such Offeror and on the basis of the information and documentation the Agent had in its possession) use all reasonable efforts to submit such reports or information as may be required from time to time by any applicable law, regulation or guideline promulgated by (i) any relevant United States governmental regulatory authority in respect of the issue and purchase of Securities or (ii) any other relevant governmental regulatory authority in respect of the issue and purchase of Securities denominated in the applicable currency of such governmental regulatory authority.

(2) The Agent will notify the MoF or other regulatory body of such details relating to Securities payable in Yen or other applicable currency and provide such other information about the Program to the MoF or other regulatory body as may be required.

28. Governing Law

(1) This Agreement, the Securities, and any Receipts, Coupons or Talons appertaining thereto shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

(2) The Offerors and the Agent each hereby irrevocably submit to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan over any suit, action or proceeding arising out of or related to this Agreement, the Guarantees, any Security, Receipt, Coupon or Talon, as the case may be (together, the "Proceedings"). The Offerors and the Agent each irrevocably waive, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of the Proceedings brought in such a court and any claim that the Proceedings have been brought in an inconvenient forum. The Offerors and the Agent each agree that final judgment in the Proceedings brought in such a court shall be conclusive and binding upon the Offerors or the Agent, as the case may be, and may be enforced in any court of the jurisdiction to which the relevant Offeror or the Agent is subject by a suit upon such judgment, provided that the service of

process is effected upon such Offeror and the Agent in the manner specified in subsection (3) below or as otherwise permitted by law.

(3) As long as any of the Securities, Receipts, Coupons or Talons remains outstanding, each Offeror shall at all times either maintain an office or have an authorized agent in New York City upon whom process may be served in the Proceedings. Service of process upon either Offeror at its offices or upon such agent with written notice of such service mailed or delivered to such Offeror shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon such Offeror in the Proceedings. Each Offeror hereby appoints CT Corporation System located at 111 Eighth Avenue, New York, New York 10011, U.S.A., as its agent for such purposes, and covenants and agrees that service of process in the Proceedings may be made upon it at its office or at the specified offices of such agent (or such other addresses or at the offices of any other authorized agents which such Offeror may designate by written notice to the Agent) and prior to any termination of such agencies for any reason, it will so appoint a successor thereto as agent hereunder.

29. Amendments

Without the consent of the Holders, Receiptholders or Couponholders, the Agent and the Offerors may agree to modifications of or amendments to this Agreement, the Securities, the Guarantees, the Receipts or the Coupons solely as set forth in General Note Condition 14 or General Instrument Condition 19.

Any such modification or amendment shall be binding on the Holders, the Receiptholders and the Couponholders and any such modification or amendment shall be notified to the Holders, the Receiptholders or the Couponholders in accordance with General Note Condition 13 and General Instrument Condition 18 as soon as practicable thereafter.

30. Descriptive Headings

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

31. Counterparts

This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument. Any party may enter into this Agreement by signing such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their respective officers thereunder duly authorized as of the date and year first above written.

B OF A ISSUANCE B.V.
as Issuer

By /s/ M.M.L. Görtzen
Name: M.M.L. Görtzen
Title: Managing Director A

By /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Managing Director B

BANK OF AMERICA CORPORATION
as Guarantor

By /s/ James T. Houghton
Name: James T. Houghton
Title: Senior Vice President

THE BANK OF NEW YORK
as Agent and Principal Agent

By /s/ Paul Bashford
Name: Paul Bashford
Title: Assistant Vice President

THE BANK OF NEW YORK (LUXEMBOURG) S.A.
as Paying Agent and Luxembourg Listing Agent

By /s/ Paul Bashford
Name: Paul Bashford
Title: Assistant Vice President

Agency Agreement

FORM OF TEMPORARY GLOBAL NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION IN THIS NOTE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS NOTE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS NOTE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

THIS NOTE IS A TEMPORARY GLOBAL NOTE IN BEARER FORM, WITHOUT COUPONS, EXCHANGEABLE FOR A BEARER NOTE IN PERMANENT GLOBAL FORM. THE RIGHTS ATTACHING TO THIS TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A PERMANENT GLOBAL NOTE, ARE AS SPECIFIED IN THE AGENCY AGREEMENT (AS DEFINED HEREIN).

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [This language is applicable only to Temporary Global Notes representing Notes with maturities of 183 days or less from the date of original issue.]

NOTES

TEMPORARY GLOBAL NOTE

COMMON CODE:

ISIN:

This Global Note is a Temporary Global Note in bearer form without interest coupons in respect of a duly authorized Series of Notes (the "Notes") of B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer") described, and having the provisions specified, in the applicable Final Terms (the "Final Terms"), which provisions are incorporated herein. References herein to the General Note Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 12-1, including any applicable Product Annex as set out in Schedule 12-3, to the Agency Agreement (as defined below) as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of that Schedule and the information set out in the Final Terms, the Final Terms will prevail.

Words and expressions defined or set out in the General Note Conditions and/or the Final Terms shall bear the same meaning when used herein.

This Global Note is issued subject to, and with the benefit of, the General Note Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A. and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Note Conditions, promises to pay to the bearer hereof on each Installment Date the amount payable on such Installment Date in respect of the Notes represented by this Global Note (if the Notes represented by this Global Note are Installment Notes) and on the Maturity Date, on the Interest Payment Date or on the Delivery Date, as the case may be, or on such earlier date as any of the Notes represented by this Global Note may become due and payable in accordance with the General Note Conditions, the amount payable or deliverable, as the case may be, on redemption of such Notes then represented by this Global Note becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Notes from time to time represented by this Global Note calculated and payable as provided in the General Note Conditions together with other sums payable under the General Note Conditions, upon presentation and following the delivery of an Asset Transfer Notice (in the case of Physical Delivery Notes) as provided in the Agency Agreement, and, at maturity, surrender of this Global Note to or to the order of the Agent, or any of the other paying agents located outside the United States and its possessions (except as provided in the General Note Conditions) from time to time appointed by the Issuer in respect of the Notes, but in each case subject to the requirements as to certification provided herein.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement or the Subordinated Guarantee Agreement, as applicable, each executed by the Guarantor on January 16, 2007.

If the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg" and, together with Euroclear, the "Relevant Clearing Systems"). The records of the Relevant Clearing Systems (which expression in this Global Note means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the

nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

If the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently recorded by or on behalf of the Issuer, in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2.

On any redemption, payment of an Installment Amount, delivery or purchase and cancellation of any of the Notes represented by this Global Note, the Issuer shall procure that:

- (a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment, delivery or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the Relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the Relevant Clearing Systems and represented by this Global Note shall be reduced by the principal amount of the Notes so redeemed or purchased and cancelled or by the amount of such installment so paid; or
- (b) if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, details of such redemption, payment, delivery or purchase and cancellation (as the case may be) shall be entered in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2 hereto recording any such redemption, payment, delivery or purchase and cancellation (as the case may be) and shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an Installment Amount, delivery or purchase and cancellation, the principal amount of such Notes represented by this Global Note shall be reduced by the principal amount of the Notes so redeemed or purchased and cancelled or the amount of such Installment Amount.

Prior to the Exchange Date (as defined below), all payments (if any) on this Global Note will only be made to the bearer hereof to the extent that there is presented to the Agent by Clearstream, Luxembourg or Euroclear, a certificate, substantially in the form set out in Schedule 13 to the Agency Agreement, to the effect that it has received from or in respect of a person entitled to a particular principal amount of the Notes (as shown by its records) a certificate in or substantially in the form of the certificate as set out in Schedule 14 to the Agency Agreement. Payments or deliveries due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in sub-paragraphs (a) and (b) above shall not affect such discharge. After the Exchange Date, the bearer of this Global Note will not be entitled to receive any payment of interest hereon.

On or after the Exchange Date (as defined below) this Global Note may be exchanged in whole or in part (free of charge) for, as specified in the Final Terms, either (a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, interests recorded in the records of the Relevant Clearing Systems in a Permanent Global Note or, if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, a Permanent Global Note, which, in either case, is in or substantially in the form set out in Schedule 2 to the Agency Agreement (together with the Final Terms attached to it), in each case upon notice being given by a Relevant Clearing System acting on the instructions of any Holder of an interest in this Global Note or, (b) under certain limited circumstances, security printed Definitive Notes and (if applicable) Coupons, Receipts and/or Talons in the form set out in Schedules 3, 9, 10 and 11, respectively, to the Agency Agreement (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons, Receipts and/or Talons and the Final Terms have been incorporated on such Definitive Notes) and subject to such notice period as is specified in the Final Terms. The "Exchange Date" for this Global Note will normally be the 40th day after the later of the date on which the Issuer receives the proceeds of the sale of the Global Note and the closing date for the Global Note. However, if the Issuer, a Dealer or any distributor, as defined in Treasury Regulation Sec. 1.163-5(c)(2)(i)(D)(4), holds a Note represented by this Global Note as part of an unsold allotment or subscription for more than 40 days after the later of the date on which the Issuer receives the proceeds of the sale of the Global

Note and the closing date for the Global Note, the Exchange Date with respect to such Note will be the day after the date on which the Issuer, Dealer or distributor sells such Note.

This Global Note may be exchanged by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London. The Issuer shall procure that Definitive Notes and interests in the Permanent Global Note shall be so issued and delivered and (in the case of the Permanent Global Note where the applicable Final Terms indicates that this Global Note is intended to be a New Global Note) recorded in the records of the Relevant Clearing System in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate, substantially in the form set out in Schedule 13 to the Agency Agreement, to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular principal amount of the Notes (as shown by its records) a certificate from such person in or substantially in the form of the certificate set out in Schedule 14 to the Agency Agreement, unless such certificate has already been given in accordance with the above provisions. The aggregate principal amount of interests in a Permanent Global Note issued upon an exchange of this Global Note subject to the terms hereof, will be equal to the aggregate principal amount of this Global Note submitted by the bearer hereof for exchange (to the extent that such principal amount does not exceed the aggregate principal amount of this Global Note).

On an exchange of the whole of this Global Note, this Global Note shall be surrendered to the Agent. On an exchange of only part of this Global Note, the Issuer shall procure that:

(a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, details of such exchange shall be entered pro rata in the records of the Relevant Clearing Systems; or

(b) if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, details of such exchange shall be entered in the relevant space in Schedule 2 hereto recording such exchange and shall be signed by or on behalf of the Issuer and the principal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the principal amount so exchanged.

If, following the issue of a Permanent Global Note in exchange for some of the Notes represented by this Global Note, further Notes represented by this Global Note are to be exchanged for interests in a Permanent Global Note, such exchange may be effected, subject as provided herein, without the issue of a new Permanent Global Note, (i) if the applicable Final Terms indicate that this Global Note is intended to be a New Global Note, recording the details of such increase in the records of the Relevant Clearing Systems, or (ii) if the applicable Final Terms indicate that this Global Note is not intended to be a New Global Note, by the Issuer or its agent endorsing Schedule 2 of the Permanent Global Note previously issued to reflect an increase in the aggregate principal amount of such Permanent Global Note by an amount equal to the aggregate principal amount of the Permanent Global Note which would otherwise have been issued on such exchange.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and (if applicable) Coupons, Receipts and/or Talons in the form set out in Schedules 3, 9, 10 and 11, respectively, to the Agency Agreement.

Notwithstanding any provision to the contrary contained in this Temporary Global Note, the Issuer irrevocably agrees, for the benefit of such Holders and their successors and assigns, that each Holder or its successors or assigns may file without the consent and to the exclusion of the bearer hereof, any claim, take any action or institute any proceeding to enforce, directly against the Issuer, the obligation of the Issuer hereunder to pay any amount due or to become due in respect of each Note represented by this Temporary Global Note which is credited to such Holder's securities account with Euroclear or Clearstream, Luxembourg without the production of this Temporary Global Note; provided that the bearer hereof shall not theretofore have filed a claim, taken action or instituted proceedings to enforce the same in respect of such Note.

Until exchanged in full for the Permanent Global Note, this Temporary Global Note in all respects shall be entitled to the same benefits under, and subject to the same terms and conditions of, the Agency Agreement as the

Permanent Global Note authenticated and delivered thereunder, except that neither the Holder hereof nor the beneficial owners of this Temporary Global Note shall be entitled to receive payment of interest hereon.

This Temporary Global Note shall be governed by, and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Temporary Global Note shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement. If the applicable Final Terms indicates that this Global Note is intended to be held in a manner which would allow Eurosystem eligibility, this Global Note shall not become valid or obligatory for any purpose until it is duly effectuated by the entity appointed as common safekeeper by the Relevant Clearing Systems.

IN WITNESS WHEREOF the Issuer has caused this Temporary Global Note to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Temporary Global Note is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
As Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

[CERTIFICATE OF EFFECTUATION]

This Temporary Global Note is effectuated by or on behalf of the common safekeeper.

[Insert the name of the common safekeeper]
As common safekeeper

By: _____
Authorized Signatory
For the purposes of effectuation only.

Schedule 1 to the
Temporary Global Note¹

PART I

INTEREST PAYMENTS

<u>Interest Payment Date</u>	<u>Date of Payment</u>	<u>Total Amount of Interest Payable</u> ²	<u>Amount of Interest Paid</u> ²	<u>Confirmation of payment by or on behalf of the Issuer</u>
³ First				

¹ Schedule 1 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note

² Including Physical Delivery Amount(s), if applicable.

³ Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART II
INSTALLMENT PAYMENTS

<u>Installment Date</u>	<u>Date of Payment</u>	<u>Total of Installment Amounts Payable¹</u>	<u>Amount of Installment Amounts Paid¹</u>	<u>Remaining principal amount of this Global Note following such payment²</u>	<u>Confirmation of payment by or on behalf of the Issuer</u>
³ First					

¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II, III or IV of Schedule 1 or in Schedule 2 in order to determine this amount.

³ Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART III
REDEMPTIONS

<u>Date of Redemption</u>	<u>Total principal amount of this Global Note to be redeemed¹</u>	<u>Principal amount Redeemed¹</u>	<u>Remaining principal amount of this Global Note following such redemption²</u>	<u>Confirmation of redemption by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II, III, IV of Schedule 1 or in Schedule 2 in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

<u>Date of purchase and cancellation</u>	<u>Part of principal amount of this Global Note purchased and canceled</u>	<u>Remaining principal amount of this Global Note following such purchase and cancellation¹</u>	<u>Confirmation of purchase and cancellation by or on behalf of the Issuer</u>
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¹ See most recent entry in Part II, III, IV of Schedule 1 or in Schedule 2 in order to determine this amount.

Schedule 2 to the
Temporary Global Note¹

SCHEDULE OF EXCHANGES
FOR DEFINITIVE NOTES OR PERMANENT GLOBAL NOTE

The following exchanges of a part of this Global Note for Definitive Notes or Notes represented by a Permanent Global Note have been made:

Date of exchange	Principal amount of this Global Note exchanged for Definitive Notes or Notes represented by a Permanent Global Note	Remaining principal amount of this Global Note following such exchange ²	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

¹ Schedule 2 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note.
² See most recent entry in Part II, III or IV of Schedule 1 or Schedule 2 in order to determine this amount.

FORM OF PERMANENT GLOBAL NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION IN THIS NOTE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS NOTE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS NOTE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS BEARER NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [This language is applicable only to Permanent Global Notes representing Notes with maturities of 183 days or less from the date of original issue.]

NOTES

PERMANENT GLOBAL NOTE

COMMON CODE:

ISIN:

This Global Note is a Permanent Global Note in bearer form without interest coupons in respect of a duly authorized Series of Notes (the “Notes”) of B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the “Issuer”) described, and having the provisions specified, in the applicable Final Terms (the “Final Terms”), which provisions are incorporated herein. References herein to the General Note Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 12-1, including any applicable Product Annex as set out in Schedule 12-3, to the Agency Agreement (as defined below) as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of that Schedule and the information set out in the Final Terms, the Final Terms will prevail.

Words and expressions defined or set out in the General Note Conditions and/or the Final Terms shall bear the same meaning when used herein.

This Global Note is issued subject to, and with the benefit of, the General Note Conditions and an Agency Agreement (the “Agency Agreement,” which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the “Guarantor”), The Bank of New York (the “Agent”), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Note Conditions, promises to pay to the bearer hereof on each Installment Date the amount payable on such Installment Date in respect of the Notes represented by this Global Note (if the Notes represented by this Global Note are Installment Notes) and on the Maturity Date, on the Interest Payment Date or on the Delivery Date, as the case may be, or on such earlier date as any of the Notes represented by this Global Note may become due and payable in accordance with the General Note Conditions, the amount payable or deliverable, as the case may be, on redemption of such Notes then represented by this Global Note becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Notes from time to time represented by this Global Note calculated and payable as provided in the General Note Conditions together with other sums payable under the General Note Conditions, upon presentation and following the delivery of an Asset Transfer Notice (in the case of Physical Delivery Notes) as provided in the Agency Agreement, and, at maturity, surrender of this Global Note to or to the order of the Agent, or any of the other paying agents located outside the United States and its possessions (except as provided in the General Note Conditions) from time to time appointed by the Issuer in respect of the Notes, but in each case subject to the requirements as to certification provided herein.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement or the Subordinated Guarantee Agreement, as applicable, each executed by the Guarantor on January 16, 2007.

If the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg” and, together with Euroclear, the “Relevant Clearing Systems”). The records of the Relevant Clearing Systems (which expression in this Global Note means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customer’s interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued

by a Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

If the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently envisaged by or on behalf of the Issuer, in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2.

On any redemption, payment of an Installment Amount, delivery or purchase and cancellation of, any of the Notes represented by this Global Note, the Issuer shall procure that:

(a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment, delivery or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the Relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the Relevant Clearing Systems and represented by this Global Note shall be reduced by the principal amount of the Notes so redeemed or purchased and cancelled or by the amount of such installment so paid; or

(b) if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, details of such redemption, payment, delivery or purchase and cancellation (as the case may be) shall be entered in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2 hereto recording any such redemption, payment, delivery or purchase and cancellation (as the case may be) and shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an Installment Amount, delivery or purchase and cancellation, the principal amount of such Notes represented by this Global Note shall be reduced by the principal amount of the Notes so redeemed or purchased and cancelled or the amount of such Installment Amount.

The Notes represented by this Global Note were represented originally by one or more Temporary Global Notes (each Tranche of Notes comprised in the Series of Notes to which this Global Note relates having been represented originally by one Temporary Global Note). Unless any such Temporary Global Note was exchanged in whole on the issue hereof, an interest in such Temporary Global Note may be further exchanged, on the terms and conditions set out therein, for an interest in this Global Note. The Issuer shall procure that:

(a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, details of such exchange shall be entered in the records of the Relevant Clearing Systems; or

(b) if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, details of such exchange shall be entered in Schedule 2 hereto to reflect the increase in the aggregate principal amount of this Global Note due to each such exchange, whereupon the principal amount hereof shall be increased for all purposes by the amount so exchanged and endorsed.

In certain circumstances further notes may be issued which are intended on issue to be consolidated and form a single Series with the Notes. In such circumstances the Issuer shall procure that:

(a) if the applicable Final Terms indicates that this Global Note is intended to be a New Global Note, details of such further notes may be entered in the records of the Relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note may be increased by the amount of such further notes so issued; or

(b) if the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note, details of such further notes shall be entered in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2 hereto recording such exchange and shall be signed by or on

behalf of the Issuer, whereupon the nominal amount of the Notes represented by this Global Note shall be increased by the nominal amount of any such Temporary Global Note so exchanged.

This Global Note may be exchanged for security-printed Definitive Notes, under the circumstances and in accordance with the terms provided for in the General Note Conditions, and (if applicable) Coupons, Receipts and/or Talons in the form set out in Schedules 3, 9, 10 and 11, respectively, to the Agency Agreement (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons, Receipts and/or Talon and the Final Terms have been incorporated on such Definitive Notes). Subject as aforesaid and to at least 60 calendar days' written notice expiring after the Exchange Date (as defined in the Temporary Global Note referred to above) being given to the Agent by Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any Holder of an interest in the Global Note, this exchange will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above. The aggregate principal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate principal amount of this Global Note submitted by the bearer hereof for exchange (to the extent that such principal amount does not exceed the aggregate principal amount of this Global Note entered in the records of the Relevant Clearing Systems (if the applicable Final Terms indicate that this Global Note is intended to be a New Global Note) or most recently entered in the relevant column in Part II, III or IV of Schedule 1 or in Schedule 2 hereto (if the applicable Final Terms indicate that this Global Note is not intended to be a New Global Note)).

On an exchange of the whole of this Global Note, this Global Note shall be surrendered to the Agent.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof in all respects shall be entitled to the same benefits as if he were the bearer of Definitive Notes and (if applicable) Coupons, Receipts and/or Talons in the form set out in Schedules 3, 9, 10 and 11, respectively, to the Agency Agreement (on the basis that all appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons, Receipts and/or Talons and the Final Terms have been incorporated on such Definitive Notes).

Notwithstanding any provision to the contrary contained in this Permanent Global Note, the Holder of this Permanent Global Note shall be the only person entitled to receive payments in respect to the Notes represented by this Permanent Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of this Permanent Global Note in respect of each amount so paid. Any failure to make the entries referred to in above shall not affect such discharge. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by this Permanent Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holder of this Permanent Global Note. No person other than the Holder of this Permanent Global Note shall have any claim against the Issuer in respect of any payments or deliveries due on this Permanent Global Note.

This Permanent Global Note shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Permanent Global Note shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement. If the applicable Final Terms indicates that this Global Note is intended to be held in a manner which would allow Eurosystem eligibility, this Global Note shall not become valid or obligatory for any purpose until it is duly effectuated by the entity appointed as common safekeeper by the Relevant Clearing Systems.

IN WITNESS WHEREOF the Issuer has caused this Permanent Global Note to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Permanent Global Note is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

[CERTIFICATE OF EFFECTUATION]

This Permanent Global Note is effectuated by or on behalf of the common safekeeper.

[Insert the name of the common safekeeper]
As common safekeeper

By: _____
Authorized Signatory
For the purposes of effectuation only.

Schedule 1 to the
Permanent Global Note¹

PART I

INTEREST PAYMENTS

<u>Interest Payment Date</u>	<u>Date of Payment</u>	<u>Total Amount of Interest Payable</u> ²	<u>Amount of Interest Paid</u> ²	<u>Confirmation of payment by or on behalf of the Issuer</u>
------------------------------	------------------------	--	---	--

³First

- ¹ Schedule 1 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classical Global Note
² Including Physical Delivery Amount(s), if applicable
³ Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART II

INSTALLMENT PAYMENTS

<u>Installment Date</u>	<u>Date of Payment</u>	<u>Total of Installment Amounts Payable¹</u>	<u>Amount of Installment Amounts Paid¹</u>	<u>Remaining principal amount of this Global Note following such payments²</u>	<u>Confirmation of payment by or on behalf of the Issuer</u>
³ First					

¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II, III or IV of Schedule 1 or in Schedule 2 in order to determine this amount.

³ Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART III
REDEMPTIONS

<u>Date of Redemption</u>	<u>Total principal amount of this Global Note to be redeemed¹</u>	<u>Principal amount redeemed¹</u>	<u>Remaining principal amount of this Global Note following such redemption²</u>	<u>Confirmation of redemption by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II, III, IV of Schedule 1 or in Schedule 2 in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

<u>Date of purchase and cancellation</u>	<u>Part of principal amount of this Global Note purchased and canceled</u>	<u>Remaining principal amount of this Global Note following such purchase and cancellation¹</u>	<u>Confirmation of purchase and cancellation by or on behalf of the Issuer</u>
--	--	--	--

¹ See most recent entry in Part II, III or IV of Schedule 1 or Schedule 2 in order to determine this amount.

Schedule 2 to the
Permanent Global Note¹

SCHEDULE OF EXCHANGES

The following exchanges relating to this Global Note have been made:

Date of exchange	Increase in principal amount of this Global Note due to exchanges of a Temporary Global Note for this Global Note ²	Decrease in principal amount of this Global Note due to exchanges of this Global Note for Definitive Notes	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

¹ Schedule 2 should only be completed where the applicable Final Terms indicates that this Global note is intended to be a Classic Global Note.
² If this Global Note has a maturity of less than one year from the Issue Date, the amount must be at least GBP £100,000 (or its equivalent in any other currency or currencies).

FORM OF DEFINITIVE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION IN THIS NOTE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS NOTE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS NOTE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS NOTE IS A DEFINITIVE NOTE WITH INTEREST COUPONS. THE RIGHTS ATTACHING TO THIS DEFINITIVE NOTE ARE AS SPECIFIED IN THE AGENCY AGREEMENT (AS DEFINED HEREIN).

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

[Legend on definitive bearer Notes:

[Unless between individuals not acting in the conduct of a profession or business, each transaction regarding this Note which involves the physical delivery thereof within, from or into the Netherlands must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) through the mediation of the Issuer or a member

¹ [This language is applicable only to Notes with maturities of 183 days or less from the date of original issue.]

of Euronext Amsterdam N.V. and, unless this Note qualifies as commercial paper or as a certificate of deposit and the transaction is between the professional parties, must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Note.]²

² Include on zero coupon or discounted bearer Notes and other bearer Notes on which interest does not become due and payable during their term but only at maturity (savings certificates, as defined in the Dutch Savings Certificates Act) and which are (a) not listed on Euronext Amsterdam and (b) physically issued in the Netherlands or physically issued outside the Netherlands but distributed in the Netherlands immediately thereafter.]

B OF A ISSUANCE B.V.

[Specified Currency and Principal Amount of Tranche]
NOTES DUE [year of Maturity
Date/Redemption Month]

Series No. []
Tranche No. []

NOTE

COMMON CODE:

ISIN:

This Note is one of a duly authorized issue of Notes (the “Notes”) of B of A Issuance B.V., a private company with limited liability *besloten vennootschap met beperkte aansprakelijkheid* incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the “Issuer”) denominated in the Specified Currency maturing on the Maturity Date or, as the case may be, on the Interest Payment Date. References herein to the General Note Conditions shall be to the Terms and Conditions of the Notes, including any applicable Product Annex, as endorsed herein as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of the General Note Conditions and the information set out in the Final Terms, the Final Terms will prevail.

This Note is issued subject to, and with the benefit of, the General Note Conditions and an Agency Agreement (the “Agency Agreement,” which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the “Guarantor”), The Bank of New York (the “Agent”), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Note Conditions, promises to pay to the bearer hereof on each Installment Date the amount payable on such Installment Date in respect of the Notes represented by this Definitive Note (if the Notes represented by this Definitive Note are Installment Notes) and on the Maturity Date, on the Interest Payment Date or on the Delivery Date, as the case may be, or on such earlier date as any of the Notes represented by this Definitive Note may become due and payable in accordance with the General Note Conditions, the amount payable or deliverable, as the case may be, on redemption of such Notes then represented by this Definitive Note becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Notes from time to time represented by this Definitive Note calculated and payable as provided in the General Note Conditions together with other sums payable under the General Note Conditions.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement or the Subordinated Guarantee Agreement, as applicable, each executed by the Guarantor on January 16, 2007.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Note shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Note to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

CERTIFICATE OF AUTHENTICATION OF THE AGENT

This Note is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

(REVERSE OF NOTE)

The General Note Conditions and Product Annexes, attached to or endorsed upon this Note, are set forth in Schedule 12-1 of the Agency Agreement dated as of January 16, 2007 by and among B of A Issuance B.V., as Issuer, Bank of America Corporation, as Guarantor, The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A. and the other agents named therein.

FORM OF TEMPORARY GLOBAL CERTIFICATE

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS CERTIFICATE NOR ANY INTEREST OR PARTICIPATION IN THIS CERTIFICATE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT. THIS CERTIFICATE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

THIS CERTIFICATE IS A TEMPORARY GLOBAL CERTIFICATE IN BEARER FORM, WITHOUT COUPONS, EXCHANGEABLE FOR A BEARER CERTIFICATE IN PERMANENT GLOBAL FORM. THE RIGHTS ATTACHING TO THIS TEMPORARY GLOBAL CERTIFICATE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR A PERMANENT GLOBAL CERTIFICATE, ARE AS SPECIFIED IN THE AGENCY AGREEMENT (AS DEFINED HEREIN).

THIS CERTIFICATE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS GLOBAL CERTIFICATE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [This language is applicable only to Temporary Global Certificates representing Certificates with maturities of 183 days or less from the date of original issue.]

B OF A ISSUANCE B.V.

CERTIFICATES

TEMPORARY GLOBAL CERTIFICATE

COMMON CODE:

ISIN:

This Global Certificate is a Temporary Global Certificate in bearer form without interest coupons in respect of a duly authorized Series of Certificates (the "Certificates") of B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer") described, and having the provisions specified, in the applicable Final Terms (the "Final Terms"), which provisions are incorporated herein. References herein to the General Instrument Conditions shall be to the Terms and Conditions of the Instruments as set out in Schedule 12-2, including any applicable Product Annex as set out in Schedule 12-3, to the Agency Agreement (as defined below) as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of that Schedule and the information set out in the Final Terms, the Final Terms will prevail.

Words and expressions defined or set out in the General Instrument Conditions and/or the Final Terms shall bear the same meaning when used herein.

This Global Certificate is issued subject to, and with the benefit of, the General Instrument Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A. and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Instrument Conditions, promises to pay to the bearer hereof on the Settlement Date, on any Interest Payment Date, as the case may be, or on such earlier date as any of the Certificates represented by this Global Certificate may become due and payable in accordance with the General Instrument Conditions, the amount payable or deliverable, as the case may be, on redemption of such Certificates then represented by this Global Certificate becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Certificates from time to time represented by this Global Certificate calculated and payable as provided in the General Instrument Conditions together with other sums payable under the General Instrument Conditions, upon presentation and following the delivery of a certificate settlement notice as provided in the Agency Agreement, and, at final settlement, surrender of this Global Certificate to or to the order of the Agent, or any of the other paying agents located outside the United States and its possessions (except as provided in the General Instrument Conditions) from time to time appointed by the Issuer in respect of the Certificates, but in each case subject to the requirements as to certification provided herein.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement executed by the Guarantor on January 16, 2007.

The Notional Amount of the Certificates represented by this Global Certificate shall be the amount stated in the applicable Final Terms or, if lower, the Notional Amount most recently recorded by or on behalf of the Issuer, in the relevant column in Part II or III of Schedule 1 or in Schedule 2 hereto.

On any settlement or purchase and cancellation of any of the Certificates represented by this Global Certificate, the Issuer shall procure that details of such settlement, payment, delivery or purchase and cancellation (as the case may be) shall be entered in the relevant column in Part II or III of Schedule 1 or in Schedule 2 hereto recording any such settlement, payment, delivery or purchase and cancellation (as the case may be) and shall be

signed by or on behalf of the Issuer. Upon any such settlement or purchase and cancellation, the number of such Certificates represented by this Global Certificate shall be reduced by the number of Certificates so redeemed or purchased and cancelled.

Prior to the Exchange Date (as defined below), all payments (if any) on this Global Certificate will only be made to the bearer hereof to the extent that there is presented to the Agent by Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or Euroclear Bank S.A./N.V. ("Euroclear"), a certificate, substantially in the form set out in Schedule 13 to the Agency Agreement, to the effect that it has received from or in respect of a person entitled to a particular Notional Amount of the Certificates (as shown by its records) a certificate in or substantially in the form of the certificate as set out in Schedule 14 to the Agency Agreement. Payments or deliveries due in respect of Certificates for the time being represented by this Global Certificate shall be made to the bearer of this Global Certificate and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in sub-paragraphs (a) and (b) above shall not affect such discharge. After the Exchange Date, the bearer of this Global Certificate will not be entitled to receive any payment of interest hereon.

On or after the Exchange Date (as defined below) this Global Certificate may be exchanged in whole or in part (free of charge) for, as specified in the Final Terms, either (a) a Permanent Global Certificate in or substantially in the form set out in Schedule 5 to the Agency Agreement (together with the Final Terms attached to it), in each case upon notice being given by a Relevant Clearing System acting on the instructions of any Holder of an interest in this Global Certificate or, (b) under certain limited circumstances, security printed Definitive Certificates and, (if applicable) Coupons in the form set out in Schedules 6 or 9, respectively, to the Agency Agreement (on the basis that all the appropriate details have been included on the face of such Definitive Certificates and (if applicable) Coupons and the Final Terms have been incorporated on such Definitive Certificates) and subject to such notice period as is specified in the Final Terms. The "Exchange Date" for this Global Certificate will normally be the 40th day after the later of the date on which the Issuer receives the proceeds of the sale of the Global Certificate and the closing date for the Global Certificate. However, if the Issuer, a Dealer or any distributor, as defined in Treasury Regulation Sec. 1.163-5(c)(2)(i)(D)(4), holds a Certificate represented by this Global Certificate as part of an unsold allotment or subscription for more than 40 days after the later of the date on which the Issuer receives the proceeds of the sale of the Global Certificate and the closing date for the Global Certificate, the Exchange Date with respect to such Certificate will be the day after the date on which the Issuer, Dealer or distributor sells such Certificate.

This Global Certificate may be exchanged by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London. The Issuer shall procure that Definitive Certificates and interests in the Permanent Global Certificate shall be so issued and delivered in exchange for only that portion of this Global Certificate in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate, substantially in the form set out in Schedule 13 to the Agency Agreement, to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular Notional Amount of the Certificates (as shown by its records) a certificate from such person in or substantially in the form of the certificate set out in Schedule 14 to the Agency Agreement, unless such certificate has already been given in accordance with the above provisions. The aggregate Notional Amount of interests in a Permanent Global Certificate issued upon an exchange of this Global Certificate subject to the terms hereof, will be equal to the aggregate Notional Amount of this Global Certificate submitted by the bearer hereof for exchange (to the extent that such Notional Amount does not exceed the aggregate Notional Amount of this Global Certificate).

On an exchange of the whole of this Global Certificate, this Global Certificate shall be surrendered to the Agent. On an exchange of only part of this Global Certificate, the Issuer shall procure that details of such exchange shall be entered in the relevant space in Schedule 2 hereto recording such exchange and shall be signed by or on behalf of the Issuer and the Notional Amount of this Global Certificate and the Certificates represented by this Global Certificate shall be reduced by the Notional Amount so exchanged.

If, following the issue of a Permanent Global Certificate in exchange for some of the Certificates represented by this Global Certificate, further Certificates represented by this Global Certificate are to be exchanged for interests in a Permanent Global Certificate, such exchange may be effected, subject as provided herein, without the issue of a new Permanent Global Certificate by the Issuer or its agent endorsing Schedule 2 of the Permanent Global Certificate previously issued to reflect an increase in the aggregate Notional Amount of such Permanent

Global Certificate by an amount equal to the aggregate Notional Amount of the Permanent Global Certificate which would otherwise have been issued on such exchange.

Until the exchange of the whole of this Global Certificate as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Certificates and (if applicable) Coupons in the form set out in Schedules 6 or 9, respectively, to the Agency Agreement.

Notwithstanding any provision to the contrary contained in this Temporary Global Certificate, the Issuer irrevocably agrees, for the benefit of such Holders and their successors and assigns, that each Holder or its successors or assigns may file without the consent and to the exclusion of the bearer hereof, any claim, take any action or institute any proceeding to enforce, directly against the Issuer, the obligation of the Issuer hereunder to pay any amount due or to become due in respect of each Certificate represented by this Temporary Global Certificate which is credited to such Holder's securities account with Euroclear or Clearstream, Luxembourg without the production of this Temporary Global Certificate; provided that the bearer hereof shall not theretofore have filed a claim, taken action or instituted proceedings to enforce the same in respect of such Certificate.

Until exchanged in full for the Permanent Global Certificate, this Temporary Global Certificate in all respects shall be entitled to the same benefits under, and subject to the same terms and conditions of, the Agency Agreement as the Permanent Global Certificate authenticated and delivered thereunder, except that neither the Holder hereof nor the beneficial owners of this Temporary Global Certificate shall be entitled to receive payment of interest hereon.

This Temporary Global Certificate shall be governed by, and construed in accordance with the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Temporary Global Certificate shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Temporary Global Certificate to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Temporary Global Certificate is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
As Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

Schedule 1 to the
Temporary Global Certificate

PART I

INTEREST PAYMENTS

<u>Interest Payment Date</u>	<u>Date of Payment</u>	<u>Total Amount of Interest Payable¹</u>	<u>Amount of Interest Paid¹</u>	<u>Confirmation of payment by or on behalf of the Issuer</u>
² First				

¹ Including Physical Delivery Amount(s), if applicable.

² Continue numbering until the appropriate number of interest payment dates for the particular Tranche of Certificates is reached.

PART II
REDEMPTIONS

<u>Date of Redemption</u>	<u>Total number of Certificates represented by this Global Certificate to be redeemed¹</u>	<u>Remaining number of Certificates represented by this Global Certificate following such redemption²</u>	<u>Confirmation of redemption by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II or III of Schedule 1 or in Schedule 2 in order to determine this amount.

PART III

PURCHASES AND CANCELLATIONS

<u>Date of purchase and cancellation</u>	<u>Number of Certificates represented by this Global Certificate purchased and canceled</u>	<u>Remaining number of Certificates represented by this Global Certificate following such purchase and cancellation¹</u>	<u>Confirmation of purchase and cancellation by or on behalf of the Issuer</u>
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¹ See most recent entry in Part II or III of Schedule 1 or in Schedule 2 in order to determine this amount.

Schedule 2 to the
Temporary Global Certificate

SCHEDULE OF EXCHANGES
FOR DEFINITIVE CERTIFICATES OR PERMANENT GLOBAL CERTIFICATE

The following exchanges of a part of this Global Certificate for Definitive Certificates or Certificates represented by a Permanent Global Certificate have been made:

Date of exchange	Number of Certificates represented by this Global Certificate exchanged for Definitive Certificates or Certificates represented by a Permanent Global Certificate	Remaining number of Certificates represented by this Global Certificate following such exchange ¹	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

¹ See most recent entry in Part II or III of Schedule 1 or in Schedule 2 in order to determine this amount.

FORM OF PERMANENT GLOBAL CERTIFICATE

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS CERTIFICATE NOR ANY INTEREST OR PARTICIPATION IN THIS CERTIFICATE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT. THIS CERTIFICATE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

THIS CERTIFICATE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS BEARER CERTIFICATE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [This language is applicable only to Permanent Global Certificates representing Certificates with maturities of 183 days or less from the date of original issue.]

B OF A ISSUANCE B.V.

CERTIFICATES

PERMANENT GLOBAL CERTIFICATE

COMMON CODE:

ISIN:

This Global Certificate is a Permanent Global Certificate in bearer form without interest coupons in respect of a duly authorized Series of Certificates (the "Certificates") of B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer") described, and having the provisions specified, in the applicable Final Terms (the "Final Terms"), which provisions are incorporated herein. References herein to the General Instrument Conditions shall be to the Terms and Conditions of the Instruments as set out in Schedule 12-2, including any applicable Product Annex as set out in Schedule 12-3, to the Agency Agreement (as defined below) as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of that Schedule and the information set out in the Final Terms, the Final Terms will prevail.

Words and expressions defined or set out in the General Instrument Conditions and/or the Final Terms shall bear the same meaning when used herein.

This Global Certificate is issued subject to, and with the benefit of, the General Instrument Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Instrument Conditions, promises to pay to the bearer hereof on the Settlement Date, on any Interest Payment Date or on the Delivery Date, as the case may be, or on such earlier date as any of the Certificates represented by this Global Certificate may become due and payable in accordance with the General Instrument Conditions, the amount payable or deliverable, as the case may be, on redemption of such Certificates then represented by this Global Certificate becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Certificates from time to time represented by this Global Certificate calculated and payable as provided in the General Instrument Conditions together with other sums payable under the General Instrument Conditions, upon presentation and following the delivery of a certificate settlement notice as provided in the Agency Agreement, and, at final settlement, surrender of this Global Certificate to or to the order of the Agent, or any of the other paying agents located outside the United States and its possessions (except as provided in the General Instrument Conditions) from time to time appointed by the Issuer in respect of the Certificates, but in each case subject to the requirements as to certification provided herein.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement executed by the Guarantor on January 16, 2007.

The Notional Amount of the Certificates represented by this Global Certificate shall be the amount stated in the applicable Final Terms or, if lower, the Notional Amount most recently envisaged by or on behalf of the Issuer, in the relevant column in Part II or III of Schedule 1 or in Schedule 2.

On any settlement or purchase and cancellation of, any of the Certificates represented by this Global Certificate, the Issuer shall procure that details of such settlement, payment, delivery or purchase and cancellation (as the case may be) shall be entered in the relevant column in Part II or III of Schedule 1 or in Schedule 2 hereto recording any such settlement, payment, delivery or purchase and cancellation (as the case may be) and shall be

signed by or on behalf of the Issuer. Upon any such settlement or purchase and cancellation, the number of such Certificates represented by this Global Certificate shall be reduced by the number of Certificates so redeemed or purchased and cancelled.

The Certificates represented by this Global Certificate were represented originally by one or more Temporary Global Certificates (each Tranche of Certificates comprised in the Series of Certificates to which this Global Certificate relates having been represented originally by one Temporary Global Certificate). Unless any such Temporary Global Certificate was exchanged in whole on the issue hereof, an interest in such Temporary Global Certificate may be further exchanged, on the terms and conditions set out therein, for an interest in this Global Certificate. The Issuer shall procure that details of such exchange shall be entered in Schedule 2 hereto to reflect the increase in the aggregate Notional Amount of this Global Certificate due to each such exchange, whereupon the Notional Amount hereof shall be increased for all purposes by the Notional Amount so exchanged and endorsed.

In certain circumstances further certificates may be issued which are intended on issue to be consolidated and form a single Series with the Certificates. In such circumstances the Issuer shall procure that details of such further certificates shall be entered in the relevant column in Part II or III of Schedule 1 or in Schedule 2 hereto recording such exchange and shall be signed by or on behalf of the Issuer, whereupon the Notional Amount of the Certificates represented by this Global Certificate shall be increased by the Notional Amount of any such Temporary Global Certificate so exchanged.

This Global Certificate may be exchanged for security-printed Definitive Certificates, under the circumstances and in accordance with the General Instrument Conditions, and (if applicable) Coupons in the form set out in Schedules 6 or 9, respectively, to the Agency Agreement (on the basis that all the appropriate details have been included on the face of such Definitive Certificates and (if applicable) Coupons and the Final Terms have been incorporated on such Definitive Certificates). Subject as aforesaid and to at least 60 calendar days' written notice expiring after the Exchange Date (as defined in the Temporary Global Certificate referred to above) being given to the Agent by Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), acting on the instructions of any Holder of an interest in the Global Certificate, this exchange will be made upon presentation of this Global Certificate by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above. The aggregate Notional Amount of Definitive Certificates issued upon an exchange of this Global Certificate will be equal to the aggregate Notional Amount of this Global Certificate submitted by the bearer hereof for exchange (to the extent that such amount does not exceed the aggregate Notional Amount of this Global Certificate most recently entered in the relevant column in Part II or III of Schedule 1 or in Schedule 2 hereto).

On an exchange of the whole of this Global Certificate, this Global Certificate shall be surrendered to the Agent.

Until the exchange of the whole of this Global Certificate as aforesaid, the bearer hereof in all respects shall be entitled to the same benefits as if he were the bearer of Definitive Certificates and (if applicable) Coupons in the form set out in Schedules 6 or 9, respectively, to the Agency Agreement (on the basis that all appropriate details have been included on the face of such Definitive Certificates and (if applicable) Coupons and the Final Terms have been incorporated on such Definitive Certificates).

Notwithstanding any provision to the contrary contained in this Permanent Global Certificate, the Holder of this Permanent Global Certificate shall be the only person entitled to receive payments in respect to the Certificates represented by this Permanent Global Certificate and the Issuer will be discharged by payment to, or to the order of, the Holder of this Permanent Global Certificate in respect of each amount so paid. Any failure to make the entries referred to in above shall not affect such discharge. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular amount of Certificates represented by this Permanent Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holder of this Permanent Global Certificate. No person other than the Holder of this Permanent Global Certificate shall have any claim against the Issuer in respect of any payments or deliveries due on this Permanent Global Certificate.

This Permanent Global Certificate shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Permanent Global Certificate shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Permanent Global Certificate to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Permanent Global Certificate is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

Schedule 1 to the
Permanent Global Certificate

PART I

INTEREST PAYMENTS

<u>Interest Payment Date</u>	<u>Date of Payment</u>	<u>Total Amount of Interest Payable¹</u>	<u>Amount of Interest Paid¹</u>	<u>Confirmation of payment by or on behalf of the Issuer</u>
² First				

¹ Including Physical Delivery Amount(s), if applicable.

² Continue numbering until the appropriate number of interest payment dates for the particular Tranche of Certificates is reached.

PART II

REDEMPTIONS

<u>Date of Redemption</u>	<u>Total number of Certificates represented by this Global Certificate to be redeemed¹</u>	<u>Remaining number of Certificates represented by this Global Certificate following such redemption²</u>	<u>Confirmation of redemption by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part II or III of Schedule 1 or in Schedule 2 in order to determine this amount.

PART III

PURCHASES AND CANCELLATIONS

<u>Date of purchase and cancellation</u>	<u>Number of Certificates represented by this Global Certificate purchased and canceled</u>	<u>Remaining number of Certificates represented by this Global Certificate following such purchase and cancellation¹</u>	<u>Confirmation of purchase and cancellation by or on behalf of the Issuer</u>
--	---	---	--

¹ See most recent entry in Part II or III of Schedule 1 or in Schedule 2 in order to determine this amount.

Schedule 2 to the
Permanent Global Certificate

SCHEDULE OF EXCHANGES

The following exchanges relating to this Global Certificate have been made:

Date of exchange	Increase in the number of Certificates represented by this Global Certificate due to exchanges of a Temporary Global Certificate for this Global Certificate ¹	Decrease in the number of Certificates represented by this Global Certificate due to exchanges of this Global Certificate for Definitive Certificates	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

¹ If this Global Certificate has a maturity of less than one year from the Issue Date, the amount must be at least GBP £100,000 (or its equivalent in any other currency or currencies).

FORM OF DEFINITIVE CERTIFICATE

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS CERTIFICATE NOR ANY INTEREST OR PARTICIPATION IN THIS CERTIFICATE MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT. THIS CERTIFICATE MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS CERTIFICATE IS A DEFINITIVE CERTIFICATE WITH INTEREST COUPONS. THE RIGHTS ATTACHING TO THIS DEFINITIVE CERTIFICATE ARE AS SPECIFIED IN THE AGENCY AGREEMENT (AS DEFINED HEREIN).

THIS CERTIFICATE IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNER OF THIS CERTIFICATE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

[Legend on definitive bearer Certificates:

[Unless between individuals not acting in the conduct of a profession or business, each transaction regarding this Certificate which involves the physical delivery thereof within, from or into the Netherlands must be effected (as

¹ [This language is applicable only to Certificates with maturities of 183 days or less from the date of original issue.]

required by the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) through the mediation of the Issuer, the Guarantor or a member of Euronext Amsterdam N.V. and, unless this Certificate qualifies as commercial paper or as a certificate of deposit and the transaction is between the professional parties, must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Certificate.]²

² Include on discounted bearer Certificates and other bearer Certificates on which interest does not become due and payable during their term but only at maturity (savings certificates, as defined in the Dutch Savings Certificates Act) and which are (a) not listed on Euronext Amsterdam and (b) physically issued in the Netherlands or physically issued outside the Netherlands but distributed in the Netherlands immediately thereafter.

B OF A ISSUANCE B.V.

[Notional Amount of Tranche]
CERTIFICATES DUE [year of Settlement
Date/Settlement Month]

Series No. []
Tranche No. []

CERTIFICATE

COMMON CODE:

ISIN:

This Certificate is one of a duly authorized issue of Certificates (the "Certificate") of B of A Issuance B.V., a private company with limited liability *besloten vennootschap met beperkte aansprakelijkheid* incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer") payable on the Redemption Date or, as the case may be, on the Interest Payment Date. References herein to the General Instrument Conditions shall be to the Terms and Conditions of the Instruments, including any applicable Product Annex, endorsed herein as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of the General Instrument Conditions and the information set out in the Final Terms, the Final Terms will prevail.

This Certificate is issued subject to, and with the benefit of, the General Instrument Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the General Instrument Conditions, promises to pay to the bearer hereof on the Settlement Date, on any Interest Payment Date or on the Delivery Date, as the case may be, or on such earlier date as any of the Certificates represented by this Definitive Certificate may become due and payable in accordance with the General Instrument Conditions, the amount payable or deliverable, as the case may be, on redemption of such Certificates then represented by this Definitive Certificate becoming so due and payable, and to pay interest (if any) or to deliver any Physical Delivery Amount (if any) on the Certificates from time to time represented by this Definitive Certificate calculated and payable as provided in the General Instrument Conditions together with other sums payable under the General Instrument Conditions.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement executed by the Guarantor on January 16, 2007.

This Certificate shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Certificate shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Certificate to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

CERTIFICATE OF AUTHENTICATION OF THE AGENT

This Certificate is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

(REVERSE OF CERTIFICATE)

The General Instrument Conditions and Product Annexes, attached to or endorsed upon this Certificate, are set forth in Schedule 12-2 of the Agency Agreement dated as of January 16, 2007 by and among B of A Issuance B.V., as Issuer, Bank of America Corporation, as Guarantor, The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A. and the other agents named therein.

FORM OF PERMANENT GLOBAL WARRANT

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS WARRANT NOR ANY INTEREST OR PARTICIPATION IN THIS WARRANT MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS WARRANT MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS WARRANT IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

B OF A ISSUANCE B.V.

WARRANTS

PERMANENT GLOBAL WARRANT

COMMON CODE:

ISIN:

This Global Warrant is a Permanent Global Warrant in bearer form in respect of a duly authorized Series of Warrants (the "Warrants") of B of A Issuance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer") described, and having the provisions specified, in the applicable Final Terms (the "Final Terms"), which provisions are incorporated herein. References herein to the General Instrument Conditions shall be to the Terms and Conditions of the Instruments as set out in Schedule 12-2 to the Agency Agreement (as defined below) as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of that Schedule and the information set out in the Final Terms, the Final Terms will prevail.

Words and expressions defined or set out in the General Instrument Conditions and/or the Final Terms shall bear the same meaning when used herein.

This Global Warrant is issued subject to, and with the benefit of, the General Instrument Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to the exercise of this Global Warrant pursuant to an Exercise Notice as set out in Schedule 18 to the Agency Agreement and in accordance with the General Instrument Conditions, promises to pay to the bearer hereof on the Settlement Date, the amount payable or deliverable, as the case may be, on the exercise of such Warrants then represented by this Global Warrant, and to pay such amount or to deliver any Physical Delivery Amount (if any) on the Warrants from time to time represented by this Global Warrant calculated and payable as provided in the General Instrument Conditions together with any other sums payable under the

General Instrument Conditions, upon presentation or following the delivery of an exercise notice as provided in the Agency Agreement.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement executed by the Guarantor on January 16, 2007.

The number of the Warrants represented by this Global Warrant shall be the number stated in the applicable Final Terms or, if lower, the number most recently envisaged by or on behalf of the Issuer, in the relevant column in Part I or II of Schedule 1 or in Schedule 2.

On any exercise or purchase and cancellation of, any of the Warrants represented by this Global Warrant, the Issuer shall procure that details of such exercise, payment or purchase and cancellation (as the case may be) shall be entered in the relevant column in Part I or II of Schedule 1 or in Schedule 2 hereto recording any such exercise, payment or purchase and cancellation (as the case may be) and shall be signed by or on behalf of the Issuer. Upon any such exercise or purchase and cancellation, the number of such Warrants represented by this Global Warrant shall be reduced by the number of the Warrants so exercised or purchased and cancelled.

This Global Warrant may be exchanged in whole, but not in part (free of charge), for security-printed Definitive Warrants, in the circumstances provided for in the General Instrument Conditions. Subject as aforesaid, this exchange will be made upon presentation of this Global Warrant by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above. The aggregate number of Definitive Warrants issued upon an exchange of this Global Warrant will be equal to the aggregate number of Warrants represented by this Global Warrant submitted by the bearer hereof for exchange (to the extent that such number does not exceed the aggregate number of Warrants represented by this Global Warrant most recently entered in the relevant column in Part I or II of Schedule 1 or in Schedule 2 hereto), provided that, subject as aforesaid, the first notice given to the Agent by Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") shall give rise to the issue of Definitive Warrants in exchange for the total number of the Warrants represented by this Global Warrant.

On an exchange of the whole of this Global Warrant, this Global Warrant shall be surrendered to the Agent.

Until the exchange of the whole of this Global Warrant as aforesaid, the bearer hereof in all respects shall be entitled to the same benefits as if he were the bearer of a Definitive Warrant.

Notwithstanding any provision to the contrary contained in this Permanent Global Warrant, the Holder of this Permanent Global Warrant shall be the only person entitled to receive payments in respect to the Warrants represented by this Permanent Global Warrant and the Issuer will be discharged by payment to, or to the order of, the Holder of this Permanent Global Warrant in respect of each amount so paid. Any failure to make the entries referred to in above shall not affect such discharge. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular number of Warrants represented by this Permanent Global Warrant must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holder of this Permanent Global Warrant. No person other than the Holder of this Permanent Global Warrant shall have any claim against the Issuer in respect of any payments or deliveries due on this Permanent Global Warrant.

This Permanent Global Warrant shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Permanent Global Warrant shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Permanent Global Warrant to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Permanent Global Warrant is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

Schedule 1 to the
Permanent Global Warrant

PART I

EXERCISES

<u>Date of Exercise</u>	<u>Total number of Warrants represented by this Global Warrant to be exercised¹</u>	<u>Remaining number of Warrants represented by this Global Warrant following such exercise²</u>	<u>Confirmation of exercise by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part I or II of Schedule 1 or in Schedule 2 in order to determine this amount.

PART II

PURCHASES AND CANCELLATIONS

<u>Date of purchase and cancellation</u>	<u>Number of Warrants represented by this Global Warrant purchased and canceled</u>	<u>Remaining number of Warrants represented by this Global Warrant following such purchase and cancellation¹</u>	<u>Confirmation of purchase and cancellation by or on behalf of the Issuer</u>
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¹ See most recent entry in Part I or II of Schedule 1 or in Schedule 2 in order to determine this amount.

Schedule 2 to the
Permanent Global Warrant

SCHEDULE OF EXCHANGES

The following exchanges of a part of this Global Warrant for Definitive Warrants have been made:

Date of exchange	Notation made by or on behalf of the Issuer
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

FORM OF DEFINITIVE WARRANT

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS WARRANT NOR ANY INTEREST OR PARTICIPATION IN THIS WARRANT MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT. THIS WARRANT MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THE RIGHTS ATTACHING TO THIS DEFINITIVE WARRANT ARE AS SPECIFIED IN THE AGENCY AGREEMENT (AS DEFINED HEREIN).

THIS WARRANT IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

B OF A ISSUANCE B.V.

WARRANTS
[Expiration Date]

Series No. []
Tranche No. []

WARRANTS

COMMON CODE:

ISIN:

This Warrant is one of a duly authorized issue of Warrants (the "Warrant") of B of A Issuance B.V., a private company with limited liability *besloten vennootschap met beperkte aansprakelijkheid* incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer"). References herein to the General Instrument Conditions shall be to the Terms and Conditions of the Instruments endorsed herein as modified and supplemented by the information set out in the Final Terms and which are incorporated herein by reference, but in the event of any conflict between the provisions of the General Instrument Conditions and the information set out in the Final Terms, the Final Terms will prevail.

This Warrant is issued subject to, and with the benefit of, the General Instrument Conditions and an Agency Agreement (the "Agency Agreement," which expression shall be construed as a reference to that agreement as the same may be amended or supplemented from time to time) dated as of January 16, 2007 and made among B of A Issuance B.V., as Issuer, Bank of America Corporation (the "Guarantor"), The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A., and the other agents named therein.

For value received, the Issuer, subject to the exercise of this Definitive Warrant pursuant to an Exercise Notice as set out in Schedule 18 to the Agency Agreement and in accordance with the General Instrument Conditions, promises to pay to the bearer hereof on the Settlement Date, the amount payable or deliverable, as the case may be, on exercise of such Warrants then represented by this Definitive Warrant, and to pay such amount or to deliver any Physical Delivery Amount (if any) on the Warrants from time to time represented by this Definitive

Warrant calculated and payable as provided in the General Instrument Conditions together with any other sums payable under the General Instrument Conditions.

Payment hereunder is guaranteed by the Guarantor, as set forth in the Senior Guarantee Agreement executed by the Guarantor on January 16, 2007.

The number of the Warrants represented by this Definitive Warrant shall be the number stated in the applicable Final Terms or, if lower, the number most recently envisaged by or on behalf of the Issuer, in the relevant column in Schedule 1 hereto.

On any exercise of any of the Warrants represented by this Definitive Warrant, the Issuer shall procure that details of such exercise shall be entered in the relevant column in Schedule 1 hereto recording any such exercise and shall be signed by or on behalf of the Issuer. Upon any such exercise the number of such Warrants represented by this Definitive Warrant shall be reduced by the number of the Warrants so exercised.

This Warrant shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, without regard to principles of conflicts of laws.

This Warrant shall not become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by or on behalf of the Agent acting in accordance with the Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Warrant to be duly signed on its behalf.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

CERTIFICATE OF AUTHENTICATION OF THE AGENT

This Warrant is authenticated by or on behalf of the Agent.

THE BANK OF NEW YORK
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

(REVERSE OF WARRANT)

The General Instrument Conditions, attached to or endorsed upon this Warrant, are set forth in Schedule 12-2 of the Agency Agreement dated as of January 16, 2007 by and among B of A Issuance B.V., as Issuer, Bank of America Corporation, as Guarantor, The Bank of New York (the "Agent"), The Bank of New York (Luxembourg) S.A. and the other agents named therein.

Schedule 1 to the
Definitive Warrant

EXERCISES

<u>Date of Exercise</u>	<u>Total number of Warrants represented by this Definitive Warrant to be exercised¹</u>	<u>Remaining number of Warrants represented by this Definitive Warrant following such exercise²</u>	<u>Confirmation of exercise by or on behalf of the Issuer</u>
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¹ Including Physical Delivery Amount(s), if applicable.

² See most recent entry in Part I or II of Schedule 1 or in Schedule 2 in order to determine this amount.

Schedule 9 to
Agency Agreement

FORM OF COUPON

THIS COUPON HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS COUPON NOR ANY INTEREST OR PARTICIPATION IN THIS COUPON MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS COUPON MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS COUPON MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS COUPON IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS COUPON SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

B OF A ISSUANCE B.V.

[Specified Currency and [Principal] [Notional] Amount of Tranche]
[NOTES/CERTIFICATES] DUE [Year of Maturity]

Series No. []

COMMON CODE:

ISIN:

Part A

[For Fixed Rate [Notes/Certificates]]:

This Coupon is payable to bearer, separately negotiable and subject to the General [Note/Instrument] Conditions of the said [Notes/Certificates].

Coupon No. _____

Coupon for

[]

due on

[], 20[]

Part B

[For Floating Rate [Notes/Certificates], Index Linked Interest [Notes/Certificates], Share Linked Interest [Notes/Certificates], Inflation Linked Interest [Notes/Certificates], Commodity Linked Interest [Notes/Certificates], FX Linked Interest [Notes/Certificates] and Hybrid Interest [Notes/Certificates]:-

Coupon for the amount due in accordance with the General [Note/Instrument] Conditions on the said [Notes/Certificates] on the Interest Payment Date falling in [20[]]

Coupon No. _____
Coupon due
in [], [20[]]

This Coupon is payable to bearer, separately negotiable and subject to such General [Note/Instrument] Conditions, under which it may become void before its due date.]

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

¹ [Appears only on Coupons relating to Notes and Certificates with maturities of 183 days or less from the date of original issue.]

(Reverse of Coupon)

AGENT

The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom

PAYING AGENT

The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Luxembourg

and/or such other or further Agent and other or further Paying Agents and/or specified offices as may from time to time be duly appointed by the Issuer and notice of which has been given to the Holders.

Schedule 10 to
Agency Agreement

FORM OF RECEIPT

THIS RECEIPT HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS RECEIPT NOR ANY INTEREST OR PARTICIPATION IN THIS RECEIPT MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS RECEIPT MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS RECEIPT MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS RECEIPT IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS RECEIPT SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [Appears only on Receipts relating to Notes with maturities of 183 days or less from the date of original issue.]

B OF A ISSUANCE B.V.

[Specified Currency and Principal Amount of Tranche]

NOTES DUE [Year of Maturity]

Series No. []

COMMON CODE:

ISIN:

Receipt for the sum of [] being the installment of principal payable in accordance with the Terms and Conditions of the Notes endorsed on the Note to which this Receipt appertains (the "General Note Conditions") on [].

This Receipt is issued subject to and in accordance with the General Note Conditions which shall be binding upon the Holder of this Receipt (whether or not it is for the time being attached to such Note) and is payable at the specified office of the Agent or any of the Paying Agents set out on the reverse of the [Note/Certificate] to which this Receipt appertains (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Holders).

This Receipt must be presented for payment together with the Note to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Note to which it appertains or any unmatured Receipts.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

Schedule 11 to
Agency Agreement

FORM OF TALON

THIS TALON HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS TALON NOR ANY INTEREST OR PARTICIPATION IN THIS TALON MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO ANY PERSON DEEMED A U.S. PERSON UNDER REGULATIONS UNDER THE SECURITIES ACT. THIS TALON MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON.

THIS TALON MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDENT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANIZED IN OR UNDER THE LAWS OF THE UNITED STATES OR ANY POLITICAL SUBDIVISION THEREOF, OR TO ANY ESTATE THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF ITS SOURCE OR ANY TRUST WITH RESPECT TO WHICH A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER ITS ADMINISTRATION, AND ONE OR MORE UNITED STATES PERSONS HAVE THE AUTHORITY TO CONTROL ALL OF ITS SUBSTANTIAL DECISIONS, EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES TREASURY REGULATIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS TALON IS NOT A SAVINGS ACCOUNT OR A DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS TALON SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

[BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).]¹

¹ [Appears only on Talons relating to Notes with maturities of 183 days or less from the date of original issue.]

(On the front)

[Specified Currency and Principal Amount of Tranche]
NOTES DUE [Year of Maturity]

Series No. []

COMMON CODE:

ISIN:

11-2

On and after [] further Coupons [and a further Talon] appertaining to the Note to which this Talon appertains will be issued at the specified office of the Agent or any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Holders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions of the Notes endorsed on the Notes to which this Talon appertains.

B OF A ISSUANCE B.V.

By: _____
Managing Director A

By: _____
Managing Director B

AGENT

The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom

PAYING AGENT

The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Luxembourg

and/or such other or further Agent and other or further Paying Agents and/or specified offices as may from time to time be duly appointed by the Issuer and notice of which has been given to the Holders.

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions (the “**General Note Conditions**”) of the Notes which will include the additional terms and conditions contained in Annex 1 in the case of Index Linked Notes (the “**Index Linked Conditions**”), the additional terms and conditions contained in Annex 2 in the case of Share Linked Notes (the “**Share Linked Conditions**”), the additional terms and conditions contained in Annex 3 in the case of Inflation Linked Notes (the “**Inflation Linked Conditions**”), the additional terms and conditions contained in Annex 4 in the case of Commodity Linked Notes (the “**Commodity Linked Conditions**”), and the additional terms and conditions contained in Annex 5 in the case of FX Linked Notes (the “**FX Linked Conditions**”), or any other Annex (each, an “**Annex**”, and together the “**Annexes**”) which may be added from time to time in the case of any Notes linked to any other Underlying Asset(s) (the General Note Conditions as supplemented or amended by the Index Linked Conditions, Share Linked Conditions, Inflation Linked Conditions, Commodity Linked Conditions, and/or FX Linked Conditions are together referred to as the “**Terms and Conditions**” or the “**Conditions**”). The Terms and Conditions are incorporated by reference into each Global Note and will be attached to or endorsed upon each Definitive Note, if any are issued. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions, which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of the Securities” above for a description of the content of Final Terms, which includes the definition of certain terms used in the following Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes contain additional terms and conditions which will complete the Notes and are deemed to be incorporated by reference into such Notes.*

This Note is one of a series of Notes issued by B of A Issuance B.V. (the “**Issuer**”), pursuant to the Agency Agreement dated as of January 16, 2007 (the “**Agency Agreement**”), by and among the Issuer, Bank of America Corporation (the “**Guarantor**”), The Bank of New York, as principal agent (the “**Agent**” and “**Principal Agent**”, which term shall include any successor agent, and the other paying agents named therein (together with the Principal Agent, the “**Paying Agents**” (which term shall include any additional or successor paying agents)). References herein to the “**Notes**” shall be references to Notes of this Series and shall mean (1) in relation to any Notes represented by a Global Note, units of the lowest denomination of such Notes (the “**Specified Denomination**”) payable in one or more currencies (each, a “**Specified Currency**”), (2) Definitive Notes, if any, issued in exchange for a Global Note, and (3) any Global Note. The Notes, the Receipts, and the Coupons have the benefit of the Agency Agreement. Each Note will be the obligation of the Issuer and, in the case of Senior Notes, will have the benefit of a senior guarantee granted by the Guarantor pursuant to a senior guarantee agreement dated as of January 16, 2007 (the “**Senior Guarantee Agreement**”) or, in the case of Subordinated Notes, will have the benefit of a subordinated guarantee granted by the Guarantor pursuant to a subordinated guarantee agreement dated as of January 16, 2007 (the “**Subordinated Guarantee Agreement**”, and, together with the Senior Guarantee Agreement, the “**Guarantee Agreements**”).

Unless otherwise agreed by the Issuer and the relevant dealers (each, a “**Dealer**” and together, the “**Dealers**”), and specified in the applicable Final Terms, each tranche of Notes (“**Tranche of Notes**”) initially will be represented by a temporary global note in bearer form (the “**Temporary Global Note**”) without interest coupons, substantially in the form of Schedule 1 to the Agency Agreement. The Temporary Global Note will be exchangeable, as provided in the Agency Agreement, for beneficial interests in a permanent global note in bearer form (the “**Permanent Global Note**”), substantially in the form of Schedule 2 to the Agency Agreement. The Temporary Global Note and the Permanent Global Note are together referred to as the “**Global Notes**” and each of them is a “**Global Note**”. Interests in a Global Note may be exchanged for definitive notes (“**Definitive Notes**”) with interest coupons attached (the “**Coupons**”) substantially in the form of Schedule 3 to the Agency Agreement, and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) substantially in the form of Schedule 3 to the Agency Agreement attached on issue as described below. Any reference herein to Coupons or coupons, unless the context otherwise requires, shall be deemed to include a reference to Talons or talons. Definitive Notes repayable in installments have receipts (“**Receipts**”) for the payment of the installments of principal (other than the final installment) attached on issue. Any reference herein to “**Holders**” shall mean the holders of the Notes,

and, in relation to any Notes represented by a Global Note, shall be construed as provided below. Any reference herein to **“Receiptholders”** shall mean the holders of the Receipts and any reference herein to **“Couponholders”** shall mean the holders of the Coupons, and, unless the context otherwise requires, shall include the holders of the Talons.

Except as otherwise provided in the applicable Final Terms, interests in a Global Note will be exchangeable for Definitive Notes in bearer form (1) as to Permanent Global Notes in bearer form, on not less than 60 calendar days' written notice from Euroclear Bank S.A./N.V. (**“Euroclear”**) and/or Clearstream Banking, société anonyme (**“Clearstream, Luxembourg”**) (acting on the instructions of any holder of an interest in the Global Note), (2) if an Event of Default occurs and is continuing, (3) if the Issuer is notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory, or otherwise) after the original issuance of the Notes or has announced an intention permanently to cease business or has in fact done so and no alternative clearance system approved by the Holders is available, or (4) if the Issuer, after notice to the Agent, determines to issue the Notes in definitive form. Each such exchange shall occur in whole, but not in part, for Definitive Notes in the applicable Specified Denomination, representing the full principal amount of the applicable Global Note. Any exchange of all or part of an interest in a Global Note for Definitive Notes shall be made outside the United States and its possessions.

Any exchange pursuant to the preceding paragraph shall be free of charge to the Holders. However, for so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, in the case of a request for an exchange of an interest in a Permanent Global Note for Definitive Notes pursuant to clause (1) in the preceding paragraph, prior to effecting any such exchange, the Issuer shall have the right to collect from the requesting Holder(s) a reasonable payment towards the reimbursement of the out-of-pocket expenses incurred by the Issuer in connection therewith. No clearing system shall have any responsibility for the collection of such expenses. Instead, in order to effect an exchange, each Holder requesting such exchange shall send a copy of such request or instructions to the Issuer, together with the relevant contact details of the person or entity responsible for the payment of such expenses.

Subject to applicable laws and regulations, the Issuer may agree to issue Notes in registered form (**“Registered Notes”**). With respect to any Tranche of Registered Notes, the Issuer will appoint, under a transfer, paying agency, and registry agreement, a transfer agent, paying agent, and registrar, all as more fully described in the applicable Final Terms.

The Final Terms for the Notes are attached hereto or endorsed hereon and supplement these Terms and Conditions and may specify other terms and conditions which, to the extent so specified or to the extent inconsistent with these Terms and Conditions, shall replace or modify these Terms and Conditions for purposes of the Notes. References herein to the **“applicable Final Terms”** are to the relevant Final Terms attached hereto or endorsed hereon.

As used herein, **“Series”** means a Tranche of Notes, together with any further Tranche or Tranches of Notes, which are (1) expressly to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for the date on which such Notes will be issued (the **“Issue Date”**), for interest-bearing Notes, the date from which such Notes bear interest (if different from the Issue Date) (the **“Interest Commencement Date”**), and the price (expressed as a percentage of the principal amount of the Notes) at which such Notes will be issued (the **“Issue Price”**). The expressions **“Notes of the relevant Series”** and **“holders of Notes of the relevant Series”** and related expressions shall be construed accordingly. As used herein, **“Tranche”** means Notes (whether in global or definitive form or both) which are identical in all respects (including as to listing).

Copies of the Program Agreement, dated as of January 16, 2007 among the Issuer, the Guarantor, and the Dealers named or to be appointed thereunder (the **“Program Agreement”**), the Agency Agreement, the Guarantee Agreements, the Delivery Agency Agreement, and the Final Terms applicable to the Notes are available for inspection, and copies may be obtained, without charge, at the specified offices of each of the Paying Agents, except that the applicable Final Terms relating to an unlisted Note only will be available for inspection by a Holder upon proof satisfactory to the relevant Paying Agent as to ownership of the Note. The Holders, the Receiptholders, and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the relevant Guarantee Agreement, and the applicable Final Terms, which are binding on them.

The applicable Final Terms will specify whether settlement shall be by way of cash payment (“**Cash Settlement**”) or by physical delivery (“**Physical Settlement**”). Notes to which Cash Settlement applies are “**Cash Settled Notes**” and Notes to which Physical Settlement applies are “**Physical Delivery Notes**”. Any reference in these Conditions to Physical Delivery Notes shall mean Notes in respect of which a number of underlying shares, bonds, securities, commodities, or such other assets as may be specified in the applicable Final Terms (the “**Relevant Asset(s)**”) plus/minus any amount due to/from the Holder in respect of each Note (the “**Physical Delivery Amount**”) is deliverable and/or payable by reference to one or more Relevant Assets as the Issuer, the Guarantor, and the relevant Dealer(s) may agree and as set out in the applicable Final Terms. In respect of Physical Delivery Notes, the Issuer and the Guarantor have entered into a delivery agency agreement dated as of January 16, 2007 (the “**Delivery Agency Agreement**”) with Banc of America Securities Limited as delivery agent (the “**Delivery Agent**”, which term shall include any additional or successor delivery agent as specified in the applicable Final Terms). The calculation agent in respect of the Notes (the “**Calculation Agent**”) will be specified in the applicable Final Terms.

If Averaging is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement, or Modified Postponement (each as defined in the relevant Annex) applies.

References in these Conditions, unless the context otherwise requires, to Cash Settled Notes shall be deemed to include references to Physical Delivery Notes which include the Issuer’s option (as set out in the applicable Final Terms) to elect cash settlement upon redemption of such Notes pursuant to General Note Condition 5(f)(B) and where settlement upon redemption is to be by way of cash payment. References in these Conditions, unless the context otherwise requires, to Physical Delivery Notes shall be deemed to include references to Cash Settled Notes which include the Issuer’s option (as set out in the applicable Final Terms) to elect physical delivery of the Relevant Asset(s) in settlement upon redemption of such Notes pursuant to General Note Condition 5(f)(B) and where settlement upon redemption is to be by way of physical delivery.

Notes may, if specified in the applicable Final Terms, allow Holders upon redemption of such Notes to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Notes where the Holder has elected for cash payment will be Cash Settled Notes and those Notes where the Holder has elected for physical delivery will be Physical Delivery Notes. The rights of a Holder as described in this paragraph may be subject to the Issuer’s right to vary settlement upon redemption of Notes as indicated in the applicable Final Terms and will be subject to the Issuer’s right to substitute assets or pay the Alternative Cash Redemption Amount in lieu of physical delivery in accordance with these Conditions.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form, Denomination and Title

Unless otherwise agreed by the Issuer and the relevant Dealers and specified in the applicable Final Terms, the Notes are in bearer form. Definitive Notes, if any, are serially numbered, in the Specified Currency and the Specified Denominations as indicated in the applicable Final Terms.

This Note is a Note bearing interest on a fixed rate basis (a “**Fixed Rate Note**”), a Note bearing interest on a floating rate basis (a “**Floating Rate Note**”), a Note issued at a discount on a non-interest bearing basis and to which the Zero Coupon Note provisions are expressed to be applicable (a “**Zero Coupon Note**”), a Note issued on the basis of interest linked to an underlying reference asset or basket of assets (each an “**Underlying Asset**”) such as an index or a basket of indices (an “**Index Linked Interest Note**”), a share or a basket of shares (a “**Share Linked Interest Note**”), a consumer price index or a basket of consumer price indices (an “**Inflation Linked Interest Note**”), a commodity or basket of commodities (a “**Commodity Linked Interest Note**”), a foreign exchange rate or basket of foreign exchange rates (an “**FX Linked Interest Note**”), a Note upon which payment of principal or interest may be in more than one currency (a “**Dual Currency Note**”), or a combination of any of the

foregoing (a “**Hybrid Interest Note**”), depending upon the Interest/Payment Basis specified in the applicable Final Terms. It is also a Note issued on a partly paid basis (a “**Partly Paid Note**”), a Note upon which payments are based on an amortization table (the “**Amortization Table**”) (an “**Amortizing Note**”), a Note which is redeemable in installments (an “**Installment Note**”), and a Note upon which payment of principal or any other amounts payable is determined by reference, either directly or indirectly, to the price or performance of one index or a basket of indices (an “**Index Linked Redemption Note**”, together with Index Linked Interest Notes, “**Index Linked Notes**”), a share or a basket of shares (a “**Share Linked Redemption Note**”, together with Share Linked Interest Notes, “**Share Linked Notes**”), a consumer price index or a basket of consumer price indices (an “**Inflation Linked Redemption Note**”, together with Inflation Linked Interest Notes, “**Inflation Linked Notes**”), a commodity or basket of commodities (a “**Commodity Linked Redemption Note**”, together with Commodity Linked Interest Notes, “**Commodity Linked Notes**”), a foreign exchange rate or basket of foreign exchange rates (an “**FX Linked Redemption Note**”, together with FX Linked Interest Notes, “**FX Linked Notes**”), or to such other Underlying Asset(s), to a combination of any of the foregoing (a “**Hybrid Redemption Note**”, together with Hybrid Interest Notes, “**Hybrid Notes**”) in each case as specified in the applicable Final Terms. The appropriate provisions of these Terms and Conditions will apply accordingly.

This Note is either a Senior Note or a Subordinated Note, as specified in the applicable Final Terms.

Definitive Notes will be issued with Coupons attached, unless they are Zero Coupon Notes or other Notes which do not bear interest, in which case references to interest (other than interest due after the Maturity Date), Coupons, and Couponholders in these Terms and Conditions are not applicable.

Subject as set forth below, title to the Notes, Receipts, and Coupons will pass by delivery. The Issuer, the Guarantor, and any Paying Agent may (except as otherwise required by law) deem and treat the bearer of any Note, Receipt, or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next paragraph.

So long as any of the Notes are represented by a Global Note held on behalf of Euroclear and Clearstream, Luxembourg, each person who is shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing on the account of any person shall be conclusive and binding for all purposes, except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Principal Agent, and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes, except with respect to the payment of principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, the Notes, the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, the Principal Agent, and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note (the expressions “**Holder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Except for transfers to subsidiaries of the Guarantor that comply with applicable Treasury Regulations, the Notes may not be legally or beneficially owned by any U.S. person (as defined in Regulation S under the Securities Act) at any time nor offered, sold, pledged, assigned, delivered or otherwise transferred at any time, directly or indirectly, in the United States of America or its possessions or to any U.S. person. The Issuer has the right, at its option, under the Agency Agreement and these General Note Conditions, to compel any beneficial owner of the Notes to void the transfer of the Notes to such beneficial owner or to redeem any Notes held by such beneficial owner. In the event of such a redemption, the redemption price will be determined as set out in General Note Condition 6(e)(i), (ii), or (iii), as applicable.

The Issuer may void the transfer of the Notes to such beneficial owner by compelling a sale by such beneficial owner, by the Issuer selling such Notes on behalf of such beneficial owner to another purchaser acceptable to the Issuer or by any other means permitted under applicable law. The holding of the Notes or Coupons by any U.S. person shall not affect the right of a subsequent Holder of such Notes or Coupons (provided such Holder is not a U.S. person) to be treated as absolute owner thereof in accordance with these General Note Conditions.

The Issuer will issue Notes in such denominations as may be agreed upon between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms. However, the minimum denomination permitted for each Note will be such denomination as may be allowed or required by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency.

2. Status of the Senior Notes and the Subordinated Notes

The Notes may be issued in one or more Series as unsecured debt securities, which may be either senior notes (“**Senior Notes**”) or subordinated notes (“**Subordinated Notes**”). The Notes are not deposits and are not insured by the Federal Deposit Insurance Corporation (the “**FDIC**”).

Under the Program, there is no limitation on the Issuer’s ability to issue additional Senior Indebtedness or Subordinated Notes.

(a) Status of Senior Notes

The Senior Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with all other unsubordinated and unsecured indebtedness of the Issuer. The Subordinated Notes are unsecured and subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer.

“**Senior Indebtedness**” in respect of each Obligor, is defined as any indebtedness for money borrowed (including all indebtedness of the relevant Obligor for borrowed and purchased money of such Obligor, all obligations arising from off-balance sheet guarantees by the relevant Obligor and direct credit substitutes and obligations of the relevant Obligor associated with derivative products such as interest and foreign exchange rate contracts and commodity contracts) that is outstanding on the date of execution of the Agency Agreement, or is thereafter created, incurred, or assumed, for which such Obligor is at the time of determination responsible or liable as obligor, guarantor, or otherwise for payment, and all deferrals, renewals, extensions, and refundings of any such indebtedness or obligations, other than the Subordinated Notes and the obligations of the Guarantor in respect of the Subordinated Notes, or any other indebtedness as to which the instrument creating or evidencing the same or pursuant to which the same is outstanding, provides that such indebtedness is subordinate in right of payment to any other indebtedness of such Obligor.

For the purposes of the definition of “Senior Indebtedness”, “**Obligor**” means the Issuer or the Guarantor, as the case may be.

(b) Status of Subordinated Notes

The indebtedness evidenced by the Subordinated Notes and any Coupons and Receipts appertaining thereto, subject to the extent set forth herein, shall be subordinated in right of payment to the prior payment in full of all the Issuer’s Senior Indebtedness. Senior Indebtedness shall continue to be Senior Indebtedness and shall be entitled to the benefits of such subordination irrespective of any amendment, modification, or waiver of any term of the Senior Indebtedness. There is no right of acceleration in the case of a default in the payment of interest on the Subordinated Notes or in the performance of any other obligation of the Issuer under the Subordinated Notes.

The Issuer shall not make any payment on account of principal of, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, its Subordinated Notes or purchase any of its Subordinated Notes, either directly or indirectly, if (1) any default or Event of Default with respect to any of its Senior Indebtedness shall have occurred and be continuing and (2) it shall have received written notice thereof from the holders of at least 10.00 per cent. in principal amount of any kind or category of any of its Senior Indebtedness (or the representative or representatives of such holders).

Until all of the Issuer’s Senior Indebtedness is paid in full, the holders of the Subordinated Notes will be subrogated (equally and ratably with the holders of all of the Issuer’s indebtedness which, by its express terms, ranks equally with its Subordinated Notes, and is entitled to like rights of subrogation) to the rights of the holders of the Issuer’s Senior Indebtedness to receive payments or distributions of its assets.

If the Issuer repays any of its Subordinated Notes before the required date or in connection with a distribution of its assets to creditors pursuant to a dissolution, winding up, liquidation, or reorganization, any principal, premium, if any, interest, or any other amounts payable or deliveries due will be paid or delivered to the holders of the Issuer's Senior Indebtedness before any holders of its Subordinated Notes are paid. In addition, if such amounts were previously paid to the Holders of the Subordinated Notes, the holders of its Senior Indebtedness shall have first rights to such amounts previously paid.

No modification or amendment of the subordination provisions of Subordinated Notes and any related coupons in a manner adverse to the holders of Senior Indebtedness may be made without the consent of the holders of all of the Issuer's outstanding Senior Indebtedness.

3. Senior Guarantee and Subordinated Guarantee

- (a) The payment of the principal and interest and all other moneys payable and all deliveries due by the Issuer under these Conditions is irrevocably and unconditionally guaranteed by the Guarantor pursuant to the relevant Guarantee Agreement.
- (b)(i) In respect of the Senior Notes, the obligations of the Guarantor under the Senior Guarantee Agreement will be unsubordinated and unsecured obligations of the Guarantor and, except as may be provided by applicable legislation or judicial order, will rank equally with all other unsecured and unsubordinated obligations of the Guarantor.
- (ii) In respect of the Subordinated Notes, until all of the Guarantor's Senior Indebtedness is paid in full, the Holders of the Subordinated Notes will be subrogated (equally and ratably with the holders of all of the Guarantor's indebtedness which, by its express terms, ranks equally with its obligations in respect of the Subordinated Notes under the Subordinated Guarantee Agreement, and is entitled to like rights of subrogation) to the rights of the holders of the Guarantor's Senior Indebtedness to receive payments or distributions of its assets.

The Guarantor has the right in its sole and unfettered discretion pursuant to the relevant Guarantee Agreement to discharge any obligation to deliver the Physical Settlement Amount by payment of the Disruption Cash Settlement Amount instead of delivery of the Physical Settlement Amount.

4. Interest

(a) Interest on Fixed Rate Notes

Unless otherwise specified in the applicable Final Terms, each Fixed Rate Note bears interest on its outstanding nominal amount (or if it is a Partly Paid Note, on the amount paid-up) at the rate or rates per annum specified in the applicable Final Terms from (and including) the Interest Commencement Date to (but excluding) the Maturity Date. Interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms (each, a **"Fixed Interest Payment Date"**) and on the Maturity Date if it does not fall on a Fixed Interest Payment Date. The first interest payment will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

If any Fixed Interest Payment Date is not a Payment Business Day (as defined in General Note Condition 6(c)), then payment on a Fixed Rate Note shall be paid as provided in General Note Condition 6(c).

If a **"Fixed Coupon Amount"** is specified in the applicable Final Terms, the amount of interest payable on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will be the Fixed Coupon Amount irrespective of any calculation based on the Rates of Interest (as defined in General Note Condition 4(f)) and any applicable Fixed Day Count Fraction (if any) and if the amount of interest payable on any Fixed Interest Payment Date is specified as an amount other than the Fixed Coupon Amount, such amount will be a **"Broken Amount"** specified in the applicable Final Terms.

As used in these Conditions, **"Fixed Interest Period"** means the period from, and including, the most recent

Fixed Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the next (or first) Fixed Interest Payment Date.

Unless otherwise specified in the applicable Final Terms, if interest is required to be calculated for a period other than a Fixed Interest Period, that interest shall be calculated by applying the Rate of Interest specified in the applicable Final Terms to each Specified Denomination, multiplying that sum by the applicable Fixed Day Count Fraction and rounding the resulting figure in accordance with General Note Condition 5(g).

“Fixed Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this General Note Condition 4(a):

- (i) if **“Actual/Actual (ICMA)”** is specified in the applicable Final Terms:
- (A) for Notes where the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (**“Determination Dates”**), as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; or
- (B) for Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates, as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (ii) if **“30/360”** is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

“Accrual Period” means the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date.

“Determination Period” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“Sub-unit” means, for euro, one cent, and, for any currency other than euro, the lowest amount of that currency that is available as legal tender in the country of that currency.

(b) Interest on Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, FX Linked Interest Notes, Hybrid Interest Notes, and Notes with Interest Linked to Other Underlying Asset(s)

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note,

Commodity Linked Interest Note, FX Linked Interest Note, Hybrid Interest Note, and any Note with interest linked to other Underlying Asset(s) bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, on the amount paid-up) from (and including) the Interest Commencement Date specified in the applicable Final Terms. Interest will be payable in arrear on either:

- (A) the Interest Payment Dates (each, an “**Interest Payment Date**”) in each year specified in the applicable Final Terms; or
- (B) if no Interest Payment Dates are specified in the applicable Final Terms, each date (each, an “**Interest Payment Date**”) which falls the number of months or other period specified in the applicable Final Terms after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

Interest will be payable in respect of each “**Interest Period**” (which expression shall mean, in these Terms and Conditions, the period from (and including), an Interest Payment Date (or the Interest Commencement Date), to (but excluding) the next, or first Interest Payment Date, as the case may be.

If any Interest Payment Date (or other date) falls on a day which is not a Business Day, it will be adjusted in accordance with the business day convention specified in the applicable Final Terms. If the business day convention specified is:

- (1) the “**Floating Rate Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day. If postponement would cause such date to fall in the next calendar month, then (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day, unless that date would fall in the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or
- (4) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

“**Business Day**” means a day which is both:

- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Charlotte, North Carolina and any additional business centers specified in the applicable Final Terms (each, an “**Additional Business Center**”); and
- (ii) either (1) for any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center (the “**Principal Financial Center**”) of the country of the relevant Specified Currency (if other than London) or (2) for any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (“**TARGET System**”) or any successor thereto is operating. Unless otherwise provided in the applicable Final Terms, the Principal Financial Center of any country for the purpose of these Terms and Conditions shall be as provided in the ISDA Definitions, except that the Principal Financial Center of Australia shall be Melbourne and Sydney, the Principal Financial Center of Canada shall be Toronto, and the Principal Financial Center of New Zealand shall be Wellington.

The term **“ISDA Definitions”** means the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) and as amended, updated, or replaced as at the Issue Date of the first Tranche of the Notes of the relevant Series.

(ii) *Rate of Interest on Floating Rate Notes*

The Rate of Interest payable on Floating Rate Notes will be set forth in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the margin (the **“Margin”**), if any. For purposes of this sub-paragraph (A), the **“ISDA Rate”** for an Interest Period means a rate determined by the Principal Agent or such other person specified in the applicable Final Terms that is equal to the Floating Rate under an interest rate swap transaction if the Principal Agent or such other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the relevant Interest Commencement Date is the Effective Date;
- (3) the Designated Maturity is a period specified in the applicable Final Terms;
- (4) the relevant Reset Date is either (i) the first day of that Interest Period, if the applicable Floating Rate Option is based on the London interbank offered rate (**“LIBOR”**) or the Euro-Zone interbank offered rate (**“Euribor”**) for a currency, or (ii) in any other case, as specified in the applicable Final Terms; and
- (5) all other terms are as specified in the applicable Final Terms.

For purposes of this sub-paragraph (A), **“Euro-Zone”** shall have the meaning set forth below and **“Floating Rate”**, **“Calculation Agent”**, **“Floating Rate Option”**, **“Effective Date”**, **“Designated Maturity”**, and **“Reset Date”** have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be, subject as provided below, either:

- (1) the offered quotation (if there is only one quotation on the relevant screen page (the **“Relevant Screen Page”**)), whatever its designation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations;

(expressed as a percentage rate per annum) for the rate (the **“Reference Rate”**) by reference to the Rate of Interest which appears or appear, as the case may be, on the Relevant Screen Page on which the Reference Rate is for the time being displayed on the Reuter Monitor Money Rates Service or the appropriate display on Moneyline Telerate, Inc. (or such service as is specified in the applicable Final Terms) at 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the dates on which the Rate of Interest is to be determined (each, an **“Interest Determination Date”**) plus or minus (as indicated in the applicable Final Terms) the Margin, if any, all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such

quotations) shall be disregarded by the Calculation Agent for purposes of determining the arithmetic mean of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than two such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent, at its sole discretion, shall request the principal London office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London interbank market in the case of LIBOR or leading banks in the Euro-Zone interbank market in the case of Euribor, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin, if any, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by any two or more of the Reference Banks, at which such banks were offered, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London interbank market in the case of LIBOR, or leading banks in the Euro-Zone interbank market in the case of Euribor, plus or minus (as appropriate) the Margin, if any. If fewer than two of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest shall be the offered quotation for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered quotations for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the London interbank market in the case of LIBOR or leading banks in the Euro-Zone interbank market in the case of Euribor, plus or minus (as appropriate) the Margin, if any, provided that if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

“Reference Banks” means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

“EC Treaty” means, the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

“Euro-Zone” means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the EC Treaty.

If the Reference Rate from time to time for Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or Euribor, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Rate of Interest and/or Interest Amount for Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, FX Linked Interest Notes, Hybrid Interest Notes, and Notes with Interest Linked to Other Underlying Asset(s)

The Rate of Interest in respect of Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, Commodity Linked Interest Notes, FX Linked Interest Notes, Hybrid Interest Notes, or Notes with interest linked to other Underlying Asset(s) for each Interest Period and/or the Interest Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in the manner set out in the applicable Final Terms.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Calculation Agent, at or as soon as practicable after each time at which the Rate of Interest is to be determined, will determine the Rate of Interest (subject to any specified Minimum Interest Rate or Maximum Interest Rate) and calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest for such Interest Period to the minimum Specified Denomination, multiplying such sum by the applicable Floating Day Count Fraction and rounding the resulting figure in accordance with General Note Condition 5(g). The Calculation Agent’s determination of the Rate of Interest and calculation of each Interest Amount shall be conclusive and binding on all parties in the absence of manifest error.

“**Floating Day Count Fraction**” shall have the meaning ascribed to “**Day Count Fraction**” in the ISDA Definitions or as agreed upon between the Issuer and Dealers in the applicable Final Terms; provided, however, if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the Floating Day Count Fraction shall be the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(v) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will notify the Issuer, the Guarantor, the Paying Agents, and any stock exchange on which the Floating Rate Notes, are listed of the Rate of Interest and each Interest Amount for each Interest Period, the relevant Interest Payment Date, and any other item or amount determined or calculated by it in accordance with the applicable Final Terms as soon as reasonably practicable after the relevant determination or calculation. The Calculation Agent also shall publish such notice in accordance with General Note Condition 14 as soon as possible after any determination, but in no event later than the fourth London Business Day thereafter. In connection with any Floating Rate Notes listed on the Luxembourg Stock Exchange, the Calculation Agent will notify the exchange of the Rate of Interest, the Interest Period, and each Interest Amount no later than the first day of the commencement of each new Interest Period. Both the Interest Amount and Interest Payment Dates subsequently may be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which the Floating Rate Notes are listed will be notified promptly of any amendment in accordance with General Note Condition 13. For purposes of this sub-paragraph (v), the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.

(vi) *Certificates to Be Final*

All certificates, communications, opinions, determinations, calculations, quotations, and decisions given, expressed, made, or obtained for the purposes of the provisions of this paragraph (b), by the Calculation Agent shall (in the absence of willful default, bad faith, or manifest error) be binding on the Issuer, the Guarantor, the other Paying Agents, and all Holders, Receiptholders, and Couponholders and (in the absence of the aforesaid) the Calculation Agent shall not be liable to the Issuer, the Guarantor, the Holders, the Receiptholders, or the Couponholders in connection with the exercise by it of its powers, duties, and discretions pursuant to such provisions.

(c) *Zero Coupon Notes*

If a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortized Face Amount (as defined in General Note Condition 7(e)) of such Note as determined in accordance with General Note Condition 6(e)(iii). From the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the accrual yield, if any, in respect of such

Notes (the “**Accrual Yield**”) (expressed as a percentage per annum) set forth in the applicable Final Terms.

(d) Partly Paid Notes

For Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes and Partly Paid Notes which do not bear interest), interest will accrue on the paid-up principal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) Accrual of Interest

Each Note (or in the case of the redemption of only part of a Note, only that part of such Note) will cease to bear interest, if any, from the date for its redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue, before or after judgment, until the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; or
- (ii) five calendar days after the date on which the Principal Agent has received the full amount of the monies payable and notice to that effect has been given in accordance with General Note Condition 14 or individually.

(f) Rate of Interest

As used in these Conditions, “**Rate of Interest**” means the rate, or each rate, of interest in respect of each interest bearing Note determined in accordance with the applicable provisions of this General Note Condition 4 or as specified in the applicable Final Terms.

(g) Limitations on Interest

The applicable Final Terms may specify a minimum rate at which the Notes bear interest (“**Minimum Interest Rate**”). If the Rate of Interest determined in accordance with the provisions of this General Note Condition 5 is less than the specified Minimum Interest Rate, the Rate of Interest shall be such Minimum Interest Rate. Subject to the provisions of the next paragraph, the applicable Final Terms may specify a Maximum Interest Rate. If the Rate of Interest determined in accordance with the provisions of this General Note Condition 4 is greater than the maximum rate at which the Notes bear interest (the “**Maximum Interest Rate**”), the Rate of Interest shall be such Maximum Interest Rate.

In addition to any Maximum Interest Rate which may be applicable to any Note pursuant to the above provision, the interest rate on such Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25.00 per cent. per annum on a simple interest basis, with certain exceptions. The limit may not apply to Notes in which \$2,500,000 or more has been invested.

(h) Record Date

For any Registered Notes, unless otherwise specified in the applicable Final Terms, the record date for any required payment of interest shall be the close of business (London time) on the fifteenth calendar day prior to the applicable Interest Payment Date.

5. Payments and Physical Delivery

For the purposes of this General Note Condition 5, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so requires, be deemed also to refer to delivery of any Physical Delivery Amount(s).

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency (other than euro) will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a check in such Specified Currency drawn on, a bank in the Principal Financial Center of the country of such Specified Currency; provided, however, that a check may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States or any of its possessions by any office or agency of the Issuer, the Guarantor, the Principal Agent, or any Paying Agent; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; provided, however, that a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in the United States or any of its possessions by any office or agency of the Issuer, the Guarantor, the Principal Agent, or any Paying Agent.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Presentation of Notes, Receipts, and Coupons

Except as provided below, payments of principal, if any, in respect of Definitive Notes will be made as provided in paragraph (a) above only against surrender of such Definitive Notes, and payments of interest in respect of Definitive Notes will be made only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States and its possessions. Payments under paragraph (a) above made by check, at the option of the bearer of such Note or Coupon, shall be mailed or delivered to an address outside the United States and its possessions furnished by such bearer. Subject to any applicable laws and regulations, any payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States and its possessions.

Payments of installments of principal, if any, in respect of Definitive Notes, other than the final installment (subject as provided below), will be made as provided for in paragraph (a) above against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant installment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts, if any, relating thereto (whether or not attached), shall become void and no payment shall be made in respect thereof. Payment of the final installment will be made as provided in paragraph (a) above against surrender of the relevant Definitive Notes.

Fixed Rate Notes in definitive form (other than Dual Currency Notes) should be presented for payment together with all related unmatured Coupons (which expression shall for this purpose include Coupons to be issued upon exchange of matured Talons). Failure to present the above will result in the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) being deducted from the sum due for payment. Each amount of principal so deducted will be paid as described above against surrender of the relative missing Coupon at any time before the expiration of five years after the Relevant Date (as defined in General Note Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under General Note Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Note other than a Floating Rate Note becoming due and payable prior to its Maturity Date, all relevant unmatured Talons, if any, will become void and no further Coupons will be issued in respect of that Note.

Upon the date on which any Floating Rate Note in definitive form becomes due and payable, any related unmatured Coupons (whether or not attached), shall become void and no payment or, as the case may be, exchange for further Coupons, shall be made in respect of those Notes.

If the due date for redemption of any Definitive Note is not a Fixed Interest Payment Date or an Interest Payment Date, interest, if any, accrued in respect of such Note, from (and including) the preceding Fixed Interest Payment

Date or Interest Payment Date or, as the case may be, the Interest Commencement Date, shall be payable only against surrender of the relevant Definitive Note.

Except as provided below, payments of principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, Notes represented by a Global Note, will be made as specified above for Definitive Notes and otherwise as specified in the relevant Global Note outside the United States and its possessions against presentation or surrender, as the case may be, of such Global Note (if the Global Note is issued in classic global note (“CGN” form), and payments on any Note will be made at the specified office of any Paying Agent outside the United States and its possessions. The Paying Agent will record on each Global Note each payment made against presentation or surrender of such Global Note, distinguishing between any payment of principal, premium, if any, interest, or any other amounts payable, and such record shall be *prima facie* evidence that the payment has been made.

The holder of a Global Note shall be the only person entitled to receive payments on, or deliveries in respect of, Notes represented by such Global Note and the Issuer will be discharged by payment or delivery to, or to the order of, the holder of such Global Note for each amount so paid or delivered. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note, must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment or delivery so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due, or deliveries in respect of, that Global Note.

Notwithstanding the foregoing, U.S. Dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States or its possessions if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States and its possessions with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of principal, interest, or any other amounts payable on the Notes in the manner provided above when due in U.S. Dollars at such specified offices;
- (ii) payment of the full amount of such principal, premium, if any, interest, or any other amounts payable, at all such specified offices outside the United States and its possessions is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

(c) **Payment Business Day**

If the due date for payment of any amount in respect of any Note, Receipt, or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment of the amount due until the next following Payment Business Day. The holder shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, “**Payment Business Day**” means any day (other than a Saturday or Sunday) which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in the relevant place of presentation (and in the case of payment in euro in the place where the euro account specified by the payee is located) or any additional financial center (“**Additional Financial Center**”) specified in the applicable Final Terms; and
- (ii) a Business Day (as defined in General Note Condition 4(b)(i)).

This General Note Condition 5(c) is applicable, if at all, to Floating Rate Notes only after the applicable business day convention, as specified in General Note Condition 4(b)(i) has been used to determine the relevant Interest

Payment Date.

(d) Interpretation of Principal

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any Additional Amounts (as defined in General Note Condition 6(b)) which may be payable with respect to principal under General Note Condition 6(b);
- (ii) the Final Redemption Amount of the Notes;
- (iii) any Physical Delivery Amount, Disruption Cash Redemption Amount, Failure to Deliver Redemption Amount, or Alternative Cash Redemption Amount in respect of the Notes;
- (iv) the redemption amount (the “**Early Redemption Amount**”) of the Notes payable on redemption for special taxation reasons or following an Event of Default and the method, if any, of calculating the same if required to be specified by, or if different from that set out in, General Note Condition 6(e);
- (v) the redemption amount payable on the occurrence of a Settlement Disruption Event or Failure to Deliver due to Illiquidity;
- (vi) each redemption amount (the “**Optional Redemption Amount**”), if any, of the Notes;
- (vii) for Installment Notes, the amount (expressed as a percentage of the principal amount of each Note) of such installment (each, an “**Installment Amount**”);
- (viii) for Amortizing Notes, the amount of unpaid principal;
- (ix) for Zero Coupon Notes, the Amortized Face Amount; and
- (x) any premium and any other amounts which may be payable by the Issuer under or for the Notes.

Any reference in these Terms and Conditions to interest on the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable in connection with interest under General Note Condition 6(b).

(e) Imposition of Exchange Controls

If the Issuer or the Guarantor, after consulting with the Agent, reasonably determines that a payment on the Notes, Receipts, or Coupons cannot be made in the Specified Currency due to restrictions imposed by the government of such currency or any agency or instrumentality thereof or any monetary authority in such country (other than as contemplated in the preceding paragraph (a)), such payment will be made outside the United States in U.S. dollars by a check drawn on or by credit or transfer to an account maintained by the holder with a bank located outside the United States. The Agent, on receipt of the Issuer’s written instruction and at the expense of the Issuer, shall give prompt notice to the holders of the Notes if such determination is made. The amount of U.S. Dollars to be paid in connection with any payment shall be the amount of U.S. Dollars that could be purchased by the Agent with the amount of the relevant currency payable on the date the payment is due, at the rate for sale in financial transactions of U.S. Dollars (for delivery in the Principal Financial Center of the Specified Currency two Business Days later) quoted by that bank at 10:00 a.m. local time in the Principal Financial Center of the relevant currency, on the second Business Day prior to the date the payment is due.

(f) Physical Delivery Notes

- (A) Physical Delivery
- (1) Asset Transfer Notices

In relation to Physical Delivery Notes, in order to obtain delivery of the Physical Delivery Amount(s) in respect of any Note, the relevant Holder must deliver to Euroclear or Clearstream, Luxembourg, or any Alternative Clearing System, as the case may be, not later than 10:00 a.m. (local time) on the date (the “**Physical Delivery Cut-off Date**”) falling three Business Days prior to the Maturity Date, Interest Payment Date, or other relevant date as specified in the applicable Final Terms, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in accordance with the provisions set out in this General Note Condition. In this General Note Condition, “**Relevant Clearing System**” means Euroclear or Clearstream, Luxembourg, or any other clearing system located outside the United States and its possessions, specified by the Issuer and the Dealer (each an “**Alternative Clearing System**”), as the case may be.

In the case of Notes held by a Relevant Clearing System, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the Relevant Clearing System, which is expected to be by authenticated SWIFT message or tested telex.

Copies of the Asset Transfer Notice for Definitive Notes that are not held by the Relevant Clearing System shall be in the form set out in the Agency Agreement, and may be obtained during normal business hours from the specified office of any Paying Agent. Upon completion, an Asset Transfer Notice for Definitive Notes held outside of a Relevant Clearing System shall be delivered to any Paying Agent.

The delivery of the Physical Delivery Amount(s) shall be made in the manner specified in the Final Terms or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery and shall notify to the Holders in accordance with General Note Condition 13.

All expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty reserve tax, withholding tax, and/or other taxes or duties (together “**Expenses**”), arising from the delivery and/or transfer of any Physical Delivery Amount(s) shall be for the account of the relevant Holder or Couponholder, as the case may be, and no delivery and/or transfer of any Physical Delivery Amount(s) shall be made until Expenses have been paid to the satisfaction of the Issuer by the relevant Holder or Couponholder, as the case may be.

The Asset Transfer Notice shall:

- (i) specify the name, address outside the United States and its possessions, and contact telephone number of the relevant Holder or Couponholder, as the case may be, the person from whom the Issuer may obtain details for the delivery of the Physical Delivery Amount if such delivery/transfer is to be made otherwise than in the manner specified in the Final Terms;
- (ii) specify the ISIN of the Notes and the number of Notes which are the subject of such notice;
- (iii) in the case of Notes held by a Relevant Clearing System, specify the number of the Holder’s securities account at the Relevant Clearing System to be debited with such Notes;
- (iv) in the case of Notes held by a Relevant Clearing System, irrevocably instruct the Relevant Clearing System to debit the relevant Holder’s securities account with the relevant Notes;
- (v) include, or be deemed to include, an undertaking to pay all Expenses and, in the case of Notes held by a Relevant Clearing System, an authority to the Relevant Clearing System to debit a specified account of the Holder with the Relevant Clearing System in respect thereof and to pay such Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Physical Delivery Amount which may include account details of an account outside the United States and its possessions and/or the name and address outside the United States and its possessions of any person(s) into whose name evidence of the Physical Delivery Amount is to be registered and/or any bank, broker, or agent outside the United States and its possessions to whom documents evidencing the Physical Delivery Amount are to be delivered and specify the name and number of the Holder’s account with the Relevant Clearing System to be

credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Physical Delivery Amount or any dividends relating to the Physical Delivery Amount or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternative Cash Redemption Amount;

- (vii) certify, or be deemed to certify, that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or its possessions or on behalf of a U.S. person and no cash or Physical Delivery Amounts have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (viii) authorize, or be deemed to authorize, the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

(2) Verification of the Holder

Upon receipt of an Asset Transfer Notice, the Relevant Clearing System (in the case of Notes held by a Relevant Clearing System) or the Principal Agent (in the case of Notes that are not held by a Relevant Clearing System) shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, in the case of Notes held by a Relevant Clearing System, the Relevant Clearing System will confirm to the Principal Agent the ISIN and number of Notes the subject of such notice, and the details for the delivery of the Physical Delivery Amount of each Note. Upon receipt of such confirmation, the Principal Agent will inform the Issuer and the Delivery Agent thereof. In the case of Notes held by a Relevant Clearing System, the Relevant Clearing System will on the Delivery Date debit the securities account of the relevant Holder with the relevant Notes.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the Relevant Clearing System in consultation with the Principal Agent (in the case of Notes held by a Relevant Clearing System) or the Principal Agent (in the case of Notes that are not held by a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, and shall be conclusive and binding on the Issuer, the Guarantor, the Principal Agent, the Delivery Agent, and the relevant Holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied or sent as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the Relevant Clearing System or the Principal Agent, as applicable, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the Relevant Clearing System or the Principal Agent, as applicable.

The Relevant Clearing System (or the Principal Agent in the case of Notes held outside a Relevant Clearing System) shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Agent (in the case of Notes held by a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or willful misconduct on its part, none of the Issuer, the Guarantor, the Agents, or the Relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Relevant Clearing System or the applicable Paying Agent, as applicable, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Notes which are the subject of such notice.

The Physical Delivery Amount will be delivered at the risk of the relevant Holder, in the manner provided below on the Interest Payment Date, the Maturity Date, or any other relevant date as specified in the applicable Final Terms, as the case may be (such date, subject to adjustment in accordance with this General Note Condition, the

“**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the Relevant Clearing System or any Paying Agent, as applicable, as provided above on or prior to the Physical Delivery Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein on or prior to the Physical Delivery Cut-Off Date, then the Physical Delivery Amount will be delivered as soon as practicable after the Interest Payment Date, Maturity Date, or other relevant date as specified in the applicable Final Terms, as the case may be, (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Interest Payment Date, Maturity Date, or such other relevant date as specified in the applicable Final Terms and no liability in respect thereof shall attach to the Issuer, the Guarantor, the Calculation Agent, or the Delivery Agent.

The Issuer shall, at the risk of the relevant Holder, deliver or procure the delivery of the Physical Delivery Amount for each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Issuer shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice, provided that in the case of Notes held by a Relevant Clearing System, all deliveries are expected to be made through such Relevant Clearing System. All Expenses arising from the delivery of the Physical Delivery Amount in respect of such Notes shall be for the account of the relevant Holder, and no delivery of the Physical Delivery Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(4) General

Notes held by the same Holder will be aggregated for the purpose of determining the aggregate Physical Delivery Amounts in respect of such Notes, provided that the aggregate Physical Delivery Amounts in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a share certificate in respect of any Share, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends (net of any Expenses) to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in General Note Condition 5(f)(A)(1).

For such period of time after delivery of the Physical Delivery Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of any of the Relevant Asset(s) comprising the Physical Delivery Amount (the “**Intervening Period**”), whether owned in connection with such entity’s hedge of its obligations, directly or indirectly, under the Notes or otherwise held in its normal course of business, none of the Issuer, the Guarantor, the Calculation Agent, the Delivery Agent, or any other person shall at any time be under any obligation or liability to any Noteholder or Couponholder in respect of such Reference Assets, including without limitation, (i) any obligation to deliver or procure delivery to any Noteholder or Couponholder any letter, certificate, notice, circular, or any other document or payment (including any interest, dividend or any other distribution) in respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights attaching to such Reference Assets(s), or (iii) any liability to a Noteholder or Couponholder in respect of any loss or damage which such Noteholder or Couponholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as the legal owner of such Reference Asset(s).

In the case of Definitive Notes held outside of a Relevant Clearing System where Physical Settlement is applicable, the relevant Reference Assets (if any) shall be delivered to the Holder by the Delivery Agent on behalf of the Issuer.

(5) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Physical Delivery Amount using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of the Physical Delivery Amount using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Physical Delivery Amount in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Physical Delivery Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Physical Delivery Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Note Condition 13. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 13. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Note Condition 13 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Physical Delivery Amount due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer, the Guarantor, the Calculation Agent, or the Delivery Agent.

For the purposes hereof:

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “**control**” of any entity or person means ownership of a majority of the voting power of the person.

“**Disruption Cash Redemption Amount**”, in respect of any relevant Note, shall be the fair market value of such Note on the Delivery Date (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Physical Delivery Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

“**Settlement Business Day**”, in respect of each Note, has the meaning specified in the applicable Final Terms relating to such Note; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer and/or its Affiliates as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(6) Failure to Deliver due to Illiquidity

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Physical Delivery Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (i) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant

Assets, will be delivered on the originally designated Maturity Date in accordance with this General Note Condition 5(f); and

- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Failure to Deliver Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Note Condition 13. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 13. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Note Condition 13 that the provisions of this General Note Condition 5(f)(A)(6) apply.

For the purposes hereof, **“Failure to Deliver Redemption Amount”** in respect of any relevant Note, shall be the fair market value of such Note on the Delivery Date (taking into account the value of the Relevant Assets comprising the Physical Delivery Amount which have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(B) Variation of Settlement

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may, in its sole and absolute discretion, in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Physical Delivery Amount to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Physical Delivery Amount or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with General Note Condition 14.

(C) Issuer’s Option to Substitute Assets or to Pay the Alternative Cash Redemption Amount

Following a valid redemption of Notes in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Notes, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises Shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other Shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the **“Substitute Asset”** or the **“Substitute Assets”**, as the case may be) or (ii) not to deliver or procure the delivery of the Physical Delivery Amount or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holder on the Settlement Date of an amount equal to the fair market value of the Physical Delivery Amount on the Delivery Date adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Notes) as determined by the Calculation Agent in good faith and in a commercially reasonable manner (the **“Alternative Cash Redemption Amount”**). Notification of any such election will be given to Holders in accordance with General Note Condition 13.

For purposes hereof, a **“freely tradable”** Share shall mean (i) with respect to the United States, a share which is registered under the Securities Act or not a **“restricted security”** as defined in Rule 144 of the Securities Act and which is not purchased from the issuer of such share and not purchased from an Affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction, as determined by the Calculation Agent in its sole and absolute discretion.

(D) **Rights of Holders and Calculations**

None of the Issuer, the Guarantor, the Calculation Agent, the Delivery Agent, or any of the other the Agents shall have any responsibility for any errors or omissions in the calculation of any Redemption Amount or of any Physical Delivery Amount.

The holding of Notes does not confer on any holder of such Notes any rights (whether in respect of voting, distributions, or otherwise) attaching to any Relevant Asset.

(g) **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up), except in the case of yen, which shall be rounded down to the nearest yen.

6. **Redemption and Purchase**

(a) **Final Redemption**

Unless previously redeemed or purchased and cancelled as specified below, the Issuer will redeem each Note at the applicable Final Redemption Amount (or, in the case only of Physical Delivery Notes, by delivery of the Physical Delivery Amount (as provided in General Note Condition 5(f) above)) specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date. For the purposes of these Conditions:

“**Redemption Amount**” shall mean the Final Redemption Amount, Disruption Cash Redemption Amount, Failure to Deliver Redemption Amount, Alternative Cash Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Minimum Redemption Amount, Higher Redemption Amount (each as defined below), or any other amount specified in the applicable Final Terms as being the amount for which the Notes are to be redeemed, as the context may require.

(b) **Special Tax Redemption**

If the Issuer or the Guarantor determines that any payment made outside the United States (other than in respect of a Registered Note) by the Issuer in respect of the Notes or any Coupon or by the Guarantor in respect of the relevant Guarantee Agreement, under any present or future laws or regulations of the United States, would be subject to any certification, documentation, information, or other reporting requirement of any kind the effect of which is the disclosure to the Issuer or the Guarantor, as the case may be, any Paying Agent, or any governmental authority of the nationality, residence, or identity of a beneficial owner of such Note or Coupon who is a United States Alien (other than a requirement (1) that would not be applicable to a payment by the Issuer or the Guarantor, as the case may be, or any one of the Paying Agents (x) directly to the beneficial owner, or (y) to a custodian, nominee, or other agent of the beneficial owner, (2) that can be satisfied by such custodian, nominee, or other agent certifying to the effect that the beneficial owner is a United States Alien, provided that, in any case referred to in clauses (1)(y) or (2), payment by the custodian, nominee, or agent to the beneficial owner is not otherwise subject to any such requirement, or (3) that would not be applicable to a payment by at least one Paying Agent of the Issuer or the Guarantor, as the case may be), the Issuer shall either:

- (i) redeem the Notes in whole, but not in part, at any time (in the case of Fixed Rate Notes) or on any Interest Payment Date (in the case of Notes other than Fixed Rate Notes), at a price equal to the Early Redemption Amount, together with, if appropriate, interest accrued to, but excluding, the date of redemption; or
- (ii) if the conditions of the next succeeding paragraph are satisfied, pay the Additional Amounts specified in

such paragraph.

The Issuer shall make its determination as soon as practicable and publish prompt notice thereof (the “**Determination Notice**”) stating the effective date of its certification, documentation, information, or other reporting requirement, whether the Issuer will redeem the Notes or pay the Additional Amounts specified in the next succeeding paragraph, and (if applicable) the last date by which the redemption of the Notes must take place, as provided in the next succeeding sentence. If the Notes are to be redeemed pursuant to this paragraph (b), that redemption shall take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer shall elect by notice to the Principal Agent at least 45 calendar days before the date of redemption. Notice of such redemption of the Notes will be given to the Holders not more than 60 nor less than 30 calendar days prior to the date of redemption by publication in accordance with General Note Condition 13. Notwithstanding the foregoing, the Issuer shall not redeem the Notes if the Issuer or the Guarantor, as the case may be, shall subsequently determine not less than 30 calendar days prior to the date of redemption, that subsequent payments on the Notes and Coupons would not be subject to any such certification, documentation, information, or other reporting requirement, in which case the Issuer or the Guarantor, as the case may be, shall give prompt notice of its subsequent determination by publication in accordance with General Note Condition 13 and any earlier redemption notice shall be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, documentation, information, or other reporting requirement referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer or the Guarantor, as the case may be, may elect to pay as additional interest such additional amounts (“**Additional Amounts**”) as may be necessary so that every net payment made outside the United States following the effective date of that requirement by the Issuer or the Guarantor, as the case may be, or any of its Paying Agents in respect of any Note or any Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence, or identity, other than status as a United States Alien, of such beneficial owner be disclosed to the Issuer or the Guarantor, as the case may be, any Paying Agent, or any governmental authority), after deduction or withholding for or on account of that backup withholding tax or similar charge (other than a backup withholding tax or similar charge that (1) would not be applicable in the circumstances referred to in the parenthetical clause of the first sentence of the preceding paragraph or (2) is imposed as a result of the presentation of the Note or Coupon for payment more than 15 calendar days after the date on which that payment became due and payable or on which payment thereof was duly provided for, whichever occurred later), will not be less than the amount provided for in the Note or Coupon to be then due and payable. If the Issuer or the Guarantor, as the case may be, elects to pay Additional Amounts pursuant to this paragraph, the Issuer shall have the right to redeem the Notes in whole, but not in part, at any time (in the case of Fixed Rate Notes) or on any Interest Payment Date (in the case of Notes other than Fixed Rate Notes), subject to the provisions of the last two sentences of the immediately preceding paragraph. If the Issuer or the Guarantor, as the case may be, elects to pay Additional Amounts pursuant to this paragraph and the condition specified in the first sentence of this paragraph should no longer be satisfied, then the Issuer shall redeem the Notes pursuant to the provisions of the immediately preceding paragraph.

For avoidance of doubt, the requirement under these Terms and Conditions that a Holder submit an Asset Transfer Notice disclosing certain information with respect to the Holder and the requirement that the Holder and each legal or beneficial owner, as a condition to purchasing a Note, make certain representations and agreements as to its status as a U.S. person and other matters, are not requirements as to which the provisions of this General Note Condition 6(b) apply. In addition, in the case of Definitive Notes which are not held through a Relevant Clearing System, if this General Note Condition 6(b) would otherwise apply to the Notes, the Issuer shall have the option to redeem the Definitive Notes in the manner set forth in the second preceding paragraph, but shall not be required to redeem the Definitive Notes or pay any Additional Amounts.

Except if the Issuer or Guarantor elects to pay any backup withholding tax or similar charge as set forth in the second preceding paragraph, neither the Issuer nor the Guarantor assumes any liability for any tax which it is required to withhold or for any payments to Holders in respect of any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein, and neither the Issuer nor the Guarantor will pay any gross up payments or other additional amounts in respect thereof.

Whenever any Additional Amounts are to be paid on Notes or Coupons, the Issuer will give notice to the

Principal Agent and the other Paying Agents, as provided in the Agency Agreement.

“**United States Alien**” means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

(c) **Redemption at the Option of the Issuer (Issuer Call Option)**

If the applicable Final Terms specify that the Issuer has an option to redeem the Notes, and the Issuer gives:

- (i) not less than 30 nor more than 60 calendar days’ notice in accordance with General Note Condition 14 to the Holders (or such other period as is specified in the applicable Final Terms); and
- (ii) not less than seven London Business Days (or such other period as is specified in the applicable Final Terms) before giving notice as referred to in (i), notice to the Principal Agent;

(both of which notices shall be irrevocable), then the Issuer may redeem all or only some of the Notes then outstanding on the dates upon which redemption may occur (each, an “**Optional Redemption Date**”) and at the Optional Redemption Amounts specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Dates. Any redemption must be of a principal amount equal to the minimum principal amount of the Notes permitted to be redeemed at any time (the “**Minimum Redemption Amount**”) or any greater principal amount of the Notes permitted to be redeemed at any time (each, a “**Higher Redemption Amount**”), both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 60 calendar days prior (or such other period as is specified in the applicable Final Terms) to the date fixed for redemption (the “**Selection Date**”). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of the Redeemed Notes will be published in accordance with General Note Condition 13 not less than 30 calendar days prior (or any other period as is specified in the applicable Final Terms) to the date fixed for redemption. The aggregate principal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate principal amount of all Redeemed Notes as the aggregate principal amount of Definitive Notes outstanding bears to the aggregate principal amount of the Notes outstanding, in each case on the Selection Date, provided that the first mentioned principal amount, if necessary, shall be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate principal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from, and including, the Selection Date to, and including, the date fixed for redemption pursuant to this paragraph (d) and the Issuer shall give notice to that effect to the Holders in accordance with General Note Condition 13 at least 10 calendar days prior (or any other period as is specified in the applicable Final Terms) to the Selection Date.

(d) **Redemption at the Option of the Holders (Investor Put Option)**

If the applicable Final Terms specify that the Holders have an option to redeem the Notes, upon the Holder giving the Issuer, in accordance with General Note Condition 13, not less than 30 nor more than 60 calendar days’ notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer, upon the expiration of such notice, will redeem (in accordance with the terms specified in the applicable Final Terms) in whole (but not in part), such Notes on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

In order to exercise its right to require redemption of any Notes in definitive form, the Holder must deliver such Notes at the specified office of any Paying Agent outside the United States during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of

exercise in the form obtainable from any specified office of any Paying Agent (a “**Put Notice**”), in which the holder must specify a bank account (or, if payment is by check, an address) to which payment is to be made under this General Note Condition 6(d).

(e) **Early Redemption**

For the purposes of paragraph (b) above or General Note Condition 9, each Note will be redeemed at an amount (the “**Early Redemption Amount**”) calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable prior to the Maturity Date:

- (i) in the case of a Note (other than a Zero Coupon Note, an Index Linked Redemption Note, a Share Linked Redemption Note, an Inflation Linked Redemption Note, a Commodity Linked Redemption Note, an FX Linked Redemption Note, a Hybrid Note, or a Note Linked to other Underlying Asset(s)) with a Final Redemption Amount equal to its nominal amount, at the Final Redemption Amount thereof;
 - (ii) in the case of a Note (other than those described in paragraph (i) above), the Early Redemption Amount payable shall be the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps or other securities of any type whatsoever hedging the Issuer’s obligations under the Notes), unless otherwise specified in the applicable Final Terms; or
 - (iii) in the case of a Zero Coupon Note, which is not an Index Linked Redemption Note, a Share Linked Redemption Note, a Commodity Linked Redemption Note, an Inflation Linked Redemption Note, an FX Linked Redemption Note, a Hybrid Note, or a Note Linked to other Underlying Asset(s), at an amount (the “**Amortized Face Amount**”) equal to:
 - (A) (1) the sum of the Reference Price specified in the applicable Final Terms; and (2) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
 - (B) if the amount payable with respect to any Zero Coupon Note upon redemption pursuant to Condition 6(b), (c), (d), or (e) above or upon its becoming due and repayable as provided in General Note Condition 10 is not paid or available for payment when due, the amount due and repayable with respect to such Zero Coupon Note shall be the Amortized Face Amount of such Zero Coupon Note calculated as provided above as though the references in subparagraph (A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the “**Reference Date**”) which is the earlier of:
 - (1) the date on which all amounts due with respect to the Note have been paid;
- or
- (2) the date on which the full amount of the monies repayable has been received by the Agent and notice to that effect has been given in accordance with General Note Condition 13.

The calculation of the Amortized Face Amount in accordance with this sub-paragraph (B) will continue to be made, before, as well as, after judgment, until the Reference Date, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a

360-day year consisting of 12 months of 30 calendar days each and, in the case of an incomplete month, the actual number of days elapsed in such incomplete month or such other calculation basis as may be specified in the applicable Final Terms.

(f) Installment Notes; Amortizing Notes

If the Notes are Installment Notes, they will be redeemed in the Installment Amounts and on the date on which each installment is repayable (each, an “**Installment Date**”) as specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above. If the Notes are Amortizing Notes, they will be redeemed in the amounts and on the dates set forth on the Amortization Table specified in the applicable Final Terms.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption, or otherwise, in accordance with the provisions of this General Note Condition 6 and the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(h) Index Linked Redemption Notes, Share Linked Redemption Notes, Inflation Linked Redemption Notes, Commodity Linked Redemption Notes, FX Linked Redemption Notes, Hybrid Redemption Notes, and Notes linked to other Underlying Asset(s)

If the Notes are Index Linked Redemption Notes, Share Linked Redemption Notes, Inflation Linked Redemption Notes, Commodity Linked Redemption Notes, FX Linked Redemption Notes, Hybrid Redemption Notes, or Notes linked to other Underlying Asset(s), they will be redeemed, whether at maturity, early redemption, or otherwise, in accordance with the provisions of this General Note Condition, and the applicable Final Terms.

(i) Repurchases

The Issuer and/or any of its Affiliates may at any time repurchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons attached thereto are repurchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold, or surrendered to any Paying Agent for cancellation, provided that any Notes reissued or resold comply with the selling restrictions set forth in Treasury Regulations Section 1.163-5 as if they were newly issued.

(j) Cancellation

All Notes which are redeemed will be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (i) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Agent and cannot be reissued or resold.

(k) Force Majeure

Notwithstanding any other provision of these Conditions, the Issuer shall have the right to redeem the Notes, subject to the following sentence, if the Issuer shall have determined that the performance of its obligations under the Notes or the Guarantor’s obligations under the Guarantee Agreements shall have become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Issuer will, however, pay to each Holder in respect of each Note held by it the Alternative Settlement Amount. Payment will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 13.

The “**Alternative Settlement Amount**” shall be the fair market value of such Note on the date of such determination by the Issuer, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or

its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

7. Redenomination

If the applicable Final Terms permits redenomination, Notes denominated in a currency that may be redenominated into euro, at the election of the Issuer, may be subject to redenomination in the manner set out below. In relation to such Notes, the Issuer, without the consent of the Holders, Receiptholders, or Couponholders, on giving at least 30 calendar days' prior notice to Holders, Receiptholders, Couponholders, the Principal Agent, Euroclear, and Clearstream, Luxembourg in accordance with General Note Condition 13, may designate a "**Redenomination Date**" for the Notes, being (in the case of interest-bearing Notes) a date for payment of interest under the Notes (or in the case of Zero Coupon Notes, any date), in each case specified by the Issuer in the notice given pursuant to this paragraph and falling on or after the date on which the relevant member state commences participation in the third stage of European Economic and Monetary Union pursuant to the EC Treaty and which falls before the date on which the currency ceases to be a sub-division of the euro. Notwithstanding the foregoing, the Notes will not be redenominated at the election of the Issuer pursuant to this General Note Condition 7 unless the Issuer receives an opinion of United States tax counsel recognized as an expert in such matters that the Notes would be in compliance with United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) after such redenomination.

Beginning on the Redenomination Date, notwithstanding the other provisions of these Note Conditions:

- (a) the Notes and the Receipts shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note and Receipt in the Specified Currency, converted into euro at the rate for conversion established by the Council of the European Union pursuant to the EC Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Agent (which agreement shall not be unreasonably withheld), that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, any stock exchange on which the Notes may be listed, and any Paying Agent of such deemed amendment;
- (b) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in such other denominations as Issuer and the Principal Agent determine and give notice of to the Holders in accordance with General Note Condition 13;
- (c) if Definitive Notes have been issued prior to the Redenomination Date, all unmatured Receipts and Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void from the date on which the Issuer gives the notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts, and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued also will become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes, Receipts, and Coupons will be issued in exchange for Notes, Receipts, and Coupons denominated in the Specified Currency in such manner as the Principal Agent may specify and shall be stated to Holders in the Exchange Notice;
- (d) after the Redenomination Date, all payments in respect of the Notes (other than payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;
- (e) the amount of interest in respect of Notes will be calculated by reference to the aggregate nominal amount of

Notes presented (or, as the case may be, in respect of which Receipts or Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01; and

- (f) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

In connection with such redenomination, the Issuer and the Guarantor, after consultation with the Principal Agent, may make such other changes to the Conditions applicable to the relevant Notes, including, without limitation, with respect to any Business Day, Fixed Day Count Fraction, Floating Day Count Fraction, or other conventions as it may decide, so as to conform them to the then market practice in respect of euro-denominated debt securities issued in the Euromarkets, which are held in international clearing systems. Any such changes will not take effect until the next following Interest Payment Date after the Holders have been given notice in accordance with General Note Condition 13.

The circumstances and consequences described in this General Note Condition 7 and any resulting amendment to the Terms and Conditions of the Notes will not entitle any Holder (a) to any legal remedy, including, without limitation, redemption, rescission, notice, repudiation, adjustment, or renegotiation of the Notes, or (b) to raise any defense or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

8. Prescription

The Notes, Receipts, and Coupons will become void unless presented for payment within a period of five years after the date on which such payment first becomes due (the “**Relevant Date**”). However, if the full amount of the money payable has not been duly received by the Principal Agent or other relevant Paying Agent on or prior to the Relevant Date, then the Relevant Date shall mean the date on which, after the full amount of such money has been so received, notice to that effect is duly given to the Holders in accordance with General Note Condition 13.

No Coupon sheet issued upon exchange of a Talon shall include a Coupon on which the claim for payment would be void pursuant to this General Note Condition 8 or General Note Condition 5(b) or any Talon which would be void pursuant to General Note Condition 5(b).

9. Events of Default

(a) Events of Default in Relation to Senior Notes

The occurrence of any of the following events with respect to any Series of Senior Notes shall constitute an “**Event of Default**” with respect to such Series:

- (i) failure by the Issuer or the Guarantor to pay the principal amount or Physical Delivery Amount (if any) of any of such Notes when due whether at maturity or upon early redemption or otherwise; or
- (ii) failure by the Issuer or the Guarantor to pay any installment of interest, other amounts payable or Additional Amounts on any of such Notes for a period of 30 calendar days after the due date; or
- (iii) failure by the Issuer (or, if applicable, the Guarantor) duly to perform or observe any other term, covenant, or agreement applicable to such Notes contained in any of such Notes, in the Agency Agreement, or the Guarantee for a period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer (or, if applicable, the Guarantor) to remedy the same, shall first have been given to the Issuer, the Guarantor, and the Principal Agent by the Holders of at least 33.00 per cent. in aggregate principal amount of such Notes at the time outstanding; provided, however, that in the event the Issuer or, as the case may be, the Guarantor, within the aforesaid period of 90 calendar days shall commence legal action in a court of competent jurisdiction seeking a determination that the Issuer or, as the case may be, the Guarantor, had not failed duly to perform or observe the term or terms, covenant or covenants, or agreement or agreements specified in the aforesaid notice, such failure shall not be an Event of Default unless the same continues for a period of 10 calendar days after the date of any final determination to the effect that the Issuer or, as the

case may be, the Guarantor, had failed to duly perform or observe one or more of such terms, covenants, or agreements; or

- (iv) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its property or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (v) the Guarantor shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry or an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, conservator, assignee, trustee, custodian, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing; or
- (vi) the Issuer shall apply for suspension of payment (“*surséance van betaling*”) or shall have been declared bankrupt (“*failliet verklaard*”), in both cases within the meaning of the Dutch Bankruptcy Act (“*Faillissementswet*”), or becomes subject to analogous proceedings under the Dutch Financial Supervision Act (“*Wet op het financieel toezicht*”); and, in each case, any such proceedings shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (vii) the Guarantee Agreement shall cease to be in full force and effect as to such Notes.

(b) **Events of Default in Relation to Subordinated Notes**

The occurrence of any of the following events with respect to any Series of Subordinated Notes shall constitute an “**Event of Default**” with respect to such Series:

- (i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its respective property or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of 60 consecutive calendar days; or
- (ii) the Guarantor shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganization, or other similar law now or hereafter in effect, or shall consent to the entry or an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Guarantor or for any substantial part of its respective property, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its respective debts as they become due or shall take any corporate action in furtherance of any of the foregoing; or
- (iii) the Issuer shall apply for suspension of payment (“*surséance van betaling*”) or shall have been declared bankrupt (“*failliet verklaard*”), in both cases within the meaning of the Dutch Bankruptcy Act (“*Faillissementswet*”), or becomes subject to analogous proceedings under the Dutch Financial Supervision Act (“*Wet op het financieel toezicht*”); and, in each case, any such proceedings shall remain unstayed and in effect for a period of 60 consecutive calendar days.

If an Event of Default shall occur and be continuing, then the holder of any affected Note, at such holder’s option, by written notice to the Issuer, the Guarantor, and the Principal Agent, may declare the principal of such Note, the interest accrued or any other amounts then payable thereon (and Additional Amounts, if any, thereon) to be due and payable immediately and if any such Event of Default shall continue at the time of receipt of such written

notice, such amounts shall become immediately due and payable, subject to the qualification in bold type immediately below. Upon payment of such amount of principal, interest, or any other amounts payable (and Additional Amounts, if any), all of the Issuer's obligations in respect of payment of principal of, interest, or any other amounts payable or (and Additional Amounts, if any) such Note shall terminate. Interest on overdue principal, interest, or any other amounts payable (and Additional Amounts, if any) shall accrue from the date on which such principal, interest, or any other amounts payable (and Additional Amounts, if any) were due and payable to the date such principal, interest, or any other amounts payable (and Additional Amounts, if any) are paid or duly provided for, at the rate borne by the Notes (to the extent payment of such interest shall be legally enforceable).

Payment of principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may not be accelerated in the case of a default in the payment of principal, interest, or any other amounts then payable or the performance of any other covenant of the Issuer or the Guarantor. Payment of the principal, the interest accrued, or any other amounts then payable thereon (and Additional Amounts, if any) of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer or the Guarantor.

If an Event of Default with respect to the Notes, or an event which, with the passing of time or the giving of notice, or both, would be an Event of Default, shall occur and be continuing, the Issuer or, as the case may be, the Guarantor shall notify the Principal Agent in writing of such Event of Default no later than the following Business Day after it becomes aware of such Event of Default, and the Principal Agent thereupon promptly shall notify all of the Holders of such Event of Default.

For purposes of paragraph (a)(iii) above, any indebtedness which is in a currency other than U.S. Dollars shall be translated into U.S. Dollars at the "spot" rate for the sale of U.S. Dollars against the purchase of the Specified Currency as quoted by the Principal Agent on the calendar day in London corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount (as defined in General Note Condition 6(e)) together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with General Note Condition 4.

10. Replacement of Notes, Receipts, Coupons, and Talons

Should any Note, Receipt, Coupon, or Talon be lost, stolen, mutilated, defaced, or destroyed, it may be replaced at the specified office of the Principal Agent in London (or such other place outside the United States as may be notified to Holders) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer or, if payment is made under the relevant Guarantee Agreement, the Guarantor, may reasonably require. Mutilated or defaced Notes, Receipts, Coupons, or Talons must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The Bank of New York, One Canada Square, London E14 5AL shall be the initial Principal Agent.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Paying Agent with a specified office in a city in Europe;
- (c) there will at all times be an Agent; and
- (d) the Issuer will maintain a Paying Agent in a member state of the European Union that will not be obliged to

withhold or deduct tax pursuant to Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with such Directive.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of General Note Condition 5(b). Any variation, termination, appointment, or change shall take effect only (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the Holders in accordance with General Note Condition 13.

12. Exchange of Talons

On and after the Fixed Interest Payment Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon, if any, forming part of such Coupon sheet, may be surrendered at the specified office of the Principal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of General Note Condition 8. Each Talon, for purposes of these General Note Conditions, shall be deemed to mature on the Fixed Interest Payment Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

13. Notices

So long as the Notes of the relevant Series are listed on the Luxembourg Stock Exchange and so long as the relevant rules applying to such listed Notes so require, all notices relating to the Notes shall be published in a daily newspaper with general circulation in Luxembourg (which is expected to be *d'Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Holders in accordance with this General Note Condition 13.

For so long as the Global Notes are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg and until such time as any Definitive Notes are issued, if any are issued, there may be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Holders and, in addition, so long as the Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, notices will be published in a daily newspaper of general circulation in a place or places required by those rules. Any such notice to Euroclear and Clearstream, Luxembourg shall be deemed to have been given to Holders on the day after the day on which that notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Holder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Principal Agent. While any of the Notes are represented by a Global Note, that notice may be given by any Holder to the Principal Agent through Euroclear or Clearstream, Luxembourg as the case may be, in such manner as the Principal Agent and Euroclear or Clearstream, Luxembourg as the case may be, may approve for this purpose.

14. Meetings of Holders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including approving by Extraordinary Resolution (as defined in the Agency Agreement) a modification of the Notes, the Receipts, the Coupons, or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor, or Holders holding not less than 33.00 per cent. in principal amount of the Notes of the relevant Series that at such time remain outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in principal amount of the Notes of the relevant Series that at such time remain outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes,

Receipts, or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or canceling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts, or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes of the relevant Series that at such time remain outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

Without the consent of the Holders, Receiptholders, or Couponholders, the Agent, the Issuer, and the Guarantor may agree to modifications of or amendments to the Agency Agreement, the Notes, the Guarantee Agreement, the Receipts, or the Coupons for any of the following purposes:

- (a) to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer or the Guarantor in the Agency Agreement, the Guarantor Agreements, the Notes, Receipts, or Coupons;
- (b) to add to the covenants of the Issuer for the benefit of the Holders, the Receiptholders, or the Couponholders, or to surrender any right or power herein conferred upon the Issuer or the Guarantor;
- (c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes, Receipts, or Coupons in The Netherlands and the United States or its possessions, provided that such payment is permitted by United States and Netherlands tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Holders, the Receiptholders, or the Couponholders;
- (d) to cure any ambiguity, to correct or supplement any defective provision herein or any provision which may be inconsistent with any other provision herein;
- (e) to make any other provisions with respect to matters or questions arising under the Notes, the Receipts, the Coupons, the Guarantee Agreements, or the Agency Agreement, provided such action pursuant to this subclause (e) shall not adversely affect the interests of the Holders, the Receiptholders, or the Couponholders;
- (f) to authorize or facilitate the issuance of Notes in registered form;
- (g) to facilitate the issuance of Notes in accordance with the laws of a particular country; and
- (h) to permit further issuances of Notes in accordance with the terms of the Program Agreement.

Any such modification or amendment shall be binding on the Holders, the Receiptholders, and the Couponholders and any such modification or amendment shall be notified to the Holders, the Receiptholders, or the Couponholders in accordance with General Note Condition 14 as soon as practicable thereafter.

15. Merger, Consolidation, Sale, Conveyance, and Assumption

Any entity into which the Agent or any Paying Agent may be merged or converted, or any entity with which the Agent or any of the Paying Agents may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Agent or any of the Paying Agents shall be a party, or any entity to which the Agent or any Paying Agent shall sell or otherwise transfer all or substantially all the assets of the Agent or any Paying Agent shall become, on the date when such merger, conversion, consolidation, or transfer becomes effective and to the extent permitted by any applicable laws, the successor Agent or, as the case may be, Paying Agent under the Agency Agreement without the execution or filing of any paper or any further act on the part of the parties to the Agency Agreement, unless otherwise required by the Issuer or the Guarantor, and after the effective date all references in the Agency Agreement to the Agent or, as the case may be, such Paying Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation, or transfer shall be given immediately to the Issuer by the relevant Agent or Paying Agent.

16. Additional Issuances

The Issuer from time to time without the consent of the relevant Holders, Receiptholders, or Couponholders may create and issue additional Notes having terms and conditions the same as (or the same in all respects except for the Issue Date, Interest Commencement Date, and the Issue Price) Notes of an existing Series. These additional Notes shall be consolidated and form a single Series with the outstanding Notes of the existing Series.

17. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Notes, the Guarantee Agreements, and any Coupons, Receipts, and Talons appertaining to the Notes shall be governed by and construed in accordance with the laws of the State of New York, United States, applicable to agreements made and to be performed wholly within such jurisdiction without regard to principles of conflicts of laws.

Each of the Issuer and the Guarantor submits to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan, solely for purposes of any legal action or proceeding brought to enforce its obligations hereunder, or under the Guarantee Agreements, or any Coupon, Receipt, or Talon. As long as any Note or Coupon remains outstanding, each of the Issuer and the Guarantor shall either maintain an office or have an authorized agent in New York City upon whom process may be served in any such legal action or proceeding. Service of process upon the Issuer or the Guarantor, as the case may be, at its office or upon such agents with written notice of such service mailed or delivered to the Issuer or the Guarantor, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer or the Guarantor, as the case may be, in any such legal action or proceeding. Each of the Issuer and the Guarantor appoints CT Corporation System at 111 Eighth Avenue, New York, New York 10011 as its agent upon whom process may be served in any suit, action or proceeding relating to or arising out of the Agency Agreement, the Notes, the Guarantee Agreements or any Coupon, Receipt, or Talon appertaining hereto, and with a copy to the Issuer at B of A Issuance B.V., Herengracht 469, 1017 BS Amsterdam, The Netherlands and the Guarantor at Bank of America Corporation, Bank of America Corporate Center, 100 North Tryon Street, NC1-007-07-06, Charlotte, North Carolina 28255, Attn: Corporate Treasury — Securities Administration, and with an additional copy to Bank of America Corporation, Legal Department, 101 South Tryon Street, NC1-002-29-01, Charlotte, North Carolina 28255-0065, Attn: General Counsel.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the terms and conditions (the “General Instrument Conditions”) of the Instruments, which will include the additional terms and conditions contained in Annex 1 in the case of Index Linked Instruments (the “Index Linked Conditions”), the additional terms and conditions contained in Annex 2 in the case of Share Linked Instruments (the “Share Linked Conditions”), the additional terms and conditions contained in Annex 3 in the case of Inflation Linked Instruments (the “Inflation Linked Conditions”), the additional terms and conditions contained in Annex 4 in the case of Commodity Linked Instruments (the “Commodity Linked Conditions”), and the additional terms and conditions contained in Annex 5 in the case of FX Linked Instruments (the “FX Linked Conditions”), or any other Annex (each, an “Annex”, and together the “Annexes”) which may be added from time to time in the case of any Instruments linked to any other Underlying Asset(s) (the General Instrument Conditions as supplemented or amended by the Index Linked Conditions, Share Linked Conditions, Inflation Linked Conditions, Commodity Linked Conditions, and/or FX Linked Conditions are together referred to as the “Terms and Conditions” or the “Conditions”). The Terms and Conditions are incorporated by reference into each Global Instrument and will be attached to or endorsed upon each Definitive Instrument, if any are issued. The applicable Final Terms in relation to any Tranche of Instruments may specify other terms and conditions, which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Instruments. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Instrument and Definitive Instrument. Reference should be made to “Form of the Securities” above for a description of the content of Final Terms, which includes the definition of certain terms used in the following Terms and Conditions. The applicable Final Terms in relation to any Tranche of Instruments contain additional terms and conditions which will complete the Instruments and are deemed to be incorporated by reference into such Instruments.

This Instrument is one of a series of warrants (the “Warrants”) or certificates (the “Certificates”, and, together with the Warrants, the “Instruments”) issued by B of A Issuance B.V. (the “Issuer”), pursuant to the Agency Agreement dated as of January 16, 2007 (the “Agency Agreement”), by and among the Issuer, Bank of America Corporation (the “Guarantor”), The Bank of New York, as principal agent (the “Agent” and “Principal Agent”, which term shall include any successor agent, and the other paying agents named therein (together with the Principal Agent, the “Paying Agents” (which term shall include any additional or successor paying agents)). References herein to the “Instruments” shall be references to Instruments of this Series and shall mean (1) Definitive Instruments, if any, issued in exchange for a Global Instrument and (2) any Global Instrument. The Instruments and any Coupons have the benefit of the Agency Agreement. Each Instrument will be the obligation of the Issuer and will have the benefit of a senior guarantee granted by the Guarantor pursuant to a senior guarantee agreement dated as of January 16, 2007 (the “Senior Guarantee Agreement”).

Unless otherwise agreed by the Issuer and the relevant dealers (each, a “Dealer” and together, the “Dealers”), and specified in the applicable Final Terms, each tranche of Warrants (“Tranche of Warrants”) will be represented by a permanent global warrant in bearer form (the “Permanent Global Warrant”), substantially in the form of Schedule 7 to the Agency Agreement. Interests in the Permanent Global Warrant may be exchanged, free of charge to Holders, for definitive warrants (“Definitive Warrants”) substantially in the form of Schedule 8 to the Agency Agreement. Unless otherwise agreed by the Issuer and the relevant Dealer(s), and specified in the applicable Final Terms, each tranche of Certificates (“Tranche of Certificates”) initially will be represented by a temporary global certificate in bearer form (the “Temporary Global Certificate”), without interest coupons, substantially in the form of Schedule 4 to the Agency Agreement. The Temporary Global Certificate will be exchangeable, as provided in the Agency Agreement, for beneficial interests in a permanent global certificate in bearer form (the “Permanent Global Certificate”) substantially in the form of Schedule 5 to the Agency Agreement. The Temporary Global Certificate and the Permanent Global Certificate are together referred to as the “Global Certificates” and each of them is a “Global Certificate”. Interests in a Global Certificate may be exchanged for definitive certificates (“Definitive Certificates”) substantially in the form of Schedule 6 to the Agency Agreement with, if applicable, interest coupons attached (the “Coupons”) substantially in the form of Schedule 9 to the Agency Agreement attached on issue as described below. Any reference herein to “Couponholders” shall mean the holders of the Coupons. A reference to a “Tranche of Instruments” is a reference to a tranche of Warrants or a tranche of

Certificates, as the case may be. The Global Certificates and the Permanent Global Warrants are together referred to as “**Global Instruments**”, and each a “**Global Instrument**”. Definitive Warrants and Definitive Certificates are together referred to as “**Definitive Instruments**”.

Any reference herein to “**Holders**” shall mean the holders of the Instruments, and, in relation to any Instruments represented by a Global Instrument, shall be construed as provided below.

Except as otherwise provided in the applicable Final Terms, interests in a Global Instrument will be exchangeable for Definitive Instruments in bearer form (1) as to Permanent Global Certificates in bearer form, on not less than 60 calendar days’ written notice from Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) (acting on the instructions of any holder of an interest in the Global Certificate), (2) if the Issuer is notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory, or otherwise) after the original issuance of the Instruments or has announced an intention permanently to cease business or has in fact done so and no alternative clearance system approved by the Holders is available, or (3) if the Issuer, after notice to the Principal Agent, determines to issue the Instruments in definitive form. Each such exchange shall occur in whole, but not in part, for Definitive Instruments. Any exchange of all or part of an interest in a Global Instrument for Definitive Instruments shall be made outside the United States and its possessions.

Any exchange pursuant to the preceding paragraph shall be free of charge to the Holders. However, for so long as a Permanent Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, in the case of a request for an exchange of an interest in a Permanent Global Certificate for Definitive Certificates pursuant to clause (1) in the preceding paragraph, prior to effecting any such exchange, the Issuer shall have the right to collect from the requesting Holder(s) a reasonable payment towards the reimbursement of the out-of-pocket expenses incurred by the Issuer in connection therewith. No clearing system shall have any responsibility for the collection of such expenses. Instead, in order to effect an exchange, each Holder requesting such exchange shall send a copy of such request or instructions to the Issuer, together with the relevant contact details of the person or entity responsible for the payment of such expenses.

Subject to applicable laws and regulations, the Issuer may agree to issue Instruments in registered form (“**Registered Instruments**”). With respect to any Tranche of Registered Instruments, the Issuer will appoint, under a transfer, paying agency, and registry agreement, a transfer agent, paying agent, and registrar, all as more fully described in the applicable Final Terms.

The Final Terms for the Instruments are attached hereto or endorsed hereon and supplement these Terms and Conditions and may specify other terms and conditions which, to the extent so specified or to the extent inconsistent with these Terms and Conditions, shall replace or modify these Terms and Conditions for purposes of the Instruments. References herein to the “**applicable Final Terms**” are to the relevant Final Terms attached hereto or endorsed hereon.

As used herein, “**Series**” means a Tranche of Instruments, together with any further Tranche or Tranches of Instruments, which are (1) expressly to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for the date on which such Instruments will be issued (the “**Issue Date**”), for interest-bearing Certificates, the date from which such Certificates bear interest (if different from the Issue Date) (the “**Interest Commencement Date**”), and the price at which such Instruments will be issued (the “**Issue Price**”). The expressions “**Instruments of the relevant Series**” and “**holders of Instruments of the relevant Series**” and related expressions shall be construed accordingly. As used herein, “**Tranche**” means Instruments (whether in global or definitive form or both) which are identical in all respects (including as to listing).

Copies of the Program Agreement, dated as of January 16, 2007 among the Issuer, the Guarantor, and the Dealers named or to be appointed thereunder (the “**Program Agreement**”), the Agency Agreement, the Senior Guarantee Agreement, the Delivery Agency Agreement, and the Final Terms applicable to the Instruments are available for inspection, and copies may be obtained, without charge, at the specified offices of each of the Paying Agents, except that the applicable Final Terms relating to an unlisted Instrument only will be available for inspection by a Holder upon proof satisfactory to the relevant Paying Agent as to ownership of the Instrument. The Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of

the Agency Agreement, the Senior Guarantee Agreement, and the applicable Final Terms, which are binding on them.

The applicable Final Terms will specify whether settlement shall be by way of cash payment (“**Cash Settlement**”) or by physical delivery (“**Physical Settlement**”). Instruments to which Cash Settlement applies are “**Cash Settled Instruments**” and Instruments to which Physical Settlement applies are “**Physical Delivery Instruments**”. Any reference in these Conditions to “**Cash Settlement Amount**” shall mean amounts payable on exercise or maturity, as the case may be, of any Cash Settled Instruments. Any reference in these Conditions to Physical Delivery Instruments shall mean Instruments in respect of which the number of underlying shares, bonds, securities, commodities, or such other assets as may be specified in the applicable Final Terms (the “**Relevant Asset(s)**”) plus/minus any amount due to/from the Holder in respect of each Instrument (the “**Physical Delivery Amount**”) is deliverable and/or payable by reference to one or more Relevant Assets as the Issuer, the Guarantor, and the relevant Dealer(s) may agree and as set out in the applicable Final Terms. The Cash Settlement Amount may be expressed in any currency (each a “**Specified Currency**”). In respect of Physical Delivery Instruments, the Issuer and the Guarantor have entered into a delivery agency agreement dated as of January 16, 2007 (the “**Delivery Agency Agreement**”) with Banc of America Securities Limited as delivery agent (the “**Delivery Agent**”, which term shall include any additional or successor delivery agent as specified in the applicable Final Terms). The calculation agent in respect of the Instruments (the “**Calculation Agent**”) will be specified in the applicable Final Terms.

If Averaging is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement, or Modified Postponement (each as defined in the relevant Annex) applies.

References in these Conditions, unless the context otherwise requires, to Cash Settled Instruments shall be deemed to include references to Physical Delivery Instruments which include the Issuer’s option (as set out in the applicable Final Terms) to elect Cash Settlement upon exercise or, as the case may be, redemption of such Instruments pursuant to General Instrument Condition 10(a) and where settlement upon exercise or, as the case may be, redemption is to be by way of Cash Settlement. References in these Conditions, unless the context otherwise requires, to Physical Delivery Instruments shall be deemed to include references to Cash Settled Instruments which include the Issuer’s option (as set out in the applicable Final Terms) to elect Physical Settlement in settlement upon exercise or, as the case may be, redemption of such Instruments pursuant to General Instrument Condition 10(a) and where settlement upon exercise or, as the case may be, redemption is to be by way of Physical Settlement.

Instruments may, if specified in the applicable Final Terms, allow Holders upon exercise or, as the case may be, redemption of such Instruments to elect for Cash Settlement or by way of Physical Settlement or by such other method of settlement as is specified in the applicable Final Terms. Those Instruments where the Holder has elected for Cash Settlement will be Cash Settled Instruments and those Instruments where the Holder has elected for physical delivery will be Physical Settlement. The rights of a Holder as described in this paragraph may be subject to the Issuer’s right to vary settlement upon exercise or, as the case may be, redemption of Instruments as indicated in the applicable Final Terms and will be subject to the Issuer’s right to substitute assets or pay the Alternative Cash Redemption Amount in lieu of physical delivery in accordance with these Conditions.

As used herein, the following words have the following meanings:

“**Relevant Clearing System**” means Euroclear or Clearstream, Luxembourg, or any other clearing system located outside the United States and its possessions specified by the Issuer and the Dealer (each an “**Alternative Clearing System**”), as the case may be.

“**Expenses**” means expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty reserve tax, withholding tax, and/or other taxes or duties, arising from the delivery and/or transfer of any Physical Delivery Amount(s). All Expenses shall be for the account of the relevant Holder and no delivery and/or transfer of any Physical Delivery Amount(s) shall be made until Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the

same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form and Title

Unless otherwise agreed by the Issuer and the relevant Dealers and specified in the applicable Final Terms, the Instruments are in bearer form. Definitive Instruments, if any, are serially numbered.

This Instrument is a Certificate bearing interest on a fixed rate basis (a "**Fixed Rate Certificate**"), a Certificate bearing interest on a floating rate basis (a "**Floating Rate Certificate**"), a Certificate issued on the basis of interest linked to an underlying reference asset or basket of assets (each an "**Underlying Asset**") such as an index or a basket of indices (an "**Index Linked Interest Certificate**"), a share or a basket of shares (a "**Share Linked Interest Certificate**"), a consumer price index or a basket of consumer price indices (an "**Inflation Linked Interest Certificate**"), a commodity or basket of commodities (a "**Commodity Linked Interest Certificate**"), a foreign exchange rate or basket of foreign exchange rates (an "**FX Linked Interest Certificate**"), or a combination of any of the foregoing (a "**Hybrid Interest Certificate**"), depending upon the Interest/Payment Basis specified in the applicable Final Terms. It is also an Instrument upon which payment of any amounts or delivery of any Reference Asset(s) on maturity, exercise or otherwise is determined by reference, either directly or indirectly, to the price or performance of one index or a basket of indices (an "**Index Linked Redemption Instrument**", together with Index Linked Interest Certificates, "**Index Linked Instruments**"), a share or a basket of shares (a "**Share Linked Redemption Instrument**", together with Share Linked Interest Certificates, "**Share Linked Instruments**"), a consumer price index or a basket of consumer price indices (an "**Inflation Linked Redemption Instrument**", together with Inflation Linked Interest Certificates, "**Inflation Linked Instruments**"), a commodity or basket of commodities (a "**Commodity Linked Redemption Instrument**", together with Commodity Linked Interest Certificates, "**Commodity Linked Securities**"), a foreign exchange rate or basket of foreign exchange rates (an "**FX Linked Redemption Instrument**", together with FX Linked Interest Certificates, "**FX Linked Instruments**"), or to such other Underlying Asset(s), to a combination of any of the foregoing (a "**Hybrid Redemption Instrument**", together with Hybrid Interest Certificates, "**Hybrid Instruments**") in each case as specified in the applicable Final Terms. The appropriate provisions of these Terms and Conditions will apply accordingly.

Definitive Certificates will be issued with Coupons attached, unless they are Certificates which do not bear interest, in which case reference to interest (other than interest due after the Settlement Date), Coupons, and Couponholders in these Terms and Conditions are not applicable.

Subject as set forth below, title to the Instruments and any Coupons will pass by delivery. The Issuer, the Guarantor, and any Paying Agent may (except as otherwise required by law) deem and treat the bearer of any Instrument or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Instrument, without prejudice to the provisions set out in the next paragraph.

So long as any of the Instruments are represented by a Global Instrument held on behalf of Euroclear and Clearstream, Luxembourg, each person who is shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Instruments (any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Instruments standing on the account of any person shall be conclusive and binding for all purposes, except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Principal Agent, and any other Paying Agent as the holder of such nominal amount of such Instruments for all purposes, except with respect to the payment of principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, the Instruments, the bearer of the relevant Global Instrument shall be treated by the Issuer, the Guarantor, the Principal Agent, and any Paying Agent as the holder of such Instruments in accordance with and subject to the terms of the relevant Global Instrument (the expressions "**Holder**" and "**holder of Instruments**" and related expressions shall be construed accordingly). Instruments which are represented by a Global Instrument will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Warrants may be American Style Warrants or European Style Warrants, as specified in the applicable Final

Terms.

Except for transfers to subsidiaries of the Guarantor that comply with applicable Treasury Regulations, the Instruments may not be legally or beneficially owned by any U.S. person (as defined in Regulation S under the Securities Act) at any time nor offered, sold, pledged, assigned, delivered or otherwise transferred at any time, directly or indirectly, in the United States of America or its possessions or to any U.S. person. The Issuer has the right, at its option, under the Agency Agreement and these General Instrument Conditions, to compel any beneficial owner of the Instruments to void the transfer of the Instruments to such beneficial owner or to terminate the Issuer's Obligations under such Instrument held by such beneficial owner. In the event of such a termination, the Issuer will pay the Alternative Settlement Amount as set out in General Instrument Condition 10.

The Issuer may void the transfer of the Instruments to such beneficial owner by compelling a sale by such beneficial owner, by the Issuer selling such Instruments on behalf of such beneficial owner to another purchaser acceptable to the Issuer or by any other means permitted under applicable law.

The holding of the Instruments by any U.S. person shall not affect the right of a subsequent Holder of such Instruments (provided such Holder is not a U.S. person) to be treated as the absolute owner thereof in accordance with these General Instrument Conditions.

If a minimum trading size is specified in the applicable Final Terms, then the Instruments of such Series or Tranche (as applicable) may only be traded in such multiples as are specified in such Final Terms.

2. Status of the Instruments

The Instruments will be unsubordinated and unsecured obligations of the Issuer and will rank equally with all other unsecured and unsubordinated obligations of the Issuer. The Instruments are not deposits and are not insured by the Federal Deposit Insurance Corporation.

3. Senior Guarantee

- (a) The payment of all amounts payable and all deliveries due by the Issuer under these Conditions is irrevocably and unconditionally guaranteed by the Guarantor pursuant to the Senior Guarantee Agreement.
- (b) The obligations of the Guarantor under the Senior Guarantee Agreement will be unsubordinated and unsecured obligations of the Guarantor and, except as may be provided by applicable legislation or judicial order, will rank equally with all other unsecured and unsubordinated obligations of the Guarantor.

The Guarantor has the right in its sole and unfettered discretion pursuant to the Senior Guarantee Agreement to discharge any obligation to deliver the Physical Settlement Amount by payment of the Disruption Cash Settlement Amount instead of delivery of the Physical Settlement Amount.

4. Interest

This General Instrument Condition 4 applies only to Certificates.

(a) Interest on Fixed Rate Certificates

If so specified in the applicable Final Terms, each Fixed Rate Certificate bears interest at the rate or rates per annum specified in the applicable Final Terms from (and including) the Interest Commencement Date to (but excluding) the Maturity Date. Interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms (each, a "**Fixed Interest Payment Date**") and on the Maturity Date if it does not fall on a Fixed Interest Payment Date. The first interest payment will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

If any Fixed Interest Payment Date is not a Payment Business Day (as defined in General Instrument Condition 4(b)), then payment on a Fixed Rate Certificate shall be paid as provided in General Instrument Condition 4(b).

If a **“Fixed Coupon Amount”** is specified in the applicable Final Terms, the amount of interest payable on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will be the Fixed Coupon Amount irrespective of any calculation based on the Rates of Interest (as defined in General Instrument Condition 4(d)) and any applicable Fixed Day Count Fraction (if any) and if the amount of interest payable on any Fixed Interest Payment Date is specified as an amount other than the Fixed Coupon Amount, such amount will be a **“Broken Amount”** specified in the applicable Final Terms.

As used in these Conditions, **“Fixed Interest Period”** means the period from, and including, the most recent Fixed Interest Payment Date (or, if none, the Interest Commencement Date) to, but excluding, the next (or first) Fixed Interest Payment Date.

Unless otherwise specified in the applicable Final Terms, if interest is required to be calculated for a period other than a Fixed Interest Period, that interest shall be calculated by applying the Rate of Interest specified in the applicable Final Terms to the Notional Amount per Certificate specified in the applicable Final Terms, multiplying that sum by the applicable Fixed Day Count Fraction and rounding the resulting figure in accordance with General Instrument Condition 4(e).

“Fixed Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this General Instrument Condition 4(a):

- (i) if **“Actual/Actual (ICMA)”** is specified in the applicable Final Terms:
 - (A) for Certificates where the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (**“Determination Dates”**), as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; or
 - (B) for Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates, as specified in the applicable Final Terms, that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest were payable in respect of the whole of that year; and
- (ii) if **“30/360”** is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

“Accrual Period” means the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date.

“Determination Period” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“Notional Amount” means the amount specified as such in the applicable Final Terms.

“Sub-unit” means, for euro, one cent, and, for any currency other than euro, the lowest amount of that currency that is available as legal tender in the country of that currency.

(b) Interest on Floating Rate Certificates, Index Linked Interest Certificates, Share Linked Interest Certificates, Inflation Linked Interest Certificates, Commodity Linked Interest Certificates, FX Linked Interest Certificates, Hybrid Interest Certificates, and Certificates with Interest Linked to Other Underlying Asset(s)

(i) Interest Payment Dates

Each Floating Rate Certificate, Index Linked Interest Certificate, Share Linked Interest Certificate, Inflation Linked Interest Certificate, Commodity Linked Interest Certificate, FX Linked Interest Certificate, Hybrid Interest Certificate, and any Certificate with interest linked to other Underlying Asset(s) bears interest on the notional amount applicable to such Certificate specified in the applicable Final Terms (the **“Notional Amount”**) from (and including) the Interest Commencement Date specified in the applicable Final Terms. Interest will be payable in arrear on either:

- (A) the Interest Payment Dates (each, an **“Interest Payment Date”**) in each year specified in the applicable Final Terms; or
- (B) if no Interest Payment Dates are specified in the applicable Final Terms, each date (each, an **“Interest Payment Date”**) which falls the number of months or other period specified in the applicable Final Terms after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

Interest will be payable in respect of each **“Interest Period”** (which expression shall mean, in these Terms and Conditions, the period from (and including), an Interest Payment Date (or the Interest Commencement Date), to (but excluding) the next, or first Interest Payment Date, as the case may be.

If any Interest Payment Date (or other date) falls on a day which is not a Business Day, it will be adjusted in accordance with the business day convention specified in the applicable Final Terms. If the business day convention specified is:

- (1) the **“Floating Rate Convention”**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day. If postponement would cause such date to fall in the next calendar month, then (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the **“Following Business Day Convention”**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the **“Modified Following Business Day Convention”**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day, unless that date would fall in the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or
- (4) the **“Preceding Business Day Convention”**, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

“Business Day” means a day which is both:

- (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency)

deposits) in London and Charlotte, North Carolina and any additional business centers specified in the applicable Final Terms (each, an **“Additional Business Center”**); and

- (b) either (1) for any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center (the **“Principal Financial Center”**) of the country of the relevant Specified Currency (if other than London) or (2) for any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**“TARGET System”**) or any successor thereto is operating. Unless otherwise provided in the applicable Final Terms, the Principal Financial Center of any country for the purpose of these Terms and Conditions shall be as provided in the ISDA Definitions, except that the Principal Financial Center of Australia shall be Melbourne and Sydney, the Principal Financial Center of Canada shall be Toronto, and the Principal Financial Center of New Zealand shall be Wellington.

The term **“ISDA Definitions”** means the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) and as amended, updated, or replaced as at the Issue Date of the first Tranche of the Certificates of the relevant Series.

(ii) Rate of Interest on Floating Rate Certificates

The Rate of Interest payable on Floating Rate Certificates will be set forth in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Certificates

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the margin (the **“Margin”**), if any. For purposes of this sub-paragraph (A), the **“ISDA Rate”** for an Interest Period means a rate determined by the Principal Agent or such other person specified in the applicable Final Terms that is equal to the Floating Rate under an interest rate swap transaction if the Principal Agent or such other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the relevant Interest Commencement Date is the Effective Date;
- (3) the Designated Maturity is a period specified in the applicable Final Terms;
- (4) the relevant Reset Date is either (i) the first day of that Interest Period, if the applicable Floating Rate Option is based on the London interbank offered rate (**“LIBOR”**) or the Euro-Zone interbank offered rate (**“Euribor”**) for a currency, or (ii) in any other case, as specified in the applicable Final Terms; and
- (5) all other terms are as specified in the applicable Final Terms.

For purposes of this sub-paragraph (A), **“Euro-Zone”** shall have the meaning set forth below and **“Floating Rate”**, **“Calculation Agent”**, **“Floating Rate Option”**, **“Effective Date”**, **“Designated Maturity”**, and **“Reset Date”** have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be, subject as provided below, either:

- (1) the offered quotation (if there is only one quotation on the relevant screen page (the **“Relevant Screen Page”**)), whatever its designation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations; (expressed as a percentage rate per annum) for the rate (the “**Reference Rate**”) by reference to the Rate of Interest which appears or appear, as the case may be, on the Relevant Screen Page on which the Reference Rate is for the time being displayed on the Reuter Monitor Money Rates Service or the appropriate display on Moneyline Telerate, Inc. (or such service as is specified in the applicable Final Terms) at 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the dates on which the Rate of Interest is to be determined (each, an “**Interest Determination Date**”) plus or minus (as indicated in the applicable Final Terms) the Margin, if any, all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Calculation Agent for purposes of determining the arithmetic mean of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than two such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent, at its sole discretion, shall request the principal London office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London interbank market in the case of LIBOR or leading banks in the Euro-Zone interbank market in the case of Euribor, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin, if any, all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by any two or more of the Reference Banks, at which such banks were offered, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London interbank market in the case of LIBOR, or leading banks in the Euro-Zone interbank market in the case of Euribor, plus or minus (as appropriate) the Margin, if any. If fewer than two of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest shall be the offered quotation for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered quotations for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11:00 a.m. (London time in the case of LIBOR, or Brussels time in the case of Euribor) on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the London interbank market in the case of LIBOR or leading banks in the Euro-Zone interbank market in the case of Euribor, plus or minus (as appropriate) the Margin, if any, provided that if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

“**Reference Banks**” means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

“**EC Treaty**” means, the Treaty establishing the European Community, as amended by the Treaty on European

Union, as amended by the Treaty of Amsterdam.

“Euro-Zone” means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the EC Treaty.

If the Reference Rate from time to time for Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or Euribor, the Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

(iii) Rate of Interest and/or Interest Amount for Index Linked Interest Certificates, Share Linked Interest Certificates, Inflation Linked Interest Certificates, Commodity Linked Interest Certificates, FX Linked Interest Certificates, Hybrid Interest Certificates, and Certificates with Interest Linked to Other Underlying Asset(s)

The Rate of Interest in respect of Index Linked Interest Certificates, Share Linked Interest Certificates, Inflation Linked Interest Certificates, Commodity Linked Interest Certificates, FX Linked Interest Certificates, Hybrid Interest Certificates, or Certificates with interest linked to other Underlying Asset(s) for each Interest Period and/or the Interest Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in the manner set out in the applicable Final Terms.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent, at or as soon as practicable after each time at which the Rate of Interest is to be determined, will determine the Rate of Interest (subject to any specified Minimum Interest Rate or Maximum Interest Rate) and calculate the amount of interest (the **“Interest Amount”**) payable on the Floating Rate Certificates for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest for such Interest Period to the Notional Amount per Certificate, multiplying such sum by the applicable Floating Day Count Fraction and rounding the resulting figure in accordance with General Instrument Condition 10(d). The Calculation Agent’s determination of the Rate of Interest and calculation of each Interest Amount shall be conclusive and binding on all parties in the absence of manifest error.

“Floating Day Count Fraction” shall have the meaning ascribed to **“Day Count Fraction”** in the ISDA Definitions or as agreed upon between the Issuer and Dealers in the applicable Final Terms; provided, however, if **“Actual/365 (Sterling)”** is specified in the applicable Final Terms, the Floating Day Count Fraction shall be the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(v) Notification of Rate of Interest and Interest Amount

The Calculation Agent will notify the Issuer, the Guarantor, the Paying Agents, and any stock exchange on which the Floating Rate Certificates, are listed of the Rate of Interest and each Interest Amount for each Interest Period, the relevant Interest Payment Date, and any other item or amount determined or calculated by it in accordance with the applicable Final Terms as soon as reasonably practicable after the relevant determination or calculation. The Calculation Agent also shall publish such notice in accordance with General Instrument Condition 18 as soon as possible after any determination, but in no event later than the fourth London Business Day thereafter. In connection with any Floating Rate Certificates listed on the Luxembourg Stock Exchange, the Calculation Agent will notify the exchange of the Rate of Interest, the Interest Period, and each Interest Amount no later than the first day of the commencement of each new Interest Period. Both the Interest Amount and Interest Payment Dates subsequently may be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which the Floating Rate Certificates are listed will be notified promptly of any amendment in accordance with General Instrument Condition 18. For purposes of this sub-paragraph (iv), the expression **“London Business Day”** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.

(vi) Certificates to Be Final

All certificates, communications, opinions, determinations, calculations, quotations, and decisions given, expressed, made, or obtained for the purposes of the provisions of this paragraph (b), by the Calculation Agent shall (in the absence of willful default, bad faith, or manifest error) be binding on the Issuer, the Guarantor, the other Paying Agents, and all Holders, and Couponholders and (in the absence of the aforesaid) the Calculation Agent shall not be liable to the Issuer, the Guarantor, the Holders, or the Couponholders in connection with the exercise by it of its powers, duties, and discretions pursuant to such provisions.

(c) **Accrual of Interest**

Each Certificate will cease to bear interest, if any, from the date for its redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue, before or after judgment, until the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid; or
- (ii) five calendar days after the date on which the Principal Agent has received the full amount of the monies payable and notice to that effect has been given in accordance with General Instrument Condition 18 or individually.

(d) **Rate of Interest**

As used in these Conditions, “**Rate of Interest**” means the rate, or each rate, of interest in respect of each interest bearing Certificate determined in accordance with the applicable provisions of this General Instrument Condition 4 or as specified in the applicable Final Terms.

(e) **Limitations on Interest**

The applicable Final Terms may specify a minimum rate at which the Certificates bear interest (a “**Minimum Interest Rate**”). If the Rate of Interest determined in accordance with the provisions of this General Instrument Condition 4 is less than the specified Minimum Interest Rate, the Rate of Interest shall be such Minimum Interest Rate. Subject to the provisions of the next paragraph, the applicable Final Terms may specify a Maximum Interest Rate. If the Rate of Interest determined in accordance with the provisions of this General Instrument Condition 4 is greater than the maximum rate at which the Certificates bear interest (the “**Maximum Interest Rate**”), the Rate of Interest shall be such Maximum Interest Rate.

In addition to any Maximum Interest Rate which may be applicable to any Certificate pursuant to the above provision, the interest rate on such Certificate will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25.00 per cent. per annum on a simple interest basis, with certain exceptions. The limit may not apply to Certificates in which \$2,500,000 or more has been invested.

(f) **Record Date**

For any Registered Certificates, unless otherwise specified in the applicable Final Terms, the record date for any required payment of interest shall be the close of business (London time) on the fifteenth calendar day prior to the applicable Interest Payment Date.

5. Warrants — Exercise Rights

This General Instrument Condition 5 applies only to Warrants.

(a) **American Style Warrants**

This paragraph (a) applies only to American Style Warrants.

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in General Instrument Condition 6 at or prior to the Exercise Notice Deposit Time on the Expiration Date shall (if such American Style Warrant is a Cash Settled Warrant) be deemed by the Issuer (unless stated to the contrary in the applicable Final Terms or any certification as to non-U.S. beneficial ownership is required) to be exercised automatically (“**Automatic Exercise**”) or, if not so deemed (as stated in the applicable Final Terms, or if such American Style Warrant is a Physical Delivery Warrant and thus not capable of being so deemed), shall become void; *provided that* Automatic Exercise shall not be available where the Cash Settlement Amount in respect of such Cash Settled Warrant is negative or equal to zero.

(b) European Style Warrants

This paragraph (b) applies only to European Style Warrants.

European Style Warrants are only exercisable on the Expiration Date.

Any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in General Instrument Condition 6 at or prior to the Exercise Notice Deposit Time on the Expiration Date shall (if such European Style Warrant is a Cash Settled Warrant) be deemed by the Issuer (unless stated to the contrary in the applicable Final Terms or any certification as to non-U.S. beneficial ownership is required) to be subject to Automatic Exercise or, if not so deemed (as stated in the applicable Final Terms, or if such European Style Warrant is a Physical Delivery Warrant and thus not capable of being so deemed), shall become void; *provided that* Automatic Exercise shall not be available where the Cash Settlement Amount in respect of such Cash Settled Warrant is negative or equal to zero.

(c) American Style and European Style Warrants

Any Cash Settled Warrant not subject to Automatic Exercise (as stated in the applicable Final Terms) and with respect to which the Exercise Notice has not been duly completed in the manner set forth in General Instrument Condition 6(a) on or before the Exercise Notice Deposit Time on the Expiration Date may also be deemed by the Issuer (following the procedure described in General Instrument Condition 6(a) below) in its complete discretion to be exercised automatically (if the Cash Settlement Amount is greater than zero) or, if not so deemed, shall become void.

(d) Definitions

“**Actual Exercise Date**” means the earlier of the Expiration Date and the Exercise Business Day during the Exercise Period on which an Exercise Notice is received by both the Clearing System and the Principal Agent prior to the Exercise Notice Deposit Time. Any Exercise Notice which is not delivered to both the Relevant Clearing System and the Principal Agent prior to the Exercise Deposit Notice Time on any Exercise Business Day during the Exercise Period will be deemed to have been deposited on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date provided it occurs not later than the Expiration Date.

“**American Style Warrants**” means Warrants designated in the applicable Final Terms as “American Style” and being Warrants exercisable on any Exercise Business Day during the Exercise Period specified in the applicable Final Terms.

“**European Style Warrants**” means Warrants designated in the applicable Final Terms as “European Style” and being Warrants exercisable only on the Expiration Date.

“**Exercise Business Day**” means a day which is a Business Day, and if applicable, a Scheduled Trading Day.

“**Exercise Notice Deposit Time(s)**” means the time(s) as specified in the applicable Final Terms, being the time(s) by which the Relevant Clearing System(s) require an Exercise Notice to have been deposited with it/them for that Exercise Notice to be deemed to have been deposited with it/them on that Business Day.

“Exercise Period” means, in the case of American Style Warrants, the period during which the Warrants can be exercised as specified in the applicable Final Terms.

“Expiration Date” means, in relation to American Style Warrants, the last day of the Exercise Period and, in relation to European Style Warrants, the date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), unless such date is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Exercise Notice Deposit Time on such date. If such date is a Disrupted Day due to the occurrence of such an event, then the Expiration Date shall be determined as though the Expiration Date were a “Reference Date” for the purposes of the Index Linked Conditions or the Share Linked Conditions, as the case may be. Notwithstanding the foregoing, if Warrants are exercised on a Scheduled Trading Day that would have been an Expiration Date but for the occurrence of an event giving rise to a Disrupted Day, such Scheduled Trading Day shall be deemed to be the Expiration Date for the purpose of determining whether an Actual Exercise Date has occurred during the Exercise Period.

“Strike Price” means the amount specified as such in the applicable Final Terms.

6. Warrants — Exercise

This General Instrument Condition 6 applies only to Warrants.

(a) Exercise Notice

Warrants may be exercised by the delivery of a duly completed exercise notice (an **“Exercise Notice”**) which, in the case of Warrants held outside a Relevant Clearing System, shall be substantially in the form set out in the Agency Agreement or in such other form as may be approved by the Issuer (copies of which form, in either case, may be obtained from the Relevant Clearing System and the Paying Agents). An Exercise Notice shall contain the information set out below and shall be delivered to the Relevant Clearing System (in accordance with its rules and procedures for the time being), in the case of Warrants held by a Relevant Clearing System, or any Paying Agent, in the case of Warrants held outside a Relevant Clearing System, not later than the Exercise Notice Deposit Time on (in the case of American Style Warrants) any Exercise Business Day during the Exercise Period or on (in the case of European Style Warrants) the Expiration Date:

- (i) In the case of Cash Settled Warrants, the Exercise Notice shall (or, in the case of Automatic Exercise, may be deemed by the Issuer in its complete discretion and based on such information held by it regarding the Holder and such Holder’s details, to):
 - (A) specify the name, address (outside the United States and its possessions), and contact telephone number of the Holder exercising the Warrants;
 - (B) specify the ISIN and the number of Warrants being exercised;
 - (C) in the case of Warrants held by a Relevant Clearing System, specify the number of the Holder’s securities account at the Relevant Clearing System to be debited with the Warrants being exercised;
 - (D) in the case of Warrants held by a Relevant Clearing System, irrevocably instruct the Relevant Clearing System (i) to debit on or before the Settlement Date the Holder’s securities account with the Warrants being exercised and (ii) to notify the Principal Agent accordingly;
 - (E) specify the number of the Holder’s account at the Relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;
 - (F) include, or be deemed to include, an undertaking to pay all Expenses with respect to such Warrants and in the case of Warrants held by a Relevant Clearing System, an authority to the Relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder, or, at any time after the Settlement Date, to debit a specified account of the Holder at the Relevant Clearing System in respect thereof and to pay such Expenses;

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- (G) certify, or be deemed to certify, that the beneficial owner of each Warrant is not a U.S. person and no cash has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof; and
 - (H) authorize, or be deemed to authorize, the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.
 - (ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (A) specify the name, address (outside the United States and its possessions), and contact telephone number of the Holder exercising the Warrants;
 - (B) specify the ISIN and the number of Warrants being exercised;
 - (C) in the case of Warrants held by a Relevant Clearing System, specify the number of the Holder's securities account at the Relevant Clearing System to be debited with the Warrants being exercised;
 - (D) in the case of Warrants held by a Relevant Clearing System, irrevocably instruct the Relevant Clearing System (i) to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised and (ii) to notify the Principal Agent accordingly;
 - (E) in the case of Warrants held by a Relevant Clearing System, irrevocably instruct the Relevant Clearing System to debit on or before the Settlement Date a specified account of the Holder with the Relevant Clearing System with the aggregate Strike Price(s) in respect of such Warrants (together with any other amounts payable) and credit the same to the Issuer (or in the case of Warrants held outside a Relevant Clearing System, be accompanied by payment of the aggregate Strike Price(s), if applicable);
 - (F) include an undertaking to pay all Expenses with respect to such Warrants and, in the case of Warrants held by a Relevant Clearing System, an authority to the Relevant Clearing System to debit on or at any time after the Settlement Date, a specified account of the Holder at the Relevant Clearing System in respect thereof and to pay such Expenses;
 - (G) if applicable, specify the name and address outside the United States and its possessions of any person(s) into whose name evidence of the Physical Delivery Amount is to be registered and/or any bank, broker or agent outside the United States and its possessions to whom documents evidencing the Physical Delivery Amount are to be delivered and specify the name and the number of the Holder's account with the Relevant Clearing System to be credited with any cash payable by the Issuer, in respect of any dividends relating to the Physical Delivery Amount or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternative Cash Redemption Amount;
 - (H) if applicable, specify the account details of the Holder's participant with the Relevant Clearing System to be credited with the Physical Delivery Amount;
 - (I) certify, or be deemed to certify, that the beneficial owner of each Warrant is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or its possessions or on behalf of a U.S. person and no cash or Physical Delivery Amounts have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (J) authorize, or be deemed to authorize, the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

(b) *Minimum and Maximum Number of Warrants Exercisable*

- (i) The number of American Style Warrants exercisable by any Holder (or deemed by the Issuer to be subject to Automatic Exercise, as the case may be) on any Actual Exercise Date, as determined by the Issuer, must be equal to the “**Minimum Exercise Number**” specified in the applicable Final Terms or any integral multiple thereof, each as specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of American Style Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the “**Maximum Exercise Number**” specified in the applicable Final Terms (a number equal to the Maximum Exercise Number as specified in the applicable Final Terms being referred to herein as the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date.
- (iii) The number of European Style Warrants exercisable by any Holder (or deemed by the Issuer to be subject to Automatic Exercise, as the case may be) on the Expiration Date must be equal to the Minimum Exercise Number or any integral multiple thereof, in each case as specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and be of no effect.

(c) Exercise Procedure

On the settlement date specified in the applicable Final Terms (the “**Settlement Date**”), the Issuer shall transfer, or procure the transfer of, the Cash Settlement Amount for value the Settlement Date (in respect of Cash Settled Warrants) or the Delivery Date (in respect of Physical Delivery Warrants) in respect of each Warrant exercised (or, in the case of Automatic Exercise, deemed to be exercised) by such Holder to the Holder, subject to (i) receipt by the Relevant Clearing System or Paying Agent, as applicable, of a duly completed Exercise Notice (unless Automatic Exercise applies), (ii) payment of the Strike Price by the Holder, if applicable, and (iii) payment of any Expenses by the Holder.

In the case of Warrants held by a Relevant Clearing System, an Exercise Notice may only be delivered in such manner as is acceptable to the Relevant Clearing System, which is expected to be by authenticated SWIFT message or tested telex.

(d) Further Provisions regarding Exercise

The exercise of Warrants is further subject to the applicable provisions of General Instrument Condition 9.

(e) Payments Outside the United States and its Possessions

All payments on any Warrants will be made outside the United States and its possessions and will not be delivered to an address in, or transferred to an account located in, the United States or its possessions.

7. Certificates — Redemption

This General Instrument Condition 7 applies only to Certificates.

Subject as provided in these Conditions (including, without limitation, any applicable certification requirement as to non-U.S. beneficial ownership in the case of Physical Delivery Certificates) and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) as specified in the applicable Final Terms; or

(ii) in the case of a Physical Delivery Certificate, by delivery of the Physical Delivery Amount, such redemption to occur in either case, and subject as provided in these Conditions, on the Settlement Date.

8. Certificates — Certificate Settlement Notice

This General Instrument Condition 8 applies only to Certificates.

(a) Certificate Settlement Notice

In order to obtain delivery of the Physical Delivery Amount in respect of any Certificate, the Holder must deliver a duly completed settlement notice (**“Certificate Settlement Notice”**), which in the case of Certificates held outside a Relevant Clearing System, shall be substantially in the form set out in the Agency Agreement or in such other form as may be approved by the Issuer (copies of which form, in either case, may be obtained from the Paying Agents). The Certificate Settlement Notice shall contain the information set out below and shall be delivered to the Relevant Clearing System (in accordance with its rules and procedures for the time being), in the case of Certificates held by a Relevant Clearing System, or any Paying Agent, in the case of Certificates held outside a Relevant Clearing System, during the Certificate Settlement Notice Period and in any event no later than 10.00 a.m. (local time) on the date (the **“Physical Delivery Cut-Off Date”**) falling three Business Days prior to the Settlement Date or Interest Payment Date, as the case may be:

The Certificate Settlement Notice shall:

- (A) specify the name(s), address (outside the United States and its possessions) and contact telephone number of the Holder(s) of the Certificates;
- (B) specify the ISIN and the number of Certificates which are the subject of such notice;
- (C) in the case of Certificates held outside a Relevant Clearing System, specify the number of the Holder’s securities account at the Relevant Clearing System to be debited with such Certificates;
- (D) in the case of Certificates held outside a Relevant Clearing System, irrevocably instruct the Relevant Clearing System (i) to debit on or before the Settlement Date the Holder’s securities account with the Certificates which are the subject of such notice and (ii) to notify the Principal Agent accordingly;
- (E) include, or be deemed to include, an undertaking to pay all Expenses including any applicable depository charges, transactions or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery or transfer of the Physical Delivery Amount to or to the order of such Holder and, in the case of Certificates held by a Relevant Clearing System, an authority to the Relevant Clearing System to debit on or at any time after the Settlement Date, a specified account of the Holder at the Relevant Clearing System in respect thereof and to pay such Expenses;
- (F) if applicable, specify the name and address outside the United States and its possessions of any person(s) into whose name evidence of the Physical Delivery Amount is to be registered and/or any bank, broker or agent outside the United States and its possessions to whom documents evidencing the Physical Delivery Amount are to be delivered and specify the name and the number of the Holder’s account with the Relevant Clearing System to be credited with any cash payable by the Issuer, in respect of any dividends relating to the Physical Delivery Amount or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternative Cash Redemption Amount;
- (G) if applicable, specify the account details of the Holder’s participant with the Relevant Clearing System to be credited with the Physical Delivery Amount;

- (H) certify, or be deemed to certify, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Certificate Settlement Notice), the Certificate is not being exercised within the United States or its possessions or on behalf of a U.S. person and no cash or Physical Delivery Amounts have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with any settlement in respect thereof; and
- (I) authorize, or be deemed to authorize, the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

“**Certificate Settlement Notice Period**” shall mean the period during which a Certificate Settlement Notice is required to be delivered as specified in the applicable Final Terms.

In the case of Certificates held by a Relevant Clearing System, a Certificate Settlement Notice may only be delivered in such manner as is acceptable to the Relevant Clearing System, which is expected to be by authenticated SWIFT message or tested telex.

(b) Settlement Procedure

On the settlement date specified in the applicable Final Terms (the “**Settlement Date**”), the Issuer shall transfer, or procure the transfer of, the Cash Settlement Amount for value the Settlement Date (in respect of Cash Settled Certificates) or the Physical Delivery Amount (in respect of Physical Delivery Certificates) in respect of each Certificate held by such Holder to the Holder, subject, in the case of Physical Delivery Certificates, to (i) receipt of a duly completed Certificate Settlement Notice and (ii) payment of any Expenses by the Holder.

(c) Further Provisions regarding Certificate Settlement Notices

Certificate Settlement Notices are further subject to the applicable provisions of General Instrument Condition 9.

9. Verification, Determinations, Delivery, Settlement Disruption, Failure to Deliver

(a) Verification of the Holder

Upon receipt of an Exercise Notice or Certificate Settlement Notice, as the case may be, the Relevant Clearing System (in the case of Instruments held by a Relevant Clearing System) or the Principal Agent (in the case of Instruments held outside a Relevant Clearing System) shall verify that the person delivering the Certificate Settlement Notice or exercising the Warrants specified in the Exercise Notice was, as at the Physical Settlement Cut-Off Date the Holder of the Certificates or Warrants described therein according to its records. If the Relevant Clearing System(s) or the Principal Agent, as applicable, is/are unable so to verify, such Exercise Notice or Certificate Settlement Notice, as the case may be, shall be deemed not to have been given.

Subject thereto, in the case of Instruments held by a Relevant Clearing System, the Relevant Clearing System will confirm to the Principal Agent the ISIN and number of Instruments the subject of such Exercise Notice or Certificate Settlement Notice, and the details for the delivery of the Physical Delivery Amount of each Instrument. Upon receipt of such confirmation, the Principal Agent will inform the Issuer and the Delivery Agent thereof.

In the case of Definitive Instruments held by a Relevant Clearing System, the Relevant Clearing System will on or before the Settlement Date debit the securities account of the relevant Holder specified in the Certificate Settlement Notice with the relevant Instruments or debit the Warrants being exercised from the securities account of the Holder specified in the Exercise Notice (but without prejudice to the accrued rights of the relevant Holder).

In the case of exercised Definitive Instruments held outside a Relevant Clearing System where Physical Settlement is applicable, the relevant Reference Assets (if any) shall be delivered to the Holder by the Delivery Agent on behalf of the Issuer.

(b) Determinations and Delivery

Any determination as to whether a Certificate Settlement Notice or an Exercise Notice, as the case may be, is duly completed and in proper form shall be made by the Relevant Clearing System in consultation with the Principal Agent (in the case of Instruments held by a Relevant Clearing System) or the Principal Agent (in the case of Instruments held outside a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, and shall be conclusive and binding on the Issuer, the Guarantor, the Principal Agent, the Delivery Agent, and the relevant Holder. Subject as set out below, a Certificate Settlement Notice or an Exercise Notice, as the case may be, so determined to be incomplete or not in proper form shall be null and void.

If such Exercise Notice or Certificate Settlement Notice, as the case may be, is subsequently corrected to the satisfaction of the Relevant Clearing System in consultation with the Principal Agent or the Principal Agent, as applicable, it shall be deemed to be a new Exercise Notice or Certificate Settlement Notice, as the case may be, submitted at the time such correction was delivered to the Relevant Clearing System, or the Paying Agent, as applicable.

The Relevant Clearing System or the Principal Agent, as applicable, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice or Certificate Settlement Notice, as the case may be, if, in consultation with the Principal Agent (in the case of instruments held by a Relevant Clearing System) after consulting with the Issuer and the Delivery Agent, it has determined that such Exercise Notice or Certificate Settlement Notice, as the case may be, is incomplete or not in proper form. In the absence of negligence or willful misconduct on its part, none of the Issuer, the Guarantor, the Paying Agents, or the Relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Exercise Notice or Certificate Settlement Notice, as the case may be, may be withdrawn after receipt thereof by the Relevant Clearing System or any Paying Agent, as the case may be, as provided above. After delivery of an Exercise Notice or Certificate Settlement Notice, as the case may be, the relevant Holder may not transfer the Instruments which are the subject of such notice.

The Physical Delivery Amount will be delivered at the risk of the relevant Holder, in the manner provided below on the Interest Payment Date, the Settlement Date, or any other relevant date as specified in the applicable Final Terms, as the case may be (such date, subject to adjustment in accordance with this General Instrument Condition 9, the "**Delivery Date**"), provided that the Exercise Notice or Certificate Settlement Notice, as the case may be, is duly delivered as provided above.

If a Holder fails to give an Exercise Notice or Certificate Settlement Notice, as the case may be, as provided herein on or prior to the Physical Delivery Cut-off Date, then the Physical Delivery Amount will be delivered as soon as practicable after the Interest Payment Date, Settlement Date, or other relevant date as specified in the applicable Final Terms, as the case may be, (in which case, such date of delivery shall be the Delivery Date), at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Interest Payment Date, Settlement Date, or such other relevant date as specified in the applicable Final Terms and no liability in respect thereof shall attach to the Issuer, the Guarantor, the Calculation Agent, or the Delivery Agent.

The Issuer shall, at the risk of the relevant Holder, deliver or procure the delivery of the Physical Delivery Amount for each Instrument, pursuant to the details specified in the Exercise Notice or Certificate Settlement Notice, as the case may be, or in such commercially reasonable manner as the Issuer shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Exercise Notice or Certificate Settlement Notice, as the case may be, provided that in the case of Instruments held by a Relevant Clearing System, all deliveries are expected to be made through such Relevant Clearing System. All Expenses arising from the delivery of the Physical Delivery Amount in respect of such Instruments shall be for the account of the relevant Holder, and no delivery of the Physical Delivery Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(c) *General*

Instruments held by the same Holder will be aggregated for the purpose of determining the aggregate Physical Delivery Amounts in respect of such Instruments, provided that the aggregate Physical Delivery Amounts in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a share certificate in respect of any Share, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid net of any Expenses to the account specified by the Holder in the relevant Exercise Notice or Certificate Settlement Notice, as the case may be, as referred to in General Instrument Condition 6(a) (in the case of Warrants) and 8(a) (in the case of Certificates).

For such period of time after delivery of the Physical Delivery Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the any of the Relevant Asset(s) comprising the Physical Delivery Amount (the “**Intervening Period**”), whether owned in connection with such entity’s hedge of its obligations, directly or indirectly, under the Instruments or otherwise held in its normal course of business, none of the Issuer, the Guarantor, the Calculation Agent, the Delivery Agent, or any other person shall at any time be under any obligation or liability to any Holder in respect of such Reference Assets, including without limitation, (i) any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular, or any other document or, except as provided herein, payment (including any interest, dividend or any other distribution) in respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights attaching to such Reference Assets(s), or (iii) any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as the legal owner of such Reference Asset(s).

(d) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Physical Delivery Amount using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Instrument by delivering or procuring the delivery of the Physical Delivery Amount using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Physical Delivery Amount in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Physical Delivery Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Physical Delivery Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Instrument by payment to the relevant Holder of the Disruption Cash Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Instrument Condition 18. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Holders in accordance with General Instrument Condition 18. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Instrument Condition 18 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Instrument in the event of any delay in the delivery of the Physical Delivery Amount due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer, the Guarantor, the Calculation Agent, or the Delivery Agent.

For the purposes hereof:

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any

entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the person.

“**Disruption Cash Redemption Amount**”, in respect of any relevant Instrument, shall be the fair market value of such Instrument on the Delivery Date (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Physical Delivery Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Instruments), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

“**Settlement Business Day**”, in respect of each Instrument, has the meaning specified in the applicable Final Terms relating to such Instrument; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer and/or its Affiliates as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(e) Failure to Deliver due to Illiquidity

If “**Failure to Deliver due to Illiquidity**” is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Physical Delivery Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (i) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with this General Instrument Condition 9(e); and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Instrument by payment to the relevant Holder of the Failure to Deliver Redemption Amount on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Instrument Condition 18. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Holders in accordance with General Instrument Condition 18. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Instrument Condition 18 that the provisions of this General Instrument Condition 9(e)(ii) apply.

For the purposes hereof, “**Failure to Deliver Redemption Amount**” in respect of any relevant Instrument, shall be the fair market value of such Instrument on the Delivery Date (taking into account the value of the Relevant Assets comprising the Physical Delivery Amount which have been duly delivered as provided above, the value of such Relevant Assets), adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Instruments), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

10. Variation of Settlement, Issuer’s Option, Rights of Holders and Calculations, Rounding

(a) Variation of Settlement

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Instruments, the Issuer may, in its sole and absolute discretion, in respect of each such Instruments, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Physical Delivery Amount

to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Physical Delivery Amount or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with General Instrument Condition 18.

(b) Issuer's Option to Substitute Assets or to Pay the Alternative Cash Redemption Amount

Following a valid exercise or, as the case may be, redemption of Instruments in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Instruments, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises Shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other Shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (ii) not to deliver or procure the delivery of the Physical Delivery Amount or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holder on the Settlement Date of an amount equal to the fair market value of the Physical Delivery Amount on the Delivery Date adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Instruments) as determined by the Calculation Agent in good faith and in a commercially reasonable manner (the "**Alternative Cash Redemption Amount**"). Notification of any such election will be given to Holders in accordance with General Instrument Condition 18.

For purposes hereof, a "**freely tradable**" Share shall mean (i) with respect to the United States, a share which is registered under the Securities Act or not a "**restricted security**" as defined in Rule 144 of the Securities Act and which is not purchased from the issuer of such share and not purchased from an Affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction, as determined by the Calculation Agent in its sole and absolute discretion.

(c) Rights of Holders and Calculations

None of the Issuer, the Guarantor, the Calculation Agent, the Delivery Agent, or any of the other the Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Physical Delivery Amount.

The holding of Instruments does not confer on any holder of such Instruments any rights (whether in respect of voting, distributions, or otherwise) attaching to any Relevant Asset.

(d) Rounding

For the purposes of any calculations required pursuant to these Instrument Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest sub-unit of such currency (with halves being rounded up), except in the case of yen, which shall be rounded down to the nearest yen.

11. Repurchases and Cancellation

(a) Repurchases

The Issuer and/or any of its Affiliates may at any time repurchase Instruments (provided that, in the case of Definitive Instruments, all unmatured Coupons (if any) attached thereto are repurchased therewith) at any price in

the open market or otherwise. Such Instruments may be held, reissued, resold, or surrendered to any Paying Agent for cancellation, provided that any Instruments reissued or resold comply with the applicable selling restrictions set forth in Treasury Regulations Section 1.163-5 as if they were newly issued.

(b) Cancellation

All Instruments which are redeemed will be cancelled (together with all unmatured Coupons (if any) attached thereto or surrendered therewith at the time of redemption). All Instruments so cancelled and the Instruments purchased and cancelled pursuant to paragraph (e) above (together with all unmatured Coupons (if any) cancelled therewith) shall be forwarded to the Principal Agent and cannot be reissued or resold.

12. Payments

This General Instrument Condition 12 applies only to Certificates, provided that General Instrument Condition 12(c) below applies to Warrants and Certificates. Any references to interest in General Instrument Condition 12(c) shall be disregarded for the purposes of Warrants, and the definition of "Business Day" in General Instrument Condition 4(b)(i) shall apply to Warrants for the purposes of General Instrument Condition 12(c)

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency (other than euro) will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a check in such Specified Currency drawn on, a bank in the Principal Financial Center of the country of such Specified Currency; provided, however, that a check may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States or any of its possessions by any office or agency of the Issuer, the Guarantor, the Principal Agent, or any Paying Agent; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; provided, however, that a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in the United States or any of its possessions by any office or agency of the Issuer, the Guarantor, the Principal Agent, or any Paying Agent.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Presentation of Certificates and Coupons

Except as provided below, payments of principal, if any, in respect of Definitive Certificates will be made as provided in paragraph (a) above only against surrender of such Definitive Certificates, and payments of interest in respect of Definitive Certificates will be made only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States and its possessions. Payments under paragraph (a) above made by check, at the option of the bearer of such Certificate or Coupon, shall be mailed or delivered to an address outside the United States and its possessions furnished by such bearer. Subject to any applicable laws and regulations, any payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States and its possessions.

Fixed Rate Certificates in definitive form should be presented for payment together with all related unmatured Coupons. Failure to present the above will result in the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) being deducted from the sum due for payment. Each amount so deducted will be paid as described above against surrender of the relative missing Coupon at any time before the expiration of five years after the Relevant Date (as defined in General Instrument Condition 15) in respect of such payment (whether or not such Coupon would otherwise have become void under General Instrument Condition 15) or, if later, five years

from the date on which such Coupon would otherwise have become due.

Upon the date on which any Floating Rate Certificate in definitive form becomes due and payable, any related unmatured Coupons (whether or not attached), shall become void and no payment shall be made in respect of those Certificates.

If the due date for redemption of any Definitive Certificate is not a Fixed Interest Payment Date or an Interest Payment Date, interest, if any, accrued in respect of such Certificate, from (and including) the preceding Fixed Interest Payment Date or Interest Payment Date or, as the case may be, the Interest Commencement Date, shall be payable only against surrender of the relevant Definitive Certificate.

Except as provided below, payments of principal, premium, if any, interest, or any other amounts payable on, or deliveries in respect of, Certificates represented by a Global Certificate, will be made as specified above for Definitive Certificates and otherwise as specified in the relevant Global Certificate outside the United States and its possessions against presentation or surrender, as the case may be, of such Global Certificate, and payments on any Certificate will be made at the specified office of any Paying Agent outside the United States and its possessions. The Paying Agent will record on each Global Certificate each payment made against presentation or surrender of such Global Certificate, distinguishing between any payment of premium, if any, interest, or any other amounts payable, and such record shall be *prima facie* evidence that the payment has been made.

The holder of a Global Certificate shall be the only person entitled to receive payments on, or deliveries in respect of, Certificates represented by such Global Certificate and the Issuer will be discharged by payment or delivery to, or to the order of, the holder of such Global Certificate for each amount so paid or delivered. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as the beneficial holder of a particular notional amount of Certificates represented by such Global Certificate, must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment or delivery so made by the Issuer to, or to the order of, the holder of such Global Certificate. No person other than the holder of such Global Certificate shall have any claim against the Issuer in respect of any payments due, or deliveries in respect of, that Global Certificate.

Notwithstanding the foregoing, U.S. Dollar payments of principal and interest in respect of the Certificates will be made at the specified office of a Paying Agent in the United States or its possessions if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States and its possessions with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of principal, interest, or any other amounts payable on the Certificates in the manner provided above when due in U.S. Dollars at such specified offices;
- (ii) payment of the full amount of such premium, if any, interest, or any other amounts payable, at all such specified offices outside the United States and its possessions is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

(c) Payment Business Day

If the due date for payment of any amount in respect of any Certificate or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment of the amount due until the next following Payment Business Day. The holder shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "**Payment Business Day**" means any day (other than a Saturday or Sunday) which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in the relevant place of presentation (and in the case of payment in euro in the place where the euro account specified by the payee is located) or any additional financial center ("**Additional Financial Center**") specified in the applicable Final

Terms; and

- (ii) a Business Day (as defined in General Instrument Condition 4(b)(i)).

This General Instrument Condition 5(c) is applicable, if at all, to Floating Rate Certificates only after the applicable business day convention, as specified in General Instrument Condition 4(b)(i) has been used to determine the relevant Interest Payment Date.

13. Special Tax Redemption

This General Instrument Condition 13 applies only to Certificates.

If the Issuer or the Guarantor determines that any payment made outside the United States (other than in respect of a Registered Certificate) by the Issuer in respect of the Certificates or any Coupon or by the Guarantor in respect of the Senior Guarantee Agreement, under any present or future laws or regulations of the United States, would be subject to any certification, documentation, information, or other reporting requirement of any kind the effect of which is the disclosure to the Issuer or the Guarantor, as the case may be, any Paying Agent, or any governmental authority of the nationality, residence, or identity of a beneficial owner of such Certificate or Coupon who is a United States Alien (other than a requirement (1) that would not be applicable to a payment by the Issuer or the Guarantor, as the case may be, or any one of the Paying Agents (x) directly to the beneficial owner, or (y) to a custodian, nominee, or other agent of the beneficial owner, (2) that can be satisfied by such custodian, nominee, or other agent certifying to the effect that the beneficial owner is a United States Alien, provided that, in any case referred to in clauses (1)(y) or (2), payment by the custodian, nominee, or agent to the beneficial owner is not otherwise subject to any such requirement, or (3) that would not be applicable to a payment by at least one Paying Agent of the Issuer or the Guarantor, as the case may be), the Issuer shall either:

- (i) redeem the Certificates in whole, but not in part, at any time (in the case of Fixed Rate Certificates) or on any Interest Payment Date (in the case of Certificates other than Fixed Rate Certificates), at a price equal to the Early Redemption Amount, together with, if appropriate, interest accrued to, but excluding, the date of redemption; or
- (ii) if the conditions of the next succeeding paragraph are satisfied, pay the Additional Amounts specified in such paragraph.

The Issuer shall make its determination as soon as practicable and publish prompt notice thereof (the “**Determination Notice**”) stating the effective date of its certification, documentation, information, or other reporting requirement, whether the Issuer will redeem the Certificates or pay the Additional Amounts specified in the next succeeding paragraph, and (if applicable) the last date by which the redemption of the Certificates must take place, as provided in the next succeeding sentence. If the Certificates are to be redeemed pursuant to this paragraph (b), that redemption shall take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer shall elect by notice to the Principal Agent at least 45 calendar days before the date of redemption. Notice of such redemption of the Certificates will be given to the Holders not more than 60 nor less than 30 calendar days prior to the date of redemption by publication in accordance with General Instrument Condition 18. Notwithstanding the foregoing, the Issuer shall not redeem the Certificates if the Issuer or the Guarantor, as the case may be, shall subsequently determine not less than 30 calendar days prior to the date of redemption, that subsequent payments on the Certificates and Coupons would not be subject to any such certification, documentation, information, or other reporting requirement, in which case the Issuer or the Guarantor, as the case may be, shall give prompt notice of its subsequent determination by publication in accordance with General Instrument Condition 18 and any earlier redemption notice shall be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, documentation, information, or other reporting requirement referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer or the Guarantor, as the case may be, may elect to pay as additional interest such additional amounts (“**Additional Amounts**”) as may be necessary so that every net payment made outside the United States following the effective date of that requirement by the Issuer or the Guarantor, as the case may be, or any of its Paying Agents in respect of any Certificate or any Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence, or identity, other than status as a United States

Alien, of such beneficial owner be disclosed to the Issuer or the Guarantor, as the case may be, any Paying Agent, or any governmental authority), after deduction or withholding for or on account of that backup withholding tax or similar charge (other than a backup withholding tax or similar charge that (1) would not be applicable in the circumstances referred to in the parenthetical clause of the first sentence of the preceding paragraph or (2) is imposed as a result of the presentation of the Certificate or Coupon for payment more than 15 calendar days after the date on which that payment became due and payable or on which payment thereof was duly provided for, whichever occurred later), will not be less than the amount provided for in the Certificate or Coupon to be then due and payable. If the Issuer or the Guarantor, as the case may be, elects to pay Additional Amounts pursuant to this paragraph, the Issuer shall have the right to redeem the Certificates in whole, but not in part, at any time (in the case of Fixed Rate Certificates) or on any Interest Payment Date (in the case of Certificates other than Fixed Rate Certificates), subject to the provisions of the last two sentences of the immediately preceding paragraph. If the Issuer or the Guarantor, as the case may be, elects to pay Additional Amounts pursuant to this paragraph and the condition specified in the first sentence of this paragraph should no longer be satisfied, then the Issuer shall redeem the Certificates pursuant to the provisions of the immediately preceding paragraph.

For avoidance of doubt, the requirement under these Terms and Conditions that a Holder submit a Certificate Settlement Notice disclosing certain information with respect to the Holder and the requirement that the Holder and each legal or beneficial owner, as a condition to purchasing a Certificate, make certain representations and agreements as to its status as a U.S. person and other matters, are not requirements as to which the provisions of this General Instrument Condition 13 apply. In addition, in the case of Definitive Certificates which are not held through a Relevant Clearing System, if this General Instrument Condition 13 would otherwise apply to the Certificates, the Issuer shall have the option to redeem the Definitive Certificates in the manner set forth in the second preceding paragraph, but shall not be required to redeem the Definitive Certificates or pay any Additional Amounts.

Except if the Issuer or Guarantor elects to pay any backup withholding tax or similar charge as set forth in the second preceding paragraph, neither the Issuer nor the Guarantor assumes any liability for any tax which it is required to withhold or for any payments to Holders in respect of any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein, and neither the Issuer nor the Guarantor will pay any gross up payments or other additional amounts in respect thereof.

Whenever any Additional Amounts are to be paid on Certificates or Coupons, the Issuer will give notice to the Principal Agent and the other Paying Agents, as provided in the Agency Agreement.

“**United States Alien**” means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

14. Force Majeure

Notwithstanding any other provision of these Conditions of the Instruments, the Issuer shall have the right to terminate its obligations under the Instruments, subject to the following sentence, if the Issuer shall have determined that the performance of its obligations under the Instruments or the obligations of the Guarantor under the Senior Guarantee Agreement shall have become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power. In such circumstances, the Issuer will, however, pay to each Holder in respect of each Instrument held by it the Alternative Settlement Amount. Payment will be made in such manner as shall be notified to the Holders in accordance with General Instrument Condition 18.

The “**Alternative Settlement Amount**” shall be the fair market value of such Instrument on the date of such determination by the Issuer, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Instruments), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

15. Prescription

Claims against the Issuer or the Guarantor, as the case may be, for payment or delivery of any amounts payable or deliveries due under the Instruments shall be prescribed and become void unless made within five years of the date on which such payment first becomes due (the “**Relevant Date**”) and no claims shall be made after the Relevant Date. However, if the full amount of the money payable has not been duly received by the Principal Agent or other relevant Paying Agent on or prior to the Relevant Date, then the Relevant Date shall mean the date on which, after the full amount of such money has been so received, notice to that effect is duly given to the Holders in accordance with General Instrument Condition 18.

16. Replacement of Instruments

Should any Instrument or Coupon be lost, stolen, mutilated, defaced, or destroyed, it may be replaced at the specified office of the Principal Agent in London (or such other place outside the United States as may be notified to Holders) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer or, if payment is made under the Senior Guarantee Agreement, the Guarantor may reasonably require. Mutilated or defaced Instruments or Coupons must be surrendered before replacements will be issued.

17. Principal Agent and Agents

The Bank of New York, One Canada Square, London E14 5AL shall be the initial Principal Agent.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and to appoint additional or other Agents and approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as the Instruments are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Paying Agent with a specified office in a city in Europe;
- (c) there will at all times be a Principal Agent; and
- (d) the Issuer will maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with such Directive.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of General Instrument Condition 13. Any variation, termination, appointment, or change shall take effect only (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days’ prior notice thereof shall have been given to the Holders in accordance with General Instrument Condition 18.

18. Notices

So long as the Instruments of the relevant Series are listed on the Luxembourg Stock Exchange and so long as the relevant rules applying to such listed Instruments so require, all notices relating to the Instruments shall be published in a daily newspaper with general circulation in Luxembourg (which is expected to be *d’Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Holders in accordance with this General Instrument Condition 18.

For so long as the Global Instruments are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg and until such time as any Definitive Instruments are issued, if any are issued, there may be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream,

Luxembourg for communication by them to the Holders and, in addition, so long as the Instruments are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, notices will be published in a daily newspaper of general circulation in a place or places required by those rules. Any such notice to Euroclear and Clearstream, Luxembourg shall be deemed to have been given to Holders on the day after the day on which that notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Holder shall be in writing and given by lodging the same, together with the related Instrument or Instruments, with the Principal Agent. While any of the Instruments are represented by a Global Instrument, that notice may be given by any Holder to the Principal Agent through Euroclear or Clearstream, Luxembourg as the case may be, in such manner as the Principal Agent and Euroclear or Clearstream, Luxembourg as the case may be, may approve for this purpose.

19. Meetings of Holders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including approving by Extraordinary Resolution (as defined in the Agency Agreement) a modification of the Instruments, the Coupons, or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor, or Holders holding not less than 33.00 per cent. of the Instruments of the relevant Series that at such time remain outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority of the Instruments of the relevant Series that at such time remain outstanding, or at any adjourned meeting one or more persons being or representing Holders, except that at any meeting the business of which includes the modification of certain provisions of the Instruments or the Coupons (including modifying the date of maturity or expiration of the Instruments or any date for payment or altering the currency of payment of interest thereon, reducing or canceling the Notional Amount or the rate of interest payable in respect of the Instruments), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the applicable Instruments that at such time remain outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders and on all Couponholders, whether or not they are present at the meeting.

Without the consent of the Holders or Couponholders, the Paying Agent, the Issuer, and the Guarantor may agree to modifications of or amendments to the Agency Agreement, the Instruments, the Coupons, or the Senior Guarantee Agreement, for any of the following purposes:

- (a) to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer or the Guarantor in the Agency Agreement, the Senior Guarantee Agreement, the Instruments, or the Coupons;
- (b) to add to the covenants of the Issuer for the benefit of the Holders and the Couponholders, or to surrender any right or power herein conferred upon the Issuer or the Guarantor;
- (c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Certificates or Coupons in The Netherlands and the United States or its possessions, provided that such payment is permitted by United States and Netherlands tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Holders or the Couponholders;
- (d) to cure any ambiguity, to correct or supplement any defective provision herein or any provision which may be inconsistent with any other provision herein;
- (e) to make any other provisions with respect to matters or questions arising under the Instruments, the Senior Guarantee Agreement, or the Agency Agreement, provided such action pursuant to this subclause (d) shall not adversely affect the interests of the Holders or the Couponholders;
- (f) to authorize or facilitate the issuance of Instruments in registered form;

- (g) to facilitate the issuance of Instruments in accordance with the laws of a particular country; and
- (h) to permit further issuances of Instruments in accordance with the terms of the Program Agreement.

Any such modification or amendment shall be binding on the Holders and the Couponholders and any such modification or amendment shall be notified to the Holders and the Couponholders in accordance with General Instrument Condition 18 as soon as practicable thereafter.

20. Merger, Consolidation, Sale, Conveyance, and Assumption

Any entity into which the Principal Agent or any Paying Agent may be merged or converted, or any entity with which the Agent or any of the Agents may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Principal Agent or any of the Paying Agents shall be a party, or any entity to which the Principal Agent or any Paying Agent shall sell or otherwise transfer all or substantially all the assets of the Principal Agent or any Paying Agent shall become, on the date when such merger, conversion, consolidation, or transfer becomes effective and to the extent permitted by any applicable laws, the successor Agent or, as the case may be, Paying Agent under the Agency Agreement without the execution or filing of any paper or any further act on the part of the parties to the Agency Agreement, unless otherwise required by the Issuer or the Guarantor, and after the effective date all references in the Agency Agreement to the Principal Agent or, as the case may be, such Paying Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation, or transfer shall be given immediately to the Issuer by the relevant Principal Agent or Paying Agent.

21. Additional Issuances

The Issuer from time to time without the consent of the relevant Holders or Couponholder may create and issue additional Instruments having terms and conditions the same as (or the same in all respects except for the Issue Date, Interest Commencement Date (if applicable), and Issue Price) Instruments of an existing Series. These additional Instruments shall be consolidated and form a single Series with the outstanding Instruments of the existing Series.

22. Governing Law and Submission to Jurisdiction

The Agency Agreement, the Instruments, the Coupons, and the Senior Guarantee Agreement shall be governed by and construed in accordance with the laws of the State of New York, United States, applicable to agreements made and to be performed wholly within such jurisdiction without regard to principles of conflicts of laws.

Each of the Issuer and the Guarantor submits to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan, solely for purposes of any legal action or proceeding brought to enforce its obligations hereunder, or under the Senior Guarantee Agreement. As long as any Instrument or Coupon remains outstanding, each of the Issuer and the Guarantor shall either maintain an office or have an authorized agent in New York City upon whom process may be served in any such legal action or proceeding. Service of process upon the Issuer or the Guarantor, as the case may be, at its office or upon such agents with written notice of such service mailed or delivered to the Issuer or the Guarantor, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer or the Guarantor, as the case may be, in any such legal action or proceeding. Each of the Issuer and the Guarantor appoints CT Corporation System at 111 Eighth Avenue, New York, New York 10011 as its agent upon whom process may be served in any suit, action or proceeding relating to or arising out of the Agency Agreement, the Instruments, the Coupons, or the Senior Guarantee Agreement, and with a copy to the Issuer at B of A Issuance B.V., Herengracht 469, 1017 BS Amsterdam, The Netherlands and the Guarantor at Bank of America Corporation, Bank of America Corporate Center, 100 North Tryon Street, NC1-007-07-06, Charlotte, North Carolina 28255, Attn: Corporate Treasury — Securities Administration, and with an additional copy to Bank of America Corporation, Legal Department, 101 South Tryon Street, NC1-002-29-01, Charlotte, North Carolina 28255-0065, Attn: General Counsel.

PRODUCT ANNEXES

12-3-1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

The terms and conditions applicable to Index Linked Notes and Index Linked Instruments (together, “Index Linked Securities”) shall comprise the General Note Conditions or the General Instrument Conditions, as the case may be, and the additional Terms and Conditions set out below (the “Index Linked Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Note Conditions or the General Instrument Conditions, as the case may be, and the Index Linked Conditions, the Index Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Note Conditions or the General Instrument Conditions, as the case may be, and/or the Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Consequences of Disrupted Days

- 1.1 In relation to an Index or an Index Basket, the following provisions shall apply to each Reference Date (unless otherwise, and to the extent, specified in the applicable Final Terms):
- (i) where the Securities are specified in the applicable Final Terms to relate to a single Index, if the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for such Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Index immediately following the Scheduled Reference Date is a Disrupted Day. In that case:
 - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Calculation Agent shall determine the Index Level of such Index as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date); or
 - (ii) where the Securities are specified in the applicable Final Terms to relate to an Index Basket, then (a) the Reference Date for each Index not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the relevant Scheduled Reference Date, and (b) the Reference Date for each Index affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Index. In that case:
 - (I) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (II) the Calculation Agent shall determine the Index Level of such Index as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of

any relevant Component on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (II) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date).

- 1.2 In relation to an Index or an Index Basket, if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day in respect of an Index and, if in the applicable Final Terms the consequence specified is:
- (i) **“Omission”**, then such Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Index Level at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 1.1 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Index Level at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date that was a Disrupted Day;
 - (ii) **“Postponement”**, then paragraph 1.1 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Index Level at the Valuation Time on that Averaging Reference Date as if such Averaging Reference Date were a Reference Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or
 - (iii) **“Modified Postponement”**, then:
 - (a) where the Securities are specified in the applicable Final Terms to relate to a single Index, the Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (I) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date), and (II) the Calculation Agent shall determine the Index Level at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date); and
 - (b) where the Securities are specified in the applicable Final Terms to relate to an Index Basket, (I) the Averaging Reference Date for each Index not affected by the occurrence of a Disrupted Day shall be the relevant Averaging Reference Date, and (II) the Averaging Reference Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (y) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date) in respect of such Index, and (z) the Calculation Agent shall determine the Index Level at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date).

2. Market Disruption

- 2.1 In relation to Securities relating to a single Index or an Index Basket, the following terms and expressions shall have the following meanings:

“Market Disruption Event” means:

- (i) for any Standard Index, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that

ends at the relevant Valuation Time, or (c) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component) and (z) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

(ii) for any Composite Index:

Either:

(a)(I) the occurrence or existence, in respect of any Component, of:

- (A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
 - (C) an Early Closure in respect of such Component; and
- (II) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
- (b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (I) a Trading Disruption, or (II) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (III) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index; or

(iii) for any Proprietary Index, the failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day.

“Disrupted Day” means:

- (i) for any Standard Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;
- (ii) for any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred; or
- (iii) for any Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Calculation Agent may, in its discretion, determine that the occurrence of such event instead results in the occurrence of an Index Disruption).

“Early Closure” means:

- (i) for any Standard Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (ii) for any Composite Index, the closure on any Exchange Business Day with respect to such Composite Index of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.

“Exchange” means:

- (i) for any Standard Index, each exchange or quotation system specified as such in the applicable Final Terms for such Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (ii) for any Composite Index, each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or as otherwise determined by the Calculation Agent in its sole discretion, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means:

- (i) for any Standard Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (ii) for any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means:

- (i) for any Standard Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, in the case of an Index, any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of that Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange; or
- (ii) for any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component on the relevant Exchange in respect of such Component, or (b) futures or options contracts relating to the Index on the relevant Related Exchange.

“Index Sponsor” means, for any Index, the entity specified in the applicable Final Terms, and, if not specified, the corporation or other entity that, as determined by the Calculation Agent, (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

“Maximum Days of Disruption” means eight Scheduled Trading Days or such other number of Scheduled Trading Days (or other type of days) specified in the applicable Final Terms.

“Related Exchange” means for any Standard Index or Composite Index, each exchange or quotation system if any, specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that where “All Exchanges” is specified as the Related Exchange, “Related Exchange” shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means, in respect of an Index and in respect of an Exchange or Related Exchange specified in the applicable Final Terms and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means:

- (i) for any Standard Index, any day on which each Exchange and each Related Exchange specified in the applicable Final Terms are scheduled to be open for trading for their respective regular trading sessions;
- (ii) for any Composite Index, any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session; or
- (iii) for any Proprietary Index, any day on which the Index Sponsor is scheduled to publish the level of the Index.

“Trading Disruption” means:

- (i) for any Standard Index, any suspension of, or limitation imposed on, trading by the relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (a) relating to Components that comprise 20 per cent. or more of the level of that Index on any relevant Exchange or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (ii) for any Composite Index, any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component on the Exchange in respect of such Component, or (b) in futures or options contracts relating to the Index on the Related Exchange.

“Valuation Time” means (unless otherwise, and to the extent, specified in the applicable Final Terms):

- (i) for any Standard Index, (a) for the purposes of determining whether a Market Disruption Event has occurred

- in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;
- (ii) for any Composite Index, (a) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
- (iii) for any Proprietary Index, the time at which the Index Sponsor calculates and publishes the official closing level of the Index.
- 2.2 The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date or an Averaging Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.
- 3. Fallback Valuation Date**
- Notwithstanding any other terms of these Index Linked Conditions, if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 3, a **“Relevant Date”**) for an Index, and if, following adjustment of such Relevant Date pursuant to paragraphs 1 (*Consequences of Disrupted Days*) above or 10 (*Additional Basket Valuation Provisions*) below and/or owing to the original date on which such Relevant Date was scheduled to fall not being a Scheduled Trading Day for such Index (for the purposes of this paragraph 3, an **“Affected Index”**), the Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected Index, then (unless otherwise, and to the extent, specified in the applicable Final Terms) such Fallback Valuation Date shall be deemed to be such Relevant Date for such Affected Index. If such Fallback Valuation Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Index, the Index Level as of the Valuation Time for the Relevant Date for such Affected Index shall be determined pursuant to paragraph 1.1(i)(b) of these Index Linked Conditions, as if each reference therein to “that last consecutive Scheduled Trading Day were instead a reference to “such Fallback Valuation Date”.
- 4. Automatic Early Redemption**
- 4.1 If Automatic Early Redemption is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 4, a **“Relevant Date”**) for an Index, and if the Calculation Agent determines that an Automatic Early Redemption Event has occurred in respect of such Relevant Date, then (unless otherwise, and to the extent, specified in the applicable Final Terms) the Securities will be redeemed on the Automatic Early Redemption Date corresponding to such Relevant Date.
- 4.2 The following terms and expressions shall have the following meanings in relation to Securities to which these Index Linked Conditions apply:
- “Automatic Early Redemption Date”** means, in respect of any Relevant Date, such date as is specified in the applicable Final Terms.
- “Automatic Early Redemption Event”** means, in respect of any Relevant Date, such event as is specified in

the applicable Final Terms.

5. Adjustments

- 5.1 If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.
- 5.2 If, the Calculation Agent determines that, (i) on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Components, capitalization and/or other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists as at the date of such cancellation (an “**Index Cancellation**”), or (ii) on any Reference Date, Averaging Reference Date, Observation Date or other relevant date, the Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**”) (provided that, in respect of a Composite Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”) then:
- (i) if “**Calculation Agent Adjustment**” is stated to be applicable in the applicable Final Terms, the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Reference Date, Averaging Reference Date, Observation Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for, and method of, calculating that Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange); or
 - (ii) if “**Related Exchange Adjustment**” is stated to be applicable in the applicable Final Terms, then following each adjustment to the exercise, settlement, payment, or other terms of options or futures contracts on the Index traded on any Options Exchange, the Calculation Agent will make the corresponding adjustments, if any, to any one or more of terms of the Securities, including without limitation, any variable or term relevant to settlement or payment under the Securities, as the Calculation Agent determines appropriate, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options or futures contracts on the Index are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the relevant terms of the Securities, including without limitation, any variable or term relevant to settlement or payment under the Securities, as the Calculation Agent determines appropriate, with reference to the rules of and precedents (if any) set by the Options Exchange, to account for any event that, in the determination of the Calculation Agent, would have given rise to an adjustment by the Options Exchange if such options or futures contracts were so traded; or
 - (iii) if, in the determination of the Calculation Agent, neither paragraph (a) nor (b) above, as is applicable, would achieve a commercially reasonable result, on giving notice to Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be, the Issuer shall redeem the Securities in whole but not in part, each Security being redeemed by payment of an amount equal to the fair market value of such Security taking into account the Index Adjustment Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer’s obligations under the Securities (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be.

5.3 The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination with respect to the Securities made by it pursuant to paragraph 5.1 or 5.2 above, as is applicable, and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Holders copies of any such determinations.

6. Correction of Index Level

If the applicable Final Terms specify that corrections shall be applicable for a relevant Index, then, in the event that any Index Level published by the Index Sponsor on any date which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction, provided that, if a Correction Cut-off Date is applicable for a relevant Index for any relevant date, corrections published after such Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount, and/or whether any event specified in the applicable Final Terms has occurred.

7. Additional Disruption Events

7.1 If any Additional Disruption Event is specified in the Final Terms to be applicable to the Securities, and such Additional Disruption Event occurs, the Issuer, in its sole and absolute discretion, may:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) redeem the Securities in whole but not in part by giving notice to Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be. If the Securities are so redeemed, the Issuer will pay to each Holder, in respect of each Security held by such Holder, an amount equal to the fair market value of an Security taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Securities (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be.

7.2 Upon the occurrence of an applicable Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

8. Index Disclaimer

If "**Index Disclaimer**" is specified as being applicable to an Index in the applicable Final Terms, then each of the Issuer, the Guarantor and the Holders agrees and acknowledges, in respect of each Index, that the Securities are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer and the

Guarantor shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, none of the Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition, or dissemination of the Indices. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their Affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index.

9. Definitions

The following terms and expressions shall have the following meanings in relation to Securities to which these Index Linked Conditions apply:

“**Additional Disruption Event**” means any Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

“**Averaging Date**” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Averaging Reference Date**” means, in respect of an Index, each Initial Averaging Date, Averaging Date or such other date as specified, or otherwise determined in respect of that Index, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Change in Law**” means that, on or after the Strike Date (as specified in the applicable Final Terms), due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal, or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its sole and absolute discretion, that (y) it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire, or dispose of relevant Hedge Positions (including any Components comprised in an Index), or (z) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

“**Clearance System**” means, in respect of a Component of an Index, a clearance system as specified in the applicable Final Terms. If the applicable Final Terms does not specify a Clearance System, the Clearance System will be the principal domestic clearance system customarily used for settling trades in the relevant Component on any relevant date.

“**Clearance System Business Day**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“**Component**” means, in respect of an Index, each and any security, commodity or other component included in such Index.

“**Composite Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Correction Cut-off Date**” means, in respect of any Index, the date(s) specified as such in the applicable Final Terms.

“**Fallback Valuation Date**” means, in respect of any Index, the date(s) specified as such in the applicable Final Terms.

“Hedge Positions” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions, or (iii) other instruments or arrangements (howsoever described) by the Issuer and/or any of its Affiliates in order to hedge, individually or on a portfolio basis, its obligations under the Securities.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax, duty, expense, or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Index Basket” means, subject to adjustment in accordance with these Index Linked Conditions, the basket of Indices specified in the applicable Final Terms.

“Index Level” means the level of the Index as determined by the Calculation Agent as of the relevant time on the relevant date, as calculated and published by the relevant Index Sponsor, or as specified in the applicable Final Terms.

“Indices” and **“Index”** mean, subject to adjustment in accordance with these Index Linked Conditions, the indices or index specified in the applicable Final Terms, and related expressions shall be construed accordingly.

“Initial Averaging Date” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Initial Valuation Date” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Interest Valuation Date” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Observation Date” means, in respect of an Index and an Observation Period, and unless otherwise provided in the applicable Final Terms, in respect of each Index, each Scheduled Trading Day which is not a Disrupted Day for such Index falling in the Observation Period.

“Observation Period” means, in respect of an Index, the period commencing on the Observation Period Start Date and ending on the Observation Period End Date.

“Observation Period End Date” means, in respect of an Index, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“Observation Period Start Date” means, in respect of an Index, the date specified as such in the applicable

Final Terms, which shall be the first day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“**Proprietary Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Reference Date**” means, in respect of an Index, each Initial Valuation Date, Interest Valuation Date, Valuation Date or such other date as specified or otherwise determined in respect of that Index, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Scheduled Initial Averaging Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Averaging Date.

“**Scheduled Initial Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

“**Scheduled Interest Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date.

“**Scheduled Reference Date**” means, each Scheduled Initial Valuation Date, Scheduled Interest Valuation Date, Scheduled Valuation Date, or such other date specified or otherwise determined in respect of that Index, as specified in the applicable Final Terms.

“**Scheduled Valuation Date**” means, in respect of an Index, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Settlement Cycle**” means, in respect of an Index, the period of Clearance System Business Days following a trade in the Components underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

“**Standard Index**” means any Index specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.

“**Valuation Date**” means, in respect of an Index, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

10. Additional Basket Valuation Provisions

10.1 In relation to any Securities to which these Index Linked Conditions apply, if the applicable Final Terms specify that:

- (i) “Basket Valuation (Common Disrupted Day Roll)” shall apply to any two or more Indices (such Indices being “**Basket Indices**” and each a “**Basket Index**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 10.1, 10.2, 10.3 and 10.5 of the Index Linked Conditions shall apply to each such Basket Index; or
- (ii) “Basket Valuation (Common Scheduled Trading Day Roll)” shall apply to any two or more Indices (such Indices being “**Basket Indices**” and each a “**Basket Index**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 10.1, 10.4 and 10.5 of the Index Linked Conditions shall apply to each such Basket Index.

- 10.2 In relation to Basket Indices to which “Basket Valuation (Common Disrupted Day Roll)” applies, for each Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is affected by the occurrence of a Disrupted Day for any Basket Index (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for any Basket Index, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that would have been such Reference Date is a Disrupted Day for one or more Basket Indices (such Basket Indices being “**Affected Basket Indices**” for such Reference Date, and each such Basket Index being an “**Affected Basket Index**” for such Reference Date). In that case:
- (i) that last consecutive Common Scheduled Trading Day shall be deemed to be such Reference Date, notwithstanding the fact that such day is a Disrupted Day for the Affected Basket Indices;
 - (ii) for each Basket Index other than an Affected Basket Index, the relevant Index Level shall be determined by the Calculation Agent at the applicable Valuation Time on such last consecutive Common Scheduled Trading Day; and
 - (iii) for each Affected Basket Index, the Calculation Agent shall determine the Index Level at the applicable Valuation Time of each such Affected Basket Index on that last consecutive Common Scheduled Trading Day in accordance with the formula for, and method of, calculating that Affected Basket Index last in effect prior to the occurrence of the first Disrupted Day in respect of such Affected Basket Index using the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day of each Component comprised in the Basket Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Common Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day) (and such determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Index Level at the Valuation Time of each Affected Basket Index in respect of the relevant Reference Date).
- 10.3 In relation to Basket Indices to which “Basket Valuation (Common Disrupted Day Roll)” applies, for each Averaging Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been an Averaging Reference Date is affected by the occurrence of a Disrupted Day for any Basket Index (as determined by the Calculation Agent), and, if in the applicable Final Terms the consequence specified is:
- (i) “**Omission**”, then the Averaging Reference Date corresponding to such original date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Index Level of the Basket Indices at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 10.2(iii) of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Index Level at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date on which a Disrupted Day had occurred for the relevant Basket Index;
 - (ii) “**Postponement**”, then paragraph 10.2 of these Index Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Index Level at the Valuation Time on that Averaging Reference Date as if such original date were a Reference Date that was not a Common Scheduled Trading Day and/or was a Disrupted Day for one or more Basket Indices, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or
 - (iii) “**Modified Postponement**”, then the Averaging Reference Date for each Basket Index shall be the first succeeding Basket Valid Date in relation to such Index. If the first succeeding Basket Valid Date in relation to such Index has not occurred as of the Valuation Time on the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but

for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (a) that last consecutive Common Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Common Scheduled Trading Day is already an Averaging Reference Date) for all Basket Indices, and (b) the Calculation Agent shall determine the Index Level of each Basket Index at the Valuation Time for that Averaging Reference Date in accordance with paragraph 10.2(ii) and (iii) of these Index Linked Conditions (as if such Averaging Reference Date were a Reference Date).

10.4 In relation to Basket Indices to which “Basket Valuation (Common Scheduled Trading Day Roll)” applies:

- (i) for each Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Indices, then the Index Level of each Basket Index shall be determined in accordance with paragraph 1.1(ii) or paragraph 10.2 of these Index Linked Conditions as specified in the applicable Final Terms; and
- (ii) for each Averaging Reference Date for a Basket Index (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Averaging Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Averaging Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Indices, then the Index Level of each Basket Index shall be determined in accordance with paragraph 1.2 or paragraph 10.3 of these Index Linked Conditions as specified in the applicable Final Terms.

10.5 The following terms and expressions shall have the following meanings in relation to any Securities to which these Index Linked Conditions apply and to which “Basket Valuation (Common Disrupted Day Roll)” and/or “Basket Valuation (Common Scheduled Trading Day Roll)” shall apply:

“**Basket Valid Date**” means a Common Scheduled Trading Day for all Basket Indices that is not a Disrupted Day for any Basket Index and on which another Averaging Reference Date does not or is not deemed to occur.

“**Common Observation Date**” means, in respect of Basket Indices and a Common Observation Period, and unless otherwise provided in the applicable Final Terms, in respect of the Basket Indices, each Common Scheduled Trading Day falling in the Common Observation Period which is not a Disrupted Day for any Basket Index.

“**Common Observation Period**” means, in respect of Basket Indices, the period commencing on the Common Observation Period Start Date and ending on the Common Observation Period End Date.

“**Common Observation Period End Date**” means, in respect of Basket Indices, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

“**Common Observation Period Start Date**” means, in respect of Basket Indices, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

“**Common Scheduled Trading Day**” means, in respect of all Basket Indices, each day which is a Scheduled Trading Day for all Basket Indices.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED SECURITIES

*The terms and conditions applicable to Share Linked Notes and Share Linked Instruments (together "**Share Linked Securities**") shall comprise the General Note Conditions or the General Instrument Conditions, as the case may be, and the additional Terms and Conditions set out below (the "**Share Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Note Conditions or the General Instrument Conditions, as the case may be, and the Share Linked Conditions, the Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Note Conditions or the General Instrument Conditions, as the case may be, and/or the Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Consequences of Disrupted Days

- 1.1 In relation to a Share or a Share Basket, the following provisions shall apply to each Reference Date (unless otherwise, and to the extent, specified in the applicable Final Terms):
- (i) where the Securities are specified in the applicable Final Terms to relate to a single Share, if the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for such Share shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption in respect of such Share immediately following the Scheduled Reference Date is a Disrupted Day. In that case:
 - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Share Price at the Valuation Time in respect of the relevant Reference Date).
 - (ii) where the Securities are specified in the applicable Final Terms to relate to a Share Basket, then (a) the Reference Date for each Share not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the relevant Scheduled Reference Date, and (b) the Reference Date for each Share affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Share. In that case:
 - (a) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Share Price at the Valuation Time in respect of the relevant Reference Date).
- 1.2 In relation to a Share or Share Basket, if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day in respect of a Share and, if in the applicable Final Terms the consequence specified is:
- (i) "**Omission**", then such Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Share Price at the Valuation Time, provided that, if through the

operation of this provision there would not be an Averaging Reference Date, then paragraph 1.1 of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Share Price at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date that was a Disrupted Day;

- (ii) **“Postponement”**, then paragraph 1.1 of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Share Price at the Valuation Time on that Averaging Reference Date as if such Averaging Reference Date were a Reference Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or
- (iii) **“Modified Postponement”**, then:
 - (a) where the Securities are specified in the applicable Final Terms to relate to a single Share, the Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (I) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date), and (II) the Calculation Agent shall determine the Share Price at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date); and
 - (b) where the Securities are specified in the applicable Final Terms to relate to a Share Basket, (I) the Averaging Reference Date for each Share not affected by the occurrence of a Disrupted Day shall be the relevant Averaging Reference Date, and (II) the Averaging Reference Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (y) that last consecutive Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Reference Date) in respect of such Share, and (z) the Calculation Agent shall determine the Share Price at the Valuation Time for that Averaging Reference Date in accordance with paragraph 1.1(i)(b) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date).

2. Market Disruption

2.1 In relation to Securities relating to a single Share or a Share Basket, the following terms and expressions shall have the following meanings:

“Market Disruption Event” means, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Early Closure” means, in respect of a Share, the closure on any Exchange Business Day of the relevant Exchange relating to the Share or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business

Day.

“Exchange” means, in respect of a Share, each exchange or quotation system specified as such in the applicable Final Terms for such Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

“Maximum Days of Disruption” means eight Scheduled Trading Days or such other number of Scheduled Trading Days (or other type of days) specified in the applicable Final Terms.

“Related Exchange” means, in respect of a Share, each exchange or quotation system, if any, specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where “All Exchanges” is specified as the Related Exchange, “Related Exchange” shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means, in respect of a Share and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means, in respect of a Share, any day on which each Exchange and each Related Exchange specified in the applicable Final Terms are scheduled to be open for trading for their respective regular trading sessions.

“Trading Disruption” means, in respect of a Share, any suspension of, or limitation imposed on, trading by the relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to the Share on the Exchange or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

“Valuation Time” means the time specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant day in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2.2 The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with General Note

Condition 14 or General Instrument Condition 18, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date or an Averaging Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

3. **Fallback Valuation Date**

Notwithstanding any other terms of these Share Linked Conditions, if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 3, a **“Relevant Date”**) for a Share, and if, following adjustment of such Relevant Date pursuant to paragraphs 1 (*Consequences of Disrupted Days*) above or 9 (*Additional Basket Valuation Provisions*) below and/or owing to the original date on which such Relevant Date was scheduled to fall not being a Scheduled Trading Day for such Share (for the purposes of this paragraph 3, an **“Affected Share”**) the Relevant Date would otherwise fall after the specified Fallback Valuation Date in respect of such Affected Share, then (unless otherwise, and to the extent, specified in the applicable Final Terms) such Fallback Valuation Date shall be deemed to be such Relevant Date for such Affected Share. If such Fallback Valuation Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Share, the Share Price as of the Valuation Time for the Relevant Date for such Affected Share shall be determined pursuant to paragraph 1.1(i)(b) of these Share Linked Conditions, as if each reference therein to “that last consecutive Scheduled Trading Day” were instead a reference to “such Fallback Valuation Date”.

4. **Automatic Early Redemption**

4.1 If Automatic Early Redemption is specified in the applicable Final Terms to be applicable to any Reference Date or Averaging Reference Date or any other relevant date (as specified in the applicable Final Terms) (any such date being, for the purposes of this paragraph 4, a **“Relevant Date”**) for a Share, and if the Calculation Agent determines that an Automatic Early Redemption Event has occurred in respect of such Relevant Date, then (unless otherwise, and to the extent, specified in the applicable Final Terms) the Securities will be redeemed on the Automatic Early Redemption Date corresponding to such Relevant Date.

4.2 The following terms and expressions shall have the following meanings in relation to Securities to which these Share Linked Conditions apply:

“Automatic Early Redemption Date” means, in respect of any Relevant Date, such date as is specified in the applicable Final Terms.

“Automatic Early Redemption Event” means, in respect of any Relevant Date, such event as is specified in the applicable Final Terms.

5. **Potential Adjustment Events, Merger Event, Tender Offer, Delisting, Nationalization, and Insolvency**

5.1 **“Potential Adjustment Event”** means:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders of the Shares by way of bonus, capitalization, or similar issue;
- (ii) a distribution, issue, or dividend to existing holders of the relevant Shares of (I) such Shares, or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares, or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (IV) any other type of securities, rights, or warrants, or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price, all as determined by the Calculation Agent;

- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities, or otherwise;
- (vi) in respect of a Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments, or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the determination by the Calculation Agent that a Potential Adjustment Event has occurred or following any adjustment to the settlement terms of listed options or futures contracts on the relevant Shares traded on a Related Exchange, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event or adjustment to the settlement terms of listed options or futures contracts on the relevant Shares traded on a Related Exchange has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent, in its sole and absolute discretion, determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate, or liquidity relative to the relevant Share), and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be, stating the adjustment to the terms of the Securities, and giving brief details of the Potential Adjustment Event.

5.2 If a Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency occurs in relation to any Share, the Issuer in its sole and absolute discretion, may:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines, in its sole and absolute discretion, appropriate to account for the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate, or liquidity relevant to the Shares or to the Securities. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Share Linked Securities relating to a Share Basket, redeem the Securities in part by giving notice to Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be. If the Securities are so redeemed in part, the portion (the “**Redeemed Amount**”) of each Security representing the affected Share(s) shall be redeemed and the Issuer will (a) pay to each Holder in respect of each Security held by such Holder an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as

the case may be, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Securities (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, and (b) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines, in its sole and absolute discretion, appropriate to account for such redemption in part. For the avoidance of doubt the remaining part of each Security after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be; or

- (iii) having given notice to Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be, redeem all, but not some only, of the Securities, each Security being redeemed by payment of an amount equal to the fair market value of an Security taking into account the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Securities (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be; or
- (iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer, in its sole discretion, shall select (the "**Options Exchange**"), require the Calculation Agent to make the appropriate adjustment, if any, to any one or more of terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines, in its sole and absolute discretion, appropriate, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, as the case may be, that in the judgment of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (v) if the applicable Final Terms provide that "**Share Substitution**" is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalization, Insolvency, or Delisting (as the case may be), the Calculation Agent may adjust the Share Basket to include shares selected by it (the "**Substitute Shares**") in place of the Shares (the "**Affected Share(s)**") which are affected by such Merger Event, Tender Offer, Nationalization, Insolvency, or Delisting, and the Substitute Shares and their issuer will be deemed "Shares" and a "Share Issuer" for the purposes of the Share Linked Conditions, respectively, and the Calculation Agent may make such adjustment, if any, to any one or more of terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines, in its sole and absolute discretion, appropriate. In this regard:
 - (a) such substitution and the relevant adjustment to the terms of the Securities will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**"), in its absolute discretion, and specified in the notice referred to in paragraph 5.3 below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalization, Insolvency, or Delisting (as the case may be);
 - (b) the weighting of each Substitute Share in the relevant basket will be equal to the weighting of the relevant Affected Share, unless otherwise determined by the Calculation Agent in its sole and absolute discretion;

- (c) if a Merger Event or a Tender Offer occurs between two or more Shares of the relevant basket, Share Substitution will apply; and
- (d) in order to be selected as a Substitute Share, each relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:
 - (I) is not already the Share or comprised in the Share Basket, as the case may be;
 - (II) belongs to a similar economic sector as the Affected Share; and
 - (III) is of comparable market capitalization, international standing, and exposure as the Affected Share.

5.3 Upon the occurrence of a Merger Event, Tender Offer, Delisting, Nationalization, or Insolvency, the Issuer shall give notice as soon as practicable to the Holders, in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be, stating the occurrence of the Merger Event, Tender Offer, Delisting, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of Substitute Shares, the identity of the Substitute Shares, and the Substitution Date.

6. Correction of Share Price

If the applicable Final Terms specify that corrections shall be applicable for a relevant Share, then, in the event that any Share Price published on the Exchange on any date which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Calculation Agent will make any determination or determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction, provided that, if a Correction Cut-off Date is applicable for a relevant Share for any relevant date, corrections published after such Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining or calculating any relevant amount, and/or whether any event specified in the applicable Final Terms has occurred.

7. Additional Disruption Events

7.1 If any Additional Disruption Event is specified in the applicable Final Terms to be applicable to the Securities, and such Additional Disruption Event occurs, the Issuer, in its sole and absolute discretion, may:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion, the adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines appropriate to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) redeem the Securities by giving notice to Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be. If the Securities are so redeemed, the Issuer will pay to each Holder, in respect of each Security held by such Holder, an amount equal to the fair market value of the Security taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Securities (unless otherwise provided in the applicable Final Terms)), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be; or
- (iii) if the applicable Final Terms provide that "Share Substitution" is applicable upon the occurrence of an Additional Disruption Event, then on or after the relevant Additional Disruption Event, the Calculation

Agent may adjust the Share Basket to include a share selected by it (the“**Substitute Shares**”) in place of the Shares (the“**Affected Share(s)**”) which are affected by such Additional Disruption Event and such Substitute Shares will be deemed “Shares” and their issuer a “Share Issuer” for the purposes of the Shares, respectively, and the Calculation Agent may make such adjustment to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under the Securities, as the Calculation Agent determines appropriate, and/or any of the other terms of these Share Linked Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole and absolute discretion, determines appropriate. In this regard:

- (a) such substitution and the relevant adjustment to the terms of the Securities will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”), in its absolute discretion, and specified in the notice referred to in paragraph 7.2 below;
- (b) the weighting of each Substitute Share in the relevant basket will be equal to the weighting of the relevant Affected Share, unless otherwise determined by the Calculation Agent in its sole and absolute discretion;
- (c) in order to be selected as a Substitute Share, any relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:
 - (I) is not already the Share or comprised in the Share Basket, as the case may be;
 - (II) belongs to a similar economic sector as the Affected Share; and
 - (III) is of comparable market capitalization, international standing, and exposure as the Affected Share.

7.2 Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable, to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

8. Definitions

“**Additional Disruption Event**” means any Change in Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case as specified in the applicable Final Terms.

“**Averaging Date**” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Averaging Reference Date**” means, in respect of a Share, each Initial Averaging Date, Averaging Date or such other date as specified, or otherwise determined in respect of that Share, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“**Change in Law**” means that, on or after the Strike Date (as specified in the applicable Final Terms), due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its sole and absolute discretion, that (y) it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire or dispose of relevant Hedge Positions including any relevant Share, or (z) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

“**Clearance System**” means, in respect of a Share, a clearance system as specified in the applicable Final Terms. If the applicable Final Terms does not specify a Clearance System, the Clearance System will be the

principal domestic clearance system customarily used for settling trades in the relevant Shares on any relevant date.

“Clearance System Business Day” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“Correction Cut-off Date” means, in respect of any Share, the date(s) specified as such in the applicable Final Terms.

“Delisting” means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of that Exchange, such Shares cease (or will cease) to be listed, traded, or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded, or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

“Extraordinary Dividend” means, in respect of a Share, an amount per Share specified or otherwise determined as provided in the applicable Final Terms. If no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, then the Extraordinary Dividend shall be determined by the Calculation Agent in its absolute and sole discretion.

“Failure to Deliver” means failure of the Issuer and/or any of its Affiliates to deliver, when due, the relevant Shares under the Securities, where such failure to deliver is due to illiquidity in the market for such Shares.

“Fallback Valuation Date” means, in respect of any Share, the date(s) specified as such in the applicable Final Terms.

“Hedge Positions” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer and/or any of its Affiliates in order to hedge its obligations under the Securities, individually or on a portfolio basis.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Shares” means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax, duty, expense, or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

“Initial Averaging Date” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Initial Stock Loan Rate” means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the applicable Final Terms.

“Initial Valuation Date” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Interest Valuation Date” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, or winding-up of or any analogous proceeding affecting the Share Issuer, (i) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator, or other similar official, or (ii) holders of the Shares of that Share Issuer become legally prohibited from transferring them.

“Insolvency Filing” means that a Share Issuer institutes, or has instituted against it by a court, regulator, supervisor, or any similar official with primary insolvency, rehabilitative, or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor, or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.

“Loss of Stock Borrow” means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

“Maximum Stock Loan Rate” means, in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of, or an irrevocable commitment to transfer all such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger, or binding share exchange of a Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger, or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of, or an irrevocable commitment to transfer, all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger, or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (y) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security, or (z) in the case of Physical Delivery Securities, the relevant Maturity Date.

“Nationalization” means that all the Shares or all or substantially all the assets of the Share Issuer are nationalized, expropriated, or are otherwise required to be transferred to any governmental agency, authority,

entity, or instrumentality thereof.

“Observation Date” means, in respect of a Share and an Observation Period and unless otherwise provided in the applicable Final Terms, in respect of each Share, each Scheduled Trading Day which is not a Disrupted Day for such Share falling in the Observation Period.

“Observation Period” means, in respect of a Share, the period commencing on the Observation Period Start Date and ending on the Observation Period End Date.

“Observation Period End Date” means, in respect of a Share, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“Observation Period Start Date” means, in respect of a Share, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Observation Period. Such day shall be included in or excluded from such Observation Period, as specified in the applicable Final Terms.

“Options Exchange” means the exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system, to which trading in options contracts relating to the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such options contracts on such temporary substitute exchange or quotation system as on the original Options Exchange) or, if no such exchange or quotation system is specified in the applicable Final Terms, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or, if more than one such Related Exchange is specified in the applicable Final Terms, the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

“Reference Date” means, in respect of a Share, each Initial Valuation Date, Interest Valuation Date, Valuation Date or such other date as specified or otherwise determined in respect of that Share, as specified in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

“Scheduled Initial Averaging Date” means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Averaging Date.

“Scheduled Initial Valuation Date” means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

“Scheduled Interest Valuation Date” means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date.

“Scheduled Reference Date” means, in respect of a Share, each Scheduled Initial Valuation Date, Scheduled Interest Valuation Date, Scheduled Valuation Date, or such other date specified or otherwise determined in respect of that Share, as specified in the applicable Final Terms.

“Scheduled Valuation Date” means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“Settlement Cycle” means, in respect of a Share, the period of Clearance System Business Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

“Share” mean in the case of an issue of Securities relating to a Share Basket, each Share and, in the case of an issue of Securities relating to a single Share, the Share, in each case specified in the applicable Final Terms, and related expressions shall be construed accordingly.

“**Share Basket**” means a basket composed of Shares in the relative proportions or numbers of Shares, as specified in the applicable Final Terms.

“**Share Issuer**” means, in respect of a Share, the issuer of the relevant Share.

“**Share Price**” means the price per Share as determined by the Calculation Agent as at the relevant date.

“**Strike Date**” means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining, or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of a Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, or, the date on which voting Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.

“**Valuation Date**” means, in respect of a Share, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

9. Additional Basket Valuation Provisions

9.1 In relation to any Securities to which these Share Linked Conditions apply, if the applicable Final Terms specify that:

- (i) “Basket Valuation (Common Disrupted Day Roll)” shall apply to any two or more Shares (such Shares being “**Basket Shares**” and each a “**Basket Share**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 9.1, 9.2, 9.3 and 9.5 of the Share Linked Conditions shall apply to each such Basket Share; or
- (ii) “Basket Valuation (Common Scheduled Trading Day Roll)” shall apply to any two or more Shares (such Shares being “**Basket Shares**” and each a “**Basket Share**”), then, notwithstanding the provisions of paragraph 1 above, the provisions of paragraphs 9.1, 9.4 and 9.5 of these Share Linked Conditions shall apply to each such Basket Share.

9.2 In relation to Basket Shares to which “Basket Valuation (Common Disrupted Day Roll)” applies, for each Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is affected by the occurrence of a Disrupted Day for any Basket Share (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for any Basket Share, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that would have been such Reference Date is a Disrupted Day for one or more Basket Shares (such Basket Shares being “**Affected Basket Shares**” for such Reference Date, and each such Basket Share being an “**Affected Basket Share**” for such Reference Date). In that case:

- (i) that last consecutive Common Scheduled Trading Day shall be deemed to be such Reference Date, notwithstanding the fact that such day is a Disrupted Day for the Affected Basket Shares;

- (ii) for each Basket Share other than an Affected Basket Share, the relevant Share Price shall be determined by the Calculation Agent at the applicable Valuation Time on such last consecutive Common Scheduled Trading Day; and
 - (iii) for each Affected Basket Share, the Calculation Agent shall determine its good faith estimate of the value for the Affected Basket Share as of the Valuation Time on that last consecutive Common Scheduled Trading Day (and such determination by the Calculation Agent pursuant to this paragraph (iii) shall be deemed to be the Share Price at the Valuation Time of such Affected Basket Share in respect of the relevant Reference Date).
- 9.3 In relation to the Basket Shares to which “Basket Valuation (Common Disrupted Day Roll)” applies, for each Averaging Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been an Averaging Reference Date is affected by the occurrence of a Disrupted Day for any Basket Share (as determined by the Calculation Agent), and, if in the applicable Final Terms the consequence specified is:
- (i) **“Omission”**, then the Averaging Reference Date corresponding to such original date will be deemed not to be a relevant Averaging Reference Date for the purposes of determining the Share Price of each Basket Share at the Valuation Time, provided that, if through the operation of this provision there would not be an Averaging Reference Date, then paragraph 9.2(iii) of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the relevant Share Price at the Valuation Time on the final Averaging Reference Date, as if such Averaging Reference Date were a Reference Date on which a Disrupted Day had occurred for the relevant Basket Share;
 - (ii) **“Postponement”**, then paragraph 9.2 of these Share Linked Conditions will apply *mutatis mutandis* for the purposes of determining the Share Price at the Valuation Time on that Averaging Reference Date as if such original date were a Reference Date that was not a Common Scheduled Trading Day and/or was a Disrupted Day for one or more Basket Shares, irrespective of whether, pursuant to such determination, that deferred Averaging Reference Date would fall on a day that already is or is deemed to be an Averaging Reference Date; or
 - (iii) **“Modified Postponement”**, then the Averaging Reference Date for each Basket Share shall be the first succeeding Basket Valid Date in relation to such Basket Shares. If the first succeeding Basket Valid Date in relation to such Basket Shares has not occurred as of the Valuation Time on the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Reference Date or Disrupted Day, would have been the final Averaging Reference Date, then (a) that last consecutive Common Scheduled Trading Day shall be deemed the Averaging Reference Date (irrespective of whether that last consecutive Common Scheduled Trading Day is already an Averaging Reference Date) for all Basket Shares, and (b) the Calculation Agent shall determine the Share Price of each Basket Share at the Valuation Time for that Averaging Reference Date in accordance with paragraph 9.2(ii) and (iii) of these Share Linked Conditions (as if such Averaging Reference Date were a Reference Date).
- 9.4 In relation to Basket Shares to which “Basket Valuation (Common Scheduled Trading Day Roll)” applies:
- (i) for each Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Reference Date is not a Common Scheduled Trading Day (as determined by the Calculation Agent), such Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Shares, then the Share Price of each Basket Share shall be determined in accordance with paragraph 1.1(ii) or paragraph 9.2 of these Share Linked Conditions as specified in the applicable Final Terms; and
 - (ii) for each Averaging Reference Date for a Basket Share (unless otherwise, and to the extent, specified in the applicable Final Terms), if the original date that would have been such Averaging Reference Date is not a

Common Scheduled Trading Day (as determined by the Calculation Agent), such Averaging Reference Date shall be the first succeeding Common Scheduled Trading Day. If such first succeeding Common Scheduled Trading Day is a Disrupted Day for one or more Basket Share, then the Share Price Level of each Basket Share shall be determined in accordance with paragraph 1.2 or paragraph 9.3 of these Share Linked Conditions as specified in the applicable Final Terms.

- 9.5 The following terms and expressions shall have the following meanings in relation to any Securities to which these Share Linked Conditions apply and to which “Basket Valuation (Common Disrupted Day Roll)” and/or “Basket Valuation (Common Scheduled Trading Day Roll)” shall apply:

“**Basket Valid Date**” means a Common Scheduled Trading Day for all Basket Shares that is not a Disrupted Day for any Basket Share and on which another Averaging Reference Date does not or is not deemed to occur.

“**Common Observation Date**” means, in respect of the Basket Shares and a Common Observation Period, and unless otherwise provided in the applicable Final Terms, in respect of the Basket Shares, each Common Scheduled Trading Day falling in the Common Observation Period which is not a Disrupted Day for any Basket Shares.

“**Common Observation Period**” means, in respect of Basket Shares, the period commencing on the Common Observation Period Start Date and ending on the Common Observation Period End Date.

“**Common Observation Period End Date**” means, in respect of Basket Shares, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

“**Common Observation Period Start Date**” means, in respect of Basket Shares, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Common Observation Period. Such day shall be included in or excluded from such Common Observation Period, as specified in the applicable Final Terms.

“**Common Scheduled Trading Day**” means, in respect of Basket Shares, each day which is a Scheduled Trading Day for all Basket Shares.

10. ADR Provisions

In relation to any Securities to which these Share Linked Conditions apply and for which the applicable Final Terms specify that the ADR Provisions shall be applicable, the provisions of, and the terms and expressions defined in, this paragraph 10, shall, unless otherwise specified in the applicable Final Terms, apply:

- (i) The definition of “Potential Adjustment Event” in paragraph 5(a) of these Share Linked Conditions shall include, in relation to the ADRs:
 - (a) the occurrence of any Potential Adjustment Event in relation to the Underlying Share or any other shares or securities represented by the ADRs; and
 - (b) the making of any amendment or supplement to the terms of the Deposit Agreement.
- (ii) The definition of “Merger Event” in paragraph 8 of these Share Linked Conditions shall include, in relation to ADRs, the occurrence of any Merger Event in relation to the Underlying Share.
- (iii) If the Deposit Agreement is terminated, then on or after the date of such termination, references to ADRs shall be replaced by references to the Underlying Share and the Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.

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- (iv) The definitions of “Nationalization” and “Insolvency” in paragraph 8 of these Share Linked Conditions shall be construed in relation to the ADRs as if references herein to the ADRs of the Share Company were references to the Underlying Share.
- (v) The definition of “Market Disruption Event” in paragraph 2.1 of these Share Linked Conditions shall include, in relation to the ADRs, the occurrence of a Market Disruption Event in relation to the Underlying Share, and, only for the purpose of determining whether a Market Disruption Event has occurred in relation to an Underlying Share, each reference in these Share Linked Conditions to “Share” or “Shares” shall be construed as a reference to “Underlying Share” or “Underlying Shares”, respectively.
- (vi) The following terms shall have the following meanings in relation to ADRs:
- “**ADRs**” means the American depositary receipts specified in the applicable Final Terms.
- “**Deposit Agreement**” means the agreement or other instrument constituting the ADRs, as from time to time amended or supplemented in accordance with its terms.
- “**Depository**” means the depository of the ADRs appointed as such in under the terms of the Deposit Agreement or any successor depository thereunder.
- “**Share Company**” means (a) both the Depository and the Underlying Share Issuer in respect of the ADRs, and (b) for all other purposes in relation to the Securities, the Depository.
- “**Underlying Shares**” shall such shares of the Underlying Share Issuer as is specified in the applicable Final Terms.
- “**Underlying Share Issuer**” shall be as specified in the applicable Final Terms.

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

*The terms and conditions applicable to Inflation Linked Notes and Inflation Linked Instruments (together, “**Inflation Linked Securities**”) shall comprise the General Note Conditions or the General Instrument Conditions, as the case may be, and the additional Terms and Conditions set out below (the “**Inflation Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Note Conditions or the General Instrument Conditions, as the case may be, and the Inflation Linked Conditions, the Inflation Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Note Conditions or the General Instrument Conditions, as the case may be, or the General Instrument Conditions, as the case may be, and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Delay of Publication

1.1 If any level of the Index for a Reference Month which is relevant for any calculation of any value or payment of any amount under the Securities (a “**Relevant Level**”) has not been published or announced by the Inflation Cut-Off Date in respect of any Observation Date, the Calculation Agent shall determine a substitute Index level (“**Substitute Index Level**”) in place of such Relevant Level by using the following methodology:

- (a) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Observation Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;
- (b) if (a) does not result in a Substitute Index Level for the Affected Observation Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

Substitute Index Level \neq Base Level \times (Latest Level/Reference Level)

Where:

“**Base Level**” means the level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

“**Latest Level**” means the latest level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

“**Reference Level**” means the level of the Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in “Latest Level” above.

1.2 If the Relevant Level is published or announced at any time after the Inflation Cut-Off Date in respect of any Observation Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to paragraph 1.1 above will be the definitive level of the Index for that Reference Month.

2. Cessation of Publication

If the level of the Index has not been published or announced for a period of equal to the Maximum Non-Publication Period or the Index Sponsor announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a successor to a Successor Index (in lieu of any previously applicable Index) with respect to the Securities by using the following methodology:

- (i) If at any time (other than after an Additional Termination Event has been designated by the Calculation

Agent pursuant to paragraph 2(v) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond (if applicable), such successor index shall be designated a “Successor Index” for the purposes of all subsequent payment dates in relation to the Securities, notwithstanding that any other Successor Index may previously have been determined under paragraphs 2(ii), (iii) or (iv) below.

- (ii) If a Successor Index has not been determined under paragraph 2(i) above (and there has been no designation of an Additional Termination Event pursuant to paragraph 2(v) below), and a notice has been given or an announcement has been made by an Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, then such replacement index shall be the Index from the date that such replacement Index comes into effect.
- (iii) If a Successor Index has not been determined under paragraphs 2(i) or (ii) above (and there has been no designation of an Additional Termination Event pursuant to paragraph 2(v) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, that index will be deemed the “Successor Index”. If three responses are received, and two or more leading independent dealers state the same index, that index will be deemed the “Successor Index” in respect of the Securities from the date such index is deemed the “Successor Index”. If fewer than three responses are received, the “Successor Index” will be determined under paragraph 2(iv) below.
- (iv) If a Successor Index has not been determined under paragraphs 2(i), (ii) or (iii) above, by the Inflation Cut-Off Date falling before the Observation Date next to occur, the Calculation Agent will, in its sole discretion, determine an appropriate alternative index for such Observation Date, and such index will be deemed a “Successor Index”.
- (v) If the Calculation Agent determines that there is no appropriate alternative index, an “**Additional Termination Event**” shall be deemed to occur.

3. **Rebasing of the Index**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the level of the Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the Calculation Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Securities.

4. **Material Modification prior to Observation Date**

If, on or prior to the Inflation Cut-Off Date in respect of any Observation Date, the Index Sponsor for the Index announces that it will make a material change to the Index, then the Calculation Agent shall make any such adjustments to the Index consistent with the adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

5. **Manifest Error in Publication**

If (i) within 30 days of publication, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to the relevant Observation Date, on or before such Correction Cut-off Date, the Calculation Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will determine the amount that is payable as a

result of that correction and, to the extent necessary, will adjust any relevant terms of the Securities to account for any such correction.

6. Additional Termination Event

- (i) If an Additional Termination Event occurs, the Issuer, in its sole and absolute discretion, may:
- (A) require the Calculation Agent to determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any of the terms of these Conditions and/or the applicable Final Terms to account for the Additional Termination Event and determine the effective date of that adjustment; or
- (B) redeem the Securities by giving notice to Holders in accordance with General Note Condition 14 or General Instrument Condition 18, as the case may be. If the Securities are so redeemed, the Issuer will pay to each Holder, in respect of each Security held by such Holder, an amount which shall be the fair market value of the Security taking into account the Additional Termination Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be.
- (ii) Upon the occurrence of an applicable Additional Termination Event, the Issuer shall give notice, as soon as practicable, to the Holders in accordance with General Note Condition 14, or General Instrument Condition 18, as the case may be stating the occurrence of the Additional Termination Event, giving details thereof and the action proposed to be taken in relation thereto.

7. Definitions

“Affected Observation Date” means each Observation Date in respect of which an Index has not been published or announced.

“Correction Cut-off Date” means, each date specified in the applicable Final Terms as being applicable in respect of any relevant day.

“Fallback Bond” means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (i) the same day as the Maturity Date or the Settlement Date, as the case may be, (ii) the next longest maturity after the Maturity Date or the Settlement Date, as the case may be, if there is no such bond maturing on the Maturity Date or the Settlement Date, as the case may be, or (iii) the next shortest maturity before the Maturity Date or the Settlement Date, as the case may be, if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany, or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Strike Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond is redeemed, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

“Index” means each index specified as such in the applicable Final Terms, which may be specified by reference to an Index Description or otherwise, or any Successor Index.

“Index Description” means any description of an Index as set out in the 2006 ISDA Inflation Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

“Index Sponsor” means the entity specified as such in the applicable Final Terms, or, if none is specified the entity that publishes or announces (directly or through an agent) the level of the relevant Index.

“Inflation Cut-Off Date” means, in respect of each Observation Date, the fifth Business Day prior to such Observation Date, or such other date specified as such in the applicable Final Terms.

“Maximum Non-Publication Period” means, in respect of an Index, two months, or such other period specified as such in the applicable Final Terms.

“Observation Date” means any date or dates as specified in the applicable Final Terms on which the level of the Index is to be determined.

“Reference Month” means each calendar month for which the level of the Index was reported, regardless of when such information is published or announced. If the period for which the level of the Index was reported is a period other than a month, the Reference Month is the period for which the level of the Index was reported (as determined by the Calculation Agent).

“Related Bond” means the bond specified as such in the applicable Final Terms, or, if no bond is so specified, the Fallback Bond. If no bond is specified as the Related Bond and “Fallback Bond” is specified in the applicable Final Terms as being “Not Applicable”, there shall be no Related Bond for the purposes of the Securities. If a bond is specified as the Related Bond, and that bond is redeemed or matures prior to the Maturity Date or the Settlement Date, as the case may be, unless “Fallback Bond” is specified in the applicable Final Terms as being “Not Applicable”, the Calculation Agent shall use the Fallback Bond for any Related Bond determination in respect of the Securities.

“Strike Date” means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

“Successor Index” means an alternative index determined pursuant to the provisions of Inflation Linked Condition 2.

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES

The terms and conditions applicable to Commodity Linked Notes and Commodity Linked Instruments (together, “**Commodity Linked Securities**”) shall comprise the General Note Conditions or the General Instrument Conditions, as the case may be, and the additional Terms and Conditions set out below (the “**Commodity Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Note Conditions or the General Instrument Conditions, as the case may be, and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Note Conditions or the General Instrument Conditions, as the case may be, or the General Instrument Conditions, as the case may be, and/or the Commodity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Consequences of Market Disruption Events

If the Calculation Agent determines that a Market Disruption Event has occurred or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source), the Relevant Price for that Pricing Date will be determined in accordance with the first Disruption Fallback (applied in accordance with its terms) specified as being applicable in the applicable Final Terms. The applicable Final Terms may provide that one or more Disruption Fallbacks may apply to any Pricing Date, and that such applicable Disruption Fallbacks may apply concurrently or sequentially, in such manner as specified in the applicable Final Terms.

2. Market Disruption Events

“**Market Disruption Event**” means, in respect of a relevant Commodity, an event that, if provided by the applicable Final Terms to be applicable to the Securities, would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price were the event to occur or exist on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

The following events, if specified in the applicable Final Terms to be applicable, shall be Market Disruption Events:

- (i) “**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, the failure of the Price Source to announce or publish such Commodity Reference Price for any relevant day (or the information necessary for determining such Commodity Reference Price for such day)); (B) the temporary or permanent discontinuance or unavailability of the Price Source; (C) if the Commodity Reference Price is “Commodity-Reference Dealers”, the failure to obtain at least three quotations as requested from the relevant Reference Dealers; or (D) if a Price Materiality Percentage is specified in the applicable Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price “Commodity — Reference Dealers” by such Price Materiality Percentage.
- (ii) “**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange, or in any additional futures contract, options contract, or commodity on any Exchange as specified in the applicable Final Terms or as determined by the Calculation Agent. For these purposes:
 - (i) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:

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- (1) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (2) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
 - (ii) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.
 - (c) **“Disappearance of Commodity Reference Price”** means (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the relevant Commodity; or (C) the disappearance or permanent discontinuation or unavailability of the Commodity Reference Price, notwithstanding the availability of the Price Source or the status of trading in the relevant Futures Contracts or the relevant Commodity.
 - (d) **“Material Change in Formula”** means the occurrence since the Strike Date or such other date as may be specified in the applicable Final Terms of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.
 - (e) **“Material Change in Content”** means the occurrence since the Strike Date or such other date as may be specified in the applicable Final Terms of a material change in the content, composition or constitution of the Commodity or relevant Futures Contract.
 - (f) **“Tax Disruption”** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Strike Date or such other date as may be specified in the applicable Final Terms, if the direct effect of such imposition, change, or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change, or removal.

3. Disruption Fallbacks

The following events, if specified in the applicable Final Terms to be applicable in respect of a Pricing Date, shall be **“Disruption Fallbacks”** (provided that (i) different Disruption Fallbacks may be applicable in respect of different Pricing Dates, as specified in the applicable Final Terms, and (ii) unless otherwise provided in the applicable Final Terms, for each Pricing Date, Calculation Agent Determination shall be deemed to be specified as the final, or if no other Disruption Fallback is specified, the, Disruption Fallback):

- (i) **“Fallback Reference Dealers”** means that the Relevant Price will be determined in accordance with the Commodity Reference Price, “Commodity — Reference Dealers”.
- (ii) **“Fallback Reference Price”** means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.
- (iii) **“Postponement”** means that the Pricing Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

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- (iv) **“Calculation Agent Determination”** means that the Calculation Agent will determine the Relevant Price (or a method for determining a Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.
 - (v) **“Delayed Publication or Announcement”** means that the Relevant Price for a Pricing Date will be determined based on the Specified Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price) in respect of the original day scheduled as such Pricing Date that is published or announced by the Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

If the applicable Final Terms provides that both “Delayed Publication or Announcement” and “Postponement” shall be applicable Disruption Fallbacks for a Pricing Date, then, unless otherwise provided in the applicable Final Terms, both such Disruption Fallbacks are to operate concurrently with the other and each shall be subject to two (or such other number as may be specified in the applicable Final Terms) Commodity Business Days as the applicable Maximum Days of Disruption, and that the price determined by Postponement will be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within the Maximum Number of Days of Disruption.

4. **Corrections to Published Prices**

If the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price on any Pricing Date is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement (i) by the thirtieth (30th) calendar day (or such other time frame as may be specified in the applicable Final Terms; provided that different time frames may be specified in the applicable Final Terms for different days or Pricing Dates) after the original publication or announcement, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to such Pricing Date, such Correction Cut-off Date, such corrected price shall be the Relevant Price, and the Calculation Agent, to the extent it deems necessary, may make such adjustments to any of the terms of the Securities that it determines in its sole and absolute discretion to account for such correction.

5. **Successor Entity Calculated and Reports a Price**

If in respect of any relevant Pricing Date, either a Commodity Reference Price is (i) not calculated and announced by the Exchange but is calculated and announced by a successor entity acceptable to the Calculation Agent, or (ii) replaced by a successor commodity price calculated using, as determined by the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Reference Price, then in each case, such price as so calculated will be deemed to be the Commodity Reference Price.

6. **Definitions**

The following terms and expressions shall have the following meanings in relation to Securities to which these Commodity Linked Conditions apply:

“Commodity” means the commodity specified in the applicable Final Terms.

“Commodity Business Day” means:

- (i) where the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its

scheduled closing time; and

- (ii) where the Commodity Reference Price is not a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

“Commodity Definitions” means the 2005 ISDA Commodity Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

“Commodity — Reference Dealers” means that the price for a Pricing Date will be determined on the basis of quotations provided by Reference Dealers on that Pricing Date of that day’s Specified Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price) for a Unit of the relevant Commodity for delivery on the Delivery Date (or, if there is no Delivery Date for a Commodity Reference Price, for delivery on such date that forms the basis on which such Commodity Reference Price is quoted). If four quotations are provided as requested, the price for that Pricing Date will be the arithmetic mean of the Specified Prices (or, if there is no Specified Price for a Commodity Reference Price, of such Commodity Reference Prices for the relevant date and time) for that Commodity provided by each Reference Dealer, without regard to the Specified Prices (or, as the case may be, Commodity Reference Prices for the relevant date and time) having the highest and lowest values. If exactly three quotations are provided as requested, the price for that Pricing Date will be the Specified Price (or, as the case may be, Commodity Reference Price for the relevant date and time) provided by the relevant Reference Dealer that remains after disregarding the Specified Prices (or, as the case may be, Commodity Reference Prices for the relevant date and time) having the highest and lowest values. For this purpose, if more than one quotation has the same highest or lowest value, then the Specified Price (or, as the case may be, Commodity Reference Price for the relevant date and time) of one of such quotations shall be disregarded. If fewer than three quotations are provided, then the next Disruption Fallback specified in the applicable Final Terms will apply, or, if no such Disruption Fallback is specified or is deemed to be specified, the price for the Pricing Date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

“Commodity Reference Price” means such reference price as is specified in the applicable Final Terms by reference to the Commodity Reference Prices set out in the Annex to the Commodity Definitions, provided that the applicable Final Terms may specify a Commodity Reference Price that is not set forth in that Annex and instead specify:

- (i) if that Commodity Reference Price is a price announced or published by an Exchange, (1) the relevant Commodity (including, if relevant, the type or grade of that Commodity, the location of delivery and any other details); (2) the relevant Unit; (3) the relevant Exchange; (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price and; if applicable, (6) the Delivery Date, in which case the price for a Pricing Date will be that day’s Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that Delivery Date, stated in that currency, as announced or published by that Exchange on that Pricing Date; and
- (ii) if that Commodity Reference Price is not a price announced or published by an Exchange, (1) the relevant Commodity (including, if relevant, the type or grade of that Commodity, the location of delivery and any other details); (2) the relevant Unit; (3) the relevant Price Source (and, if applicable, the location in that Price Source of the Specified Price (or the prices from which the Specified Price is calculated)); (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price; and (6) if applicable, the Delivery Date, in which case the price for a Pricing Date will be that day’s Specified Price per Unit of that Commodity and, if applicable, for that Delivery Date, stated in that currency, published (or shown) in the issue of that Price Source that reports prices effective on that Pricing Date.

“Correction Cut-off Date” means, in respect of a Commodity Reference Price and any relevant date, each date specified in the applicable Final Terms in relation to such relevant date after which all corrections of the Specified Price or Commodity Reference Price, as the case may be, originally calculated and/or published by the Price Source or the Exchange, as the case may be, on or before such relevant date, shall be disregarded for the

purposes of any calculations to be made using, or determinations to be made by reference to, such Specified Price or Commodity Reference Price.

“Delivery Date” means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
- (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified for the purpose of determining the Delivery Date in the applicable Final Terms, the date or the month and year determined pursuant to that method.

“Exchange” means the exchange or principal trading market specified in the applicable Final Terms or Commodity Reference Price.

“Fallback Valuation Date” means, in respect of a Commodity Reference Price and any relevant date, each date specified in the applicable Final Terms in relation to such relevant date as being the final day on which any relevant value will be determined in relation to such relevant date.

“Futures Contract” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

“Maximum Days of Disruption” means (i) the number of Commodity Business Days or such other type of days specified in the applicable Final Terms (generally or in respect of specified Pricing Dates) and, if no such number is so specified, five Commodity Business Days, or (ii) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to the Pricing Date or such other date to which the Maximum Days of Disruption apply, such Fallback Valuation Date.

“Nearby Month”, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (i) “First Nearby Month” means the month of expiration of the first Futures Contract to expire following the Pricing Date; (ii) “Second Nearby Month” means the month of expiration of the second Futures Contract to expire following the Pricing Date; and (iii) “Sixth Nearby Month” means the month of expiration of the sixth Futures Contract to expire following the Pricing Date.

“Price Materiality Percentage” means the percentage specified as such in the applicable Final Terms.

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price or in the applicable Final Terms.

“Pricing Date” means, in respect of a Commodity, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Relevant Price is to be determined, provided that:

- (i) if the Scheduled Pricing Date corresponding to such Pricing Date is not a Commodity Business Day for such Commodity, then such Pricing Date will be the (a) the next following Commodity Business Day for such Commodity or (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Pricing Date, such Fallback Valuation Date; and
- (ii) if such Pricing Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not a Commodity Business Day in respect of a Commodity, then the Specified Price or Commodity

Reference Price, as the case may be, of such Commodity on such Pricing Date shall be determined by the Calculation Agent on the basis that a Market Disruption Event has occurred on such Pricing Date in respect of the relevant Commodity.

“Reference Dealers” means, if the relevant Commodity Reference Price is “Commodity-Reference Dealers”, the four dealers specified in the applicable Final Terms or, if dealers are not so specified, four leading dealers in the relevant market selected by the Calculation Agent.

“Relevant Commodity” means, in respect of a Commodity-Linked Security, such commodity as is so specified in the applicable Final Terms, and, if more than one commodity is so specified in the applicable Final Terms, then all such commodities shall be referred to as the “Relevant Commodities”.

“Relevant Price” means, for any Pricing Date, the price, expressed as a price per Unit, determined with respect to that day for the relevant Commodity Reference Price.

“Scheduled Pricing Date” means, in respect of a Commodity and a Pricing Date, such original date that, but for such day not being a Commodity Business Day for such Commodity or for the occurrence of a Market Disruption Event in relation to the corresponding Pricing Date, would have been such Pricing Date.

“Specified Price” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

“Strike Date” means the date as specified in the applicable Final Terms, or as otherwise determined by the Calculation Agent, in its sole discretion.

“Unit” means the unit of measure of the relevant Commodity, as specified in the relevant Commodity Reference Price or the applicable Final Terms.

7. Additional Bullion Provisions

7.1 In relation to any Securities to which these commodity linked Conditions apply, if the applicable Final Terms specify that the “Additional Bullion Provisions” shall apply to any Commodity, then, in respect of such Commodity, paragraphs 1 to 6 of these commodity linked Conditions shall be deemed to be amended as follows:

- (i) each reference to “Commodity Business Day” shall be deemed to be a reference to “Bullion Business Day”; and
- (ii) each reference to “Reference Dealers” shall be deemed to be a reference to “Bullion Reference Dealers”.

7.2 The following terms and expressions shall have the following meanings in relation to any Commodity to which Securities to which the “Additional Bullion Provisions” shall apply:

“Bullion Business Day” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and (if applicable) in such Bullion Business Day Centers specified in the applicable Final Terms.

“Bullion Business Day Centers” means such places as may be specified in the applicable Final Terms.

“Bullion Reference Dealers” means, if the relevant Commodity Reference Price is “Commodity-Reference Dealers”, the four major dealers that are members of The London Bullion Market Association (the “LBMA”) specified in the applicable Final Terms, or if no such Bullion Reference Dealers are specified, selected by the

Calculation Agent, in each case, acting through their principal London offices.

“Gold” means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

“Ounce” means, in the case of Gold, a fine troy ounce, and in the case of Silver, Platinum, and Palladium, a troy ounce.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of The London Platinum and Palladium Market (the **“LPPM”**) relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

“Platinum” means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

“Silver” means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise specified in the applicable Final Terms.

8. Additional Common Pricing Provisions

8.1 In relation to any Securities to which these Commodity Linked Conditions apply, if the applicable Final Terms specify that the “Common Pricing” shall apply to any two or more Commodities (such Commodities being **“Linked Commodities”** and each a **“Linked Commodity”**), then paragraphs 1 to 6 of these Commodity Linked Conditions shall be deemed to be amended in respect of the Linked Commodities and the Pricing Dates to which Common Pricing applies by changing each reference to “Pricing Date” to “Common Pricing Date”.

8.2 The following terms and expressions shall have the following meanings in relation to any Commodity to which Securities to which “Common Pricing” shall apply:

“Common Pricing Date” means, in respect of Linked Commodities, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Relevant Price is to be determined, provided that (unless otherwise specified in the applicable Final Terms):

- (i) if the Scheduled Common Pricing Date corresponding to such Common Pricing Date is not a Commodity Business Day for each such Linked Commodity, then such Common Pricing Date will be (a) the next following day which is a Commodity Business Day for each such Linked Commodity and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Common Pricing Date, such Fallback Valuation Date; and
- (ii) if such Common Pricing Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not a Commodity Business Day in respect of any Linked Commodity, then the Specified Price or Commodity Reference Price for such Linked Commodities shall be determined by the Calculation Agent on the basis that a Market Disruption Event has occurred on such Pricing Date in respect of the relevant Linked Commodity.

“Disruption Period End Date” means, in respect of a Common Pricing Date or such other date as specified in the applicable Final Terms, the last day of the period commencing on and including the Scheduled Common Pricing Date in respect of such Common Pricing Date and ending the Maximum Days of Disruption after such Scheduled Common Pricing Date (measured from and including the Scheduled Common Pricing Date).

“Postponement” means that the Common Pricing Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding day which is a Commodity Business Day for all the Linked Commodities on which there is no Market Disruption Event for any Linked Commodity, unless such day would fall after the Disruption Period End Date. In that case, the next Disruption Fallback specified in the

applicable Final Terms will apply.

“Scheduled Common Pricing Date” means, in respect of the Linked Commodities and a Common Pricing Date, such original date that, but for such day not being a Commodity Business Day for any Linked Commodity or for the occurrence of a Market Disruption Event for any Linked Commodity in relation to the corresponding Common Pricing Date, would have been such Common Pricing Date.

12-3-41

ADDITIONAL TERMS AND CONDITIONS FOR FX LINKED SECURITIES

The terms and conditions applicable to FX Linked Notes and FX Linked Instruments (together, “FX Linked Securities”) rates shall comprise the General Note Conditions or the General Instrument Conditions, as the case may be, and the additional Terms and Conditions set out below (the “FX Linked Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Note Conditions or the General Instrument Conditions, as the case may be, and the FX Linked Conditions, the FX Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Note Conditions or the General Instrument Conditions, as the case may be, and/or the FX Linked Conditions, and (ii) the Final Terms, the Final Terms shall prevail.

1. Consequences of Disruption Events

If the Calculation Agent determines that a Disruption Event has occurred and is continuing in relation to a relevant Calculation Rate for an FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source), then the Calculation Rate for such FX Valuation Date will be determined in accordance with the terms of the first applicable Disruption Fallback. The applicable Final Terms may provide that one or more Disruption Fallbacks may apply to any FX Valuation Date, and that such applicable Disruption Fallbacks may apply concurrently or sequentially, in such manner as specified in the applicable Final Terms.

2. Disruption Events

“**Disruption Event**” means, in respect of an FX Valuation Date, an event that, if provided by the applicable Final Terms to be applicable to the Securities, would give rise, in accordance with an applicable Disruption Fallback, to an alternative basis for determining a Calculation Rate for such FX Valuation Date.

The following events, if specified in the applicable Final Terms to be applicable, shall be Disruption Events:

- (i) “**Dual Exchange Rate**” means, with respect to the Settlement Rate Option applicable to determining the Calculation Rate for the relevant FX Valuation Date, that the currency exchange rate specified in such Settlement Rate Option splits into dual or multiple currency exchange rates.
- (ii) “**General Inconvertibility**” means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels.
- (iii) “**General Non-Transferability**” means the occurrence of any event that generally makes it impossible to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction.
- (iv) “**Governmental Authority Default**” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default, or other similar condition or event (however described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest, or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money, or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation, or rescheduling of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest, or other amounts due in respect of any such security, indebtedness for borrowed money, or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default, or other similar condition or event shall be made without regard to any lack or alleged lack

of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money, or guarantee.

- (v) **“Illiquidity”** means it becomes impossible to obtain a firm quote of the Calculation Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source).
- (vi) **“Inconvertibility/Non-Transferability”** means the occurrence of any event which constitutes a General Inconvertibility, a General Non-Transferability, a Specific Inconvertibility, or a Specific Non-Transferability Disruption Event.
- (vii) **“Nationalization”** means any expropriation, confiscation, requisition, nationalization, or other action by any Governmental Authority which deprives the Issuer (or any of its Relevant Affiliates), of all or substantially all of its assets in the Event Currency Jurisdiction.
- (viii) **“Price Materiality”** means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.
- (ix) **“Price Source Disruption”** means it becomes impossible to obtain the Calculation Rate on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source).
- (x) **“Specific Inconvertibility”** means the occurrence of any event that makes it impossible for the Issuer (or any of its Affiliates) to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer (or any of its Relevant Affiliates, as the case may be) to comply with any law, rule, or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Issue Date and it is impossible for the Issuer (or Affiliate, as the case may be), due to an event beyond the control of the Issuer (or Affiliate), to comply with such law, rule or regulation).
- (xi) **“Specific Non-Transferability”** means the occurrence of any event that makes it impossible for the Issuer (or any of its Affiliates) to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a nonresident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer (or any of its Affiliates, as the case may be) to comply with any law, rule or, regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Issue Date and it is impossible for the Issuer (or Affiliate, as the case may be), due to an event beyond the control of the Issuer (or Affiliate), to comply with such law, rule, or regulation).

3. **Disruption Fallbacks**

The following events, if specified in the applicable Final Terms to be applicable in respect of an FX Valuation Date, shall be **“Disruption Fallbacks”** (provided that (i) different Disruption Fallbacks may be applicable in respect of different FX Valuation Dates, as specified in the applicable Final Terms, and (ii) unless otherwise provided in the applicable Final Terms, for each FX Valuation Date, Calculation Agent Determination shall be deemed to be specified as the final, or if no other Disruption Fallback is specified, the, Disruption Fallback):

- (i) **“Calculation Agent Determination of Calculation Rate”** means that the Calculation Agent will determine the Calculation Rate (or a method for determining the Calculation Rate), taking into consideration all available information that in good faith it deems relevant.
- (ii) **“Fallback Reference Price”** means, in respect of a Disruption Event which is Dual Exchange Rate,

Illiquidity, Price Source Disruption Event, or Price Materiality, that the Calculation Agent will determine the Calculation Rate on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced) pursuant to the first of the alternate Settlement Rate Options, if any, specified as a Fallback Reference Price for such purpose in the applicable Final Terms that is not subject to a Disruption Event.

- (iii) **“Postponement”** means, in relation to Securities to which these FX Linked Conditions apply, that the relevant FX Valuation Date will be deemed to be the first succeeding FX Business Day on which the applicable Disruption Event ceases to exist, unless that Disruption Event continues to exist (measured from the original date that, but for the occurrence of a Disruption Event, would have been the relevant FX Valuation Date) for consecutive FX Business Days equal in number to the Maximum Days of Disruption. In that case, the last such consecutive FX Business Day will be the relevant FX Valuation Date and the next Disruption Fallback specified in the applicable Final Terms will apply.

4. Certain Published and Displayed Sources

- 4.1 If the currency exchange rate specified in any applicable Settlement Rate Option is published or announced by more than one price source and the price source referred to in such Settlement Rate Option fails to publish or announce that currency exchange rate on any relevant FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Calculation Rate for such FX Valuation Date will be determined, unless otherwise specified in the applicable Final Terms, as if the applicable Final Terms had specified any other available price source which actually publishes or announces such currency exchange rate on such FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.
- 4.2 If the currency exchange rate specified in the applicable Settlement Rate Option is reported, sanctioned, recognized, published, announced, or adopted (or other similar action) by the relevant Governmental Authority, and such currency exchange rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognized, published, announced, or adopted (or other similar action) by such Governmental Authority (the **“Official Successor Rate”**), then the Calculation Rate for the relevant FX Valuation Date will be determined, unless otherwise specified in the applicable Final Terms, as if the applicable Final Terms had specified any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of that Governmental Authority) on such FX Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.

5. Corrections to Published Prices

If the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Calculation Rate on any FX Valuation Date is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement (i) by the fifth calendar day (or such other time period as may be specified in the applicable Final Terms; provided that different time frames may be specified in the applicable Final Terms for different days or FX Valuation Dates) after the original publication or announcement, or (ii) if earlier and if a Correction Cut-off Date is specified in the applicable Final Terms to be applicable to such FX Valuation Date, such Correction Cut-off Date, such corrected price shall be the Calculation Rate, and the Calculation Agent, to the extent it deems necessary, may make such adjustments to any of the terms of the Securities that it determines in its sole and absolute discretion to account for such correction.

6. Definitions

The following terms and expressions shall have the following meanings in relation to Securities to which these FX Linked Conditions apply:

“Calculation Rate” means, for any FX Valuation Date, the currency exchange rate determined in accordance

with the specified (or deemed specified) Settlement Rate Option, or if a Settlement Rate Option is not specified (or deemed specified), the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the relevant Currency Pair on the relevant FX Valuation Date (or, if different, the day on which rates for that FX Valuation Date would, in the ordinary course, be published or announced by the relevant price source), as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

“Correction Cut-off Date” means, each date specified in the applicable Final Terms as being applicable in respect of any relevant day.

“Currency” means any Reference Currency, Settlement Currency, Event Currency, or Non-Event Currency, or any other currency, as specified in the applicable Final Terms, and any lawful successor currency (the **“Successor Currency”**) to any such currency. If, after the Issue Date and on or before any relevant payment date under the Securities, a country has lawfully eliminated, converted, redenominated, or exchanged its currency in effect on the Issue Date or any Successor Currency thereto, as the case may be (the **“Original Currency”**), for a Successor Currency, then for the purposes of calculating any Calculation Rate or any other amounts in respect of the Securities, any Original Currency amounts will be converted to the Successor Currency by multiplying the amounts of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by such country for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination, or exchange took place. If there is more than one such date, the date (as selected by the Calculation Agent) closest to such relevant payment will be selected by the Calculation Agent.

“Currency Pair” means the Reference Currency and the Settlement Currency.

“Event Currency” means, in respect of an FX Valuation Date, the currency specified as such in the applicable Final Terms or, if such a currency is not specified, the Reference Currency.

“Event Currency Jurisdiction” means, in respect of an FX Valuation Date, the country for which the Event Currency is the lawful currency.

“FX Business Day” means, in respect of any FX Valuation Date and any Calculation Rate, any day on which commercial banks are open (or, but for the occurrence of any applicable Disruption Event, would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the Principal Financial Center of the relevant Reference Currency and in such other financial centers as may be specified in the applicable Final Terms.

“FX Definitions” means the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., as amended up to and including the date of the applicable Final Terms.

“FX Valuation Date” means, in respect of Securities to which these FX Linked Conditions are applicable, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Calculation Rate is to be determined, provided that:

- (i) if the Scheduled FX Valuation Date corresponding to such FX Valuation Date is not an FX Business Day for the relevant Settlement Rate Option, then such FX Valuation Date will be (a) the next following FX Business Day for the relevant Settlement Rate Option, and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such FX Valuation Date, such Fallback Valuation Date; and
- (ii) if such FX Valuation Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not an FX Business Day for the relevant Settlement Rate Option, then the relevant Calculation Rate for such FX Valuation Date shall be determined by the Calculation Agent on the basis that a Disruption Event has occurred on such FX Valuation Date in respect of the relevant Calculation Rate.

“Governmental Authority” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative, or other governmental authority or any other entity (private or

public) charged with the regulation of the financial markets (including the central bank) of the Event Currency Jurisdiction.

“Maximum Days of Disruption” means, (i) the number of FX Business Days or such other type of days specified in the applicable Final Terms (generally or in respect of specified FX Valuation Dates) and, if no such number is so specified, five FX Business Days, or (ii) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to the FX Valuation Date or such other date to which the Maximum Days of Disruption apply, such Fallback Valuation Date.

“Minimum Amount” means, in respect of an FX Valuation Date, the amount specified as such in the applicable Final Terms and, for purposes of the definition of Specific Inconvertibility, the Event Currency equivalent of U.S.\$1.

“Non-Event Currency” means, in respect of an FX Valuation Date, the currency of the Currency Pair that is not the Event Currency.

“Price Materiality Percentage” means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the percentage specified as such in the applicable Final Terms.

“Primary Rate” means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the rate determined using the applicable Settlement Rate Option specified for such purpose in the applicable Final Terms.

“Principal Financial Center” means the financial center or centers specified in the applicable Final Terms.

“Reference Currency” means the currency specified as the Reference Currency or the local currency, as the case may be, in the applicable Final Terms.

“Repudiation” means that, in respect of an FX Valuation Date and for purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money, or guarantee of such Governmental Authority in any material respect.

“Secondary Rate” means, in respect of an FX Valuation Date and for purposes of the definition of Price Materiality, the rate determined using the applicable Settlement Rate Option specified for such purpose in the applicable Final Terms.

“Settlement Currency” means the currency specified as the Settlement Currency in the applicable Final Terms.

“Settlement Rate Option” means, in respect of the calculation of a Calculation Rate, such currency exchange rate as is specified in the applicable Final Terms by reference to the Settlement Rate Option set out in Annex A to the FX Definitions, provided that, the applicable Final Terms may specify and describe a Settlement Rate Option that is not set forth in Annex A to the FX Definitions.

7. Additional Common Pricing Provisions

- 7.1 In relation to any Securities to which these FX Linked Conditions apply, if the applicable Final Terms specify that “Common Pricing” shall apply to any two or more Calculation Rate (such Calculation Rates being “**Linked Calculation Rates**”, and each a “**Linked Calculation Rate**”), then paragraphs 1 to 6 of these FX Linked Conditions shall be deemed to be amended in respect of the Linked Calculation Rates and the FX Valuation Date to which Common Pricing applies by changing each reference to “FX Valuation Date” to “Common FX Valuation Date”.
- 7.2 The following terms and expressions shall have the following meanings in relation to any Securities to which these FX Linked Conditions apply and to which “Common Pricing” shall apply:

“Common FX Valuation Date” means, in respect of Linked Calculation Rates, each date specified as such in the applicable Final Terms (or determined pursuant to a method specified for such purpose), which date is a day in respect of which a Calculation Rate is to be determined, provided that (unless otherwise specified in the applicable Final Terms):

- (i) if the Scheduled Common FX Valuation Date corresponding to such Common FX Valuation Date is not an FX Business Day for each such Linked Calculation Rate, then such Common FX Valuation Date will be (a) the next following day which is an FX Business Day for each such Linked Calculation Rate, and (b) if earlier and if a Fallback Valuation Date is specified in the applicable Final Terms to be applicable to such Common FX Valuation Date, such Fallback Valuation Date; and
- (ii) if such Common FX Valuation Date falls on the Fallback Valuation Date pursuant to (i) above and such Fallback Valuation Date is not an FX Business Day in respect of any Linked Calculation Rate, then the Linked Calculation Rate shall be determined by the Calculation Agent on the basis that a Disruption Event has occurred on such FX Valuation Date in respect of the relevant Linked Calculation Rate.

“Disruption Period End Date” means, in respect of a Common FX Valuation Date or such other date as specified in the applicable Final Terms, the last day of the period commencing on and including the Scheduled Common FX Valuation Date in respect of such Common FX Valuation Date and ending the Maximum Days of Disruption after such Scheduled Common FX Valuation Date (measured from and including the Scheduled Common FX Valuation Date).

“Postponement” means that the Common FX Valuation Date will be deemed, for the purposes of the application of this Disruption Fallback only, to be the first succeeding day which is an FX Business Day for all the Linked Calculation Rates and on which there is no Disruption Event for any Linked Calculation Rate, unless such day would fall after the Disruption Period End Date. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply.

“Scheduled Common FX Valuation Date” means, in respect of the Linked Calculation Rates and a Common FX Valuation Date, such original date that, but for such day not being a FX Business Day for any Linked Calculation Rate or for the occurrence of a Disruption Event for any Linked Calculation Rate in relation to the corresponding Common FX Valuation Date, would have been such Common FX Valuation Date.

Schedule 13 to
Agency Agreement
FORM OF CERTIFICATE TO BE PRESENTED
BY EUROCLEAR OR CLEARSTREAM, LUXEMBOURG

B OF A ISSUANCE B.V.
(the "Issuer")

[NOTES/CERTIFICATES] DUE [YEAR OF MATURITY DATE/
SETTLEMENT DATE]

Series No. []
Tranche No. []

(the "Securities")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as persons being entitled to a portion of the principal or notional amount set forth below (our "Member Organizations") substantially to the effect set forth in the Agency Agreement, as of the date hereof, \$_____ principal or notional amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations, any estate the income of which is subject to United States federal income taxation regardless of its source or any trust with respect to which a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of its substantial decisions or any other persons deemed a U.S. person under Section 7701(a)(30) of the Internal Revenue Code (taking into account changes thereto and associated effective dates, elections, and transition rules) ("U.S. persons"), (ii) is owned by U.S. persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("financial institutions") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the Restricted Period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a U.S. person or to a person within the United States or its possessions. Any such certification by electronic transmission satisfies the requirements set forth in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(3)(ii). We will retain all certificates received from Member Organizations for the period specified in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(i).

As used herein, "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

The Securities are of the category contemplated in Rule 903(b)(2) of Regulation S under the Securities Act of 1933, as amended (the "Act"), and this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organizations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the Agency Agreement.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global Security excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Dated _____, [20__]¹

Yours faithfully,

[Euroclear Bank S.A./N.V.]

or

[Clearstream Banking, société anonyme]

By: _____

¹ To be dated no earlier than date to which this certification relates, namely, (a) the payment date or (b) the Exchange Date.

Schedule 14 to
Agency Agreement

FORM OF CERTIFICATE OF BENEFICIAL OWNER

B OF A ISSUANCE B.V.
(the "Issuer")

[NOTES/CERTIFICATES] DUE [YEAR OF MATURITY DATE/
SETTLEMENT DATE]

Series No. []
Tranche No. []

(the "Securities")

This is to certify that, as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations, any estate the income of which is subject to United States federal income taxation regardless of its source or any trust with respect to which a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of its substantial decisions or any other persons deemed a U.S. person under Section 7701(a)(30) of the Internal Revenue Code (taking into account changes thereto and associated effective dates, elections, and transition rules) ("U.S. persons"), (ii) are owned by U.S. person(s) that (a) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("financial institutions") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the Restricted Period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a U.S. person or to a person within the United States or its possessions.

The Securities are of the category contemplated in Rule 903(b)(2) of Regulation S under the Securities Act of 1933, as amended (the "Act"), and this is also to certify that, except as set forth below in the case of debt securities, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchase the Securities in transactions which did not require registration under the Act. As used in this paragraph the term "U.S. person" has the meaning given to it by Regulation S under the Act.

As used herein, "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by facsimile on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of Definitive Securities (or, if relevant, exercise of any right or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification to any interested party in such proceedings.

Dated: _____, 20__¹

By: _____
As, or as agent for, the beneficial owner(s) of the Securities to which this certification relates.

¹ To be dated no earlier than the fifteenth day prior to the date to which this certification relates, namely, (a) the payment date or (b) the Exchange Date.

PROVISION FOR MEETINGS OF HOLDERS

1. Terms used, but not otherwise defined in this Schedule shall have the respective meanings set forth in the Agency Agreement. As used in this Schedule, the following expressions shall have the following meanings, unless the context otherwise requires:

(i) "voting certificate" shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:

(a) that on the date thereof Securities (not being Securities in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate and any adjourned such meeting) bearing specified serial numbers were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Securities will cease to be so deposited or held until the first to occur of:

- (1) the conclusion of the meeting specified in such certificate or, if applicable, any adjourned such meeting; and
- (2) the surrender of the certificate to the Paying Agent who issues the same;

(b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Securities represented by such certificate;

(ii) "block voting instruction" shall mean an English language document issued by a Paying Agent and dated in which:

(a) it is certified that Securities (not being Securities in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Securities will cease to be so deposited or held until the first to occur of:

- (1) the conclusion of the meeting specified in such document or, if applicable, any adjourned such meeting; and
- (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Security which is to be released or (as the case may require) the Security or Securities ceasing with the agreement of the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

(b) it is certified that each Holder of such Securities has instructed such Paying Agent that the vote(s) attributable to the Security or Securities so deposited or held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

(c) the total number and (in the case only of Definitive Securities) the serial numbers (if applicable) of the Securities so deposited or held are listed distinguishing with regard to each such

resolution between those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such document (each hereinafter called a "proxy") is or are authorized and instructed by such Paying Agent to cast the votes attributable to the Securities so listed in accordance with the instructions referred to in paragraph (c) above as set out in such document.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Holders be deemed to be the Holder of the Securities to which such voting certificate or block voting instruction related and the Paying Agent with which such Securities have been deposited or the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the Holder of those Securities.

(iii) References herein to the "Securities" are to the Securities in respect of which the relevant meeting is convened.

2. The Agent may at any time and, upon a requisition in writing of Holders holding not less than 33% in principal amount of the Notes, or 33% of the aggregate number or notional amount of the Instruments, as the case may be, for the time being outstanding, shall convene a meeting of the Holders and if the Agent makes default for a period of seven days in convening such a meeting the same may be convened by the Issuer or the requisitionists. Whenever the Agent is about to convene any such meeting it shall forthwith give notice in writing to the Issuer and the Dealers of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place in the City of New York or London as the Agent may approve.

3. Notice of every meeting of Holders shall be published on behalf and at the expense of the Issuer in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable. Such notice shall set forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, and shall be published at least twice, the first publication to be not less than 21 nor more than 180 days prior to the date fixed for the meeting. Such notice shall include a statement to the effect that Securities may be deposited with Paying Agents for the purpose of obtaining voting certificates or appointing proxies not less than 24 hours before the time fixed for the meeting or that, in the case of corporations, they may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).

4. In case at any time the Issuer or the Holders of at least 33% in aggregate principal amount of the Notes, or 33% of the aggregate number or notional amount of Instruments, as the case may be, outstanding shall have requested the Principal Agent to call a meeting of Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Agent shall not have given the first notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Issuer or Holders of Securities in the amount above specified may determine the time and the place in either of the locations designated in paragraph 2 hereof for such meeting and may call such meeting by giving notice thereof as provided in paragraph 3 hereof.

5. Any person (who may but need not be a Holder) nominated in writing by the Issuer shall be entitled to the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be Chairman. To be entitled to vote at any meeting of Holders, a person shall be (i) a Holder of one or more Securities, or (ii) a person appointed by an instrument in writing as proxy for a Holder or Holders by such Holder or Holders, which proxy need not be a Holder. The only persons who shall be entitled to be present or to speak at any meeting of Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Agent and its counsel and any representatives of the Issuer and its counsel.

6. At any such meeting, one or more persons present holding Securities or voting certificates or being proxies and holding or representing in the aggregate not less than a majority in principal amount of the Notes,

or a majority in aggregate number or notional amount of the Instruments, as the case may be, shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Securities or voting certificates or being proxies and holding or representing in the aggregate 67% in principal amount of the Notes, or 67% of the aggregate number or notional amount of the Instruments, as the case may be, for the time being outstanding, provided that, at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by an Extraordinary Resolution) namely:

- (i) modification of the Maturity Date, Settlement Date or Expiration Date, as applicable of the Securities or reduction or cancellation of the principal amount or other amount payable upon maturity, settlement or exercise, as applicable; or
- (ii) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Securities or variation of the method of calculating the Rate of Interest (if applicable) in respect of the Securities; or
- (iii) reduction of any Minimum Interest Rate and/or Maximum Interest Rate specified in the applicable Final Terms of any Floating Rate Note or Floating Rate Certificate; or
- (iv) modification of the currency in which payment under the Securities and/or any Coupons appertaining thereto are to be made; or
- (v) modification of the majority required to pass an Extraordinary Resolution; or
- (vi) the sanctioning of any such scheme or proposal as is described in paragraph 19(F) below; or
- (vii) alteration of this proviso or the proviso to paragraph 7 below; or
- (viii) any modification of the Senior Guarantee or the Subordinated Guarantee that is adverse to the rights of the Holders thereunder;

the quorum shall be one or more persons present holding Securities or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds in principal amount of the Notes, or two-thirds in aggregate number or notional amount of the Instruments, as the case may be, for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of Securities will be binding on all Holders of Securities whether or not they are present at the meeting, and on all Couponholders (if any) appertaining to such Securities.

7. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of the Holders (as provided in Section 4 hereof), be dissolved. In any other case, the meeting shall be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in paragraph 3 hereof except that such notice need be published only once but must be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. Subject to the foregoing, at the reconvening of any meeting adjourned for a lack of a quorum the persons entitled to vote 33% in principal amount of the Notes, or 33% of the aggregate number or notional amount of the Instruments, as the case may be, shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the aggregate principal amount of the Notes, or the aggregate number or notional amount of the Instruments, as the case may be, that shall constitute a quorum. At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters (except as limited by General Note Condition 14 or by General Instrument Condition 19, as applicable) shall be effectively passed and decided if passed or decided by the persons entitled to vote a majority in principal amount of the Notes, or a majority in aggregate number or notional amount of the Instruments, as the

case may be, represented and voting at such meeting, provided that such amount shall be not less than 33% in principal amount of the Notes outstanding, or 33% of the aggregate number or Notional Amount of the Instruments, as the case may be. Any Holder who has executed and delivered an instrument in writing appointing a person as his proxy shall be deemed to be present for the purposes of determining a quorum and be deemed to have voted; provided, however, that such Holder shall be considered as present or voting only with respect to the matters covered by such instrument in writing. Any resolution effectively passed or decision taken at any meeting of the Holders duly held in accordance with this paragraph 7 shall be binding on all Holders whether or not present or represented at the meeting and whether or not notation of such decision is made upon the Securities.

8. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall (except in cases where the proviso to paragraph 6 above shall apply when it shall state the relevant quorum) state that one or more persons present holding Securities or voting certificates or being proxies at the adjournment meeting whatever the principal amount of the Notes, or aggregate number or notional amount of the Instruments, as the case may be, held or represented by them will form a quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

9. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Holder or as a holder of a voting certificate or as a proxy.

10. At any meeting, unless a poll is (before or on the declaration of the results of the show of hands) demanded by the Chairman or the Issuer or by one or more persons present holding Securities or voting certificates or being proxies and holding or representing in the aggregate not less than two percent in principal amount of the Securities, or two percent in aggregate number or notional amount of the Instruments, as the case may be, for the time being outstanding, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

11. Subject to paragraph 13 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the asking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

12. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

13. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

14. Any director or officer of the Issuer and its lawyers and other professional advisers may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "outstanding" in sub-clause 1(b) of this Agreement, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requisitioning the convening of such a meeting unless he either produces the Security or Securities of which he is the holder or a voting certificate or is a proxy. Neither the Issuer nor any of its subsidiaries shall be entitled to vote at any meeting in respect of Securities held by it for the benefit of any such company and no other person shall be entitled to vote at any meeting in respect of Securities held by it for the benefit of any such company. Nothing herein contained shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.

15. Subject as provided in paragraph 14 hereof at any meeting:

(A) on a show of hands every person who is present in person and produces a Security or voting certificate or is a proxy shall have one vote; and

(B) on a poll every person who is so present shall have one vote in respect of:

(i) in the case of a meeting of the Holders of Notes all of which are denominated in a single currency, each minimum integral amount of such currency;

(ii) in the case of a meeting of the Holders of Notes denominated in more than one currency, each U.S. \$1.00 or, in the case of a Note denominated in a currency other than U.S. Dollars, the equivalent of U.S. \$1.00 in such currency at the Agent's spot buying rate for the relevant currency against U.S. Dollars at or about 11:00 a.m. (London time) on the date of publication of the notice of the relevant meeting (or of the original meeting of which such meeting is an adjournment), or such other amount as the Agent shall in its absolute discretion stipulate in principal amount of Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy; and

(iii) in the case of a meeting of the Holders of Instruments, each such Instrument.

Without prejudice to the obligation of the proxies named in any block voting instructions, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

16. The proxies named in any block voting instruction need not be Holders.

17. Each block voting instruction together (if so requested by the Issuer) with proof satisfactory to the Issuer of its due execution on behalf of the relevant Paying Agent shall be deposited at such place as the Agent shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A certified copy of each block voting instruction shall be deposited with the Agent before the commencement of the meeting or adjourned meeting, but the Agent shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction.

18. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Holders' instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent by the Issuer at its registered office (or such other place as may have been approved by the Agent of the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.

19. A meeting of the Holders shall in addition to the powers hereinbefore given have the following powers exercisable by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 6 and 7 above) only namely:

(A) Power to sanction any compromise or arrangement proposed to be made between the Issuer and the Holders, the Receiptholders (if applicable) and the Couponholders (if applicable) or any of them.

(B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Holders, the Receiptholders (if applicable) and the Couponholders (if applicable) against the Issuer or against any of its property whether such rights shall arise under this Agreement, the Securities, the Receipts (if applicable) or the Coupons (if applicable) or otherwise.

(C) Power to assent to any modification of the provisions contained in this Agreement or the General Note Conditions, the General Instrument Conditions, the Securities, the Receipts (if applicable) or the Coupons (if applicable) which shall be proposed by the Issuer.

(D) Power to give any authority or sanction which under the provisions of this Agreement or the Securities is required to be given by Extraordinary Resolution.

(E) Power to appoint any persons (whether Holders or not) as a committee or committees to represent the interest of the Holders and to confer upon such committee or committees any powers or descriptions which the Holders could themselves exercise by Extraordinary Resolution.

(F) Power to sanction any scheme or proposal for the exchange or sale of the Securities for, or the conversion of the Securities into or the cancellation of the Securities in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash.

(G) Power to approve the substitution of any entity in place of the Issuer (or any previous substitute) as the principal debtor in respect of the Securities, the Receipts (if applicable) and the Coupons (if applicable).

20. Any resolution passed at a meeting of the Holders duly convened and held in accordance with this Agreement shall be binding upon all the Holders whether present or not present at such meeting and whether or not voting and upon all Receiptholders (if applicable) and Couponholders (if applicable) and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Holders shall be published in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable, by the Issuer within 14 days of such result being known, provided that the non-publication of such notice shall not invalidate such resolution.

21. The expression "Extraordinary Resolution" when used in this Agreement, the General Note Conditions or the General Instrument Conditions means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 66-2/3% of the votes given on such poll.

22. Minutes of all resolutions and proceedings at every such meeting aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed or had.

23. The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of Holders or of their representatives by proxy (and the serial number or numbers of the Securities held or represented by them). The permanent chairperson of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record, at least in triplicate, of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided in paragraph 3 hereof and, if applicable, paragraph 8 hereof. Each copy shall be signed and verified by the affidavits of the chairperson and secretary of the meeting, and one such copy shall be delivered to the Issuer and another to the Agent to be preserved by the Agent, the copy delivered to the Agent to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

24. Subject to all the provisions contained herein the Agent may without the consent of the Issuer, the Guarantor, the Holders or the Couponholders (if applicable) prescribe such further regulations regarding the requisition and/or the holding of meetings of Holders and attendance and voting thereat as the Agent may in its sole discretion think fit.

Schedule 16 to
Agency Agreement

FORM OF PUT NOTICE

B OF A ISSUANCE B.V.

NOTES DUE
[year of Maturity Date/Redemption Month]

ISIN []

Principal Agent

To: The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom
Attention: Corporate Trust Administration
Telephone: 0044 20 7964 4784
Facsimile: 0044 20 7964 6399

or

Paying Agent

To: The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Attention: Corporate Trust Administration
Telephone: 00352 46 26 85 523
Facsimile: 00352 46 26 85 804

By depositing this duly completed Notice with any Paying Agent for the Notes of the above Series (the "Notes") the undersigned Holder of such of the Notes referred to below irrevocably exercises its option to have such Notes redeemed on [] under General Note Condition 6(d).

The Notice relates to Notes in the aggregate principal amount of _____ (_____), in the case of Definitive Notes bearing the following serial numbers:

If the Notes referred to above are to be returned to the undersigned under Clause 10(5) of the Agency Agreement, they should be returned by post to (see Note (1) below):

To: _____

Address: _____

For the Attention of: _____

Payment Instructions for Securities held outside of Euroclear and/or Clearstream, Luxembourg

Please make payment in respect of the above-mentioned Notes as follows:

Receiving Bank Correspondent: _____

SWIFT: _____

Bank Name: _____

SWIFT Code: _____

Beneficiary Account Name: _____

Account No.: _____

Reference: _____

For: _____

By: _____

Signature: _____

Print Name: _____

Telephone No.: _____

E-mail: _____

Dated: _____

To be completed by recipient Paying Agent in respect of physical definitive securities held outside of Euroclear and/or Clearstream, Luxembourg

Received by: _____

Signature and stamp of Paying Agent

At its office at: _____

On: _____

Time: _____

Notes

- (1) The Agency Agreement provides that Notes or authorities so returned will be sent by post, uninsured and at the risk of the Holder, unless the Holder otherwise requests and pays the costs of such insurance in advance to the relevant Paying Agent.
- (2) This Put Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) The Paying Agent with whom the above-mentioned Notes are deposited will not in any circumstances be liable to the depositing Holder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

Schedule 17 to
Agency Agreement

FORM OF ASSET TRANSFER NOTICE

B OF A ISSUANCE B.V.

NOTES DUE
[year of Maturity Date/Redemption Month]

ISIN []

Principal Agent

To: The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom
Attention: Corporate Trust Administration
Telephone: 0044 20 7964 4784
Facsimile: 0044 20 7964 6399

or

Paying Agent

To: The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Attention: Corporate Trust Administration
Telephone: 00352 46 26 85 523
Facsimile: 00352 46 26 85 804

By depositing this duly completed Notice with the Paying Agent, as provided in General Note Condition 5(f), the undersigned Holder of such of the Notes referred to below irrevocably sets forth its instruction to have the Physical Delivery Amount in respect of the Notes delivered as set forth herein under General Note Condition 5(f).

The Notice relates to Notes in the aggregate principal amount of _____ (_____), in the case of Definitive Notes bearing the following serial numbers:

If the Notes referred to above are to be returned to the undersigned under Clause 10(6) of the Agency Agreement, they should be returned by post to (see Note (1) below):

To: _____

Address: _____

For the Attention of: _____

Delivery Instructions for Securities held outside of Euroclear and/or Clearstream, Luxembourg

Please make delivery of the Physical Delivery Amount and/or any cash amounts to be paid in respect of the above-mentioned Notes as follows:

by transfer to the following account:

For Physical Delivery Amount:

Clearing System: _____

Account Number: _____

Account Name: _____

For Cash Amounts:

Receiving Bank Correspondent: _____

SWIFT: _____

Bank Name: _____

SWIFT Code: _____

Beneficiary Account Name: _____

Account No.: _____

Reference: _____

Additional Agreements:

- (i) The undersigned hereby undertakes to pay all Expenses with respect to the relevant Notes, including any applicable depository charges, transactions or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery or transfer of the Physical Delivery Amount to or to the order of the undersigned.
- (ii) The undersigned certifies that the beneficial owner of each Note is not a U.S. person (as defined in Regulation S under the Securities Act of 1933, as amended), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with the transfer contemplated hereby.

(iii) The undersigned authorizes the production of this Asset Transfer Notice, including the certifications herein, in any applicable governmental, judicial, administrative or legal proceedings.

For: _____

By: _____

Signature: _____

Print Name: _____

Telephone No.: _____

E-mail: _____

Dated: _____

To be completed by recipient Paying Agent in respect of physical definitive securities held outside of Euroclear and/or Clearstream, Luxembourg

Received by: _____

Signature and stamp of Paying Agent

At its office at: _____

On: _____

Time: _____

Notes

(1) The Agency Agreement provides that Notes or authorities so returned will be sent by post, uninsured and at the risk of the Holder, unless the Holder otherwise requests and pays the costs of such insurance in advance to the relevant Paying Agent.

(2) This Asset Transfer Notice is not valid unless all of the paragraphs requiring completion are duly completed.

(3) The Paying Agent with whom the above-mentioned Notes are deposited will not in any circumstances be liable to the depositing Holder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

Schedule 18 to
Agency Agreement

FORM OF EXERCISE NOTICE

B OF A ISSUANCE B.V.

WARRANTS

ISIN []

Principal Agent

To: The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom
Attention: Corporate Trust Administration
Telephone: 0044 20 7964 4784
Facsimile: 0044 20 7964 6399

or

Paying Agent

To: The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Attention: Corporate Trust Administration
Telephone: 00352 46 26 85 523
Facsimile: 00352 46 26 85 804

By depositing this duly completed Exercise Notice with the Paying Agent for the Warrants of the above Series (the "Warrants") the undersigned Holder of such of the Warrants with this Exercise Notice and referred to below irrevocably exercises such Warrants on [] under General Instrument Condition 6.

The Exercise Notice relates to the exercise of an aggregate amount of () Warrants, [with an aggregate Strike Price of _____,] in the case of Definitive Warrants, bearing the following serial numbers:

If the Warrants referred to above are to be returned to the undersigned under Clause 10(8) of the Agency Agreement, they should be returned by post to (see Note (1) below):

To: _____

Address: _____

For the Attention of: _____

Instructions

Please make delivery of any cash amount and/or any Physical Delivery Amount to be paid in respect of the above-mentioned Warrants as follows:

Cash Settlement/Physical Delivery Settlement: _____

(A) for Cash Settled Warrants:

Credit Cash Settlement Amount to:

Receiving Bank Correspondent: _____

SWIFT: _____

Bank Name: _____

SWIFT Code: _____

Beneficiary Account Name: _____

Account No.: _____

Reference: _____

(B) for Physical Delivery Warrants:

The following amount representing the Strike Price is herewith transmitted:

_____ (\$ _____)

Credit Physical Delivery Amount to:

Clearing System: _____

Account Number: _____

Account Name: _____

Credit any cash payable to:

Receiving Bank Correspondent: _____

SWIFT: _____

Bank Name: _____

SWIFT Code: _____

Beneficiary Account Name: _____

Account No.: _____

Reference: _____

Additional Agreements:

- (i) [The undersigned hereby undertakes to pay all Expenses with respect to the Warrants being exercised, and authorizes the Issuer or its agents to deduct an amount in respect thereof from any Cash Settlement Amount due to the undersigned.¹]
- (ii) [The undersigned hereby undertakes to pay all Expenses with respect to the Warrants being exercised²]
- (iii) The undersigned certifies that the beneficial owner of each Warrant is not a U.S. person (as defined in Regulation S under the Securities Act of 1933, as amended), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with the transfer contemplated hereby.
- (iv) The undersigned authorizes the production of this Exercise Notice, including the certifications herein, in any applicable governmental, judicial, administrative or legal proceedings.

For: _____

By: _____

Signature: _____

Print Name: _____

Telephone No.: _____

E-mail: _____

Dated: _____

¹ Include in the case of Cash Settled Warrants.
² Include in the case of Physical Delivery Warrants.

To be completed by recipient Paying Agent in respect of physical definitive securities held outside of Euroclear and/or Clearstream, Luxembourg

Received by: _____

Signature and stamp of Paying Agent

At its office at: _____

On: _____

Time: _____

Notes

- (1) The Agency Agreement provides that Warrants or authorities so returned will be sent by post, uninsured and at the risk of the Holder, unless the Holder otherwise requests and pays the costs of such insurance in advance to the relevant Paying Agent.
- (2) This Exercise Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) The Paying Agent with whom the above-mentioned Warrants are deposited will not in any circumstances be liable to the depositing Holder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Warrants or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

FORM OF CERTIFICATE SETTLEMENT NOTICE

B OF A ISSUANCE B.V.

CERTIFICATES

ISIN []

Principal Agent

To: The Bank of New York
One Canada Square
London
E14 5AL
United Kingdom
Attention: Corporate Trust Administration
Telephone: 0044 20 7964 4784
Facsimile: 0044 20 7964 6399

or

Paying Agent

To: The Bank of New York (Luxembourg) S.A.
Aerogolf Center
1A, Hoehenhof
L-1736 Senningerberg
Attention: Corporate Trust Administration
Telephone: 00352 46 26 85 523
Facsimile: 00352 46 26 85 804

By depositing this duly completed Certificate Settlement Notice with the Paying Agent, as provided in General Instrument Condition 8(a), the undersigned Holder of such of the Certificates as are surrendered with this Certificate Settlement Notice and referred to below irrevocably sets forth its instruction to have the Physical Delivery Amount in respect of the Certificates delivered as set forth herein under General Instrument Condition 8.

The Certificate Settlement Notice relates to the exercise of a notional amount of _____ (_____) Certificates, in the case of Definitive Certificates, bearing the following serial numbers:

If the Certificates referred to above are to be returned to the undersigned under Clause 10(7) of the Agency Agreement, they should be returned by post to (see Note (1) below):

To: _____

Address: _____

For the Attention of: _____

Instructions

Please make delivery of any cash amount and/or any Physical Delivery Amount to be paid in respect of the above-mentioned Certificates as follows:

(A) for Physical Delivery Amounts:

Credit Physical Delivery Amount to:

Clearing System: _____

Account Number: _____

Account Name: _____

Credit any cash payable to:

Receiving Bank Correspondent: _____

SWIFT: _____

Bank Name: _____

SWIFT Code: _____

Beneficiary Account Name: _____

Account No.: _____

Reference:

Additional Agreements:

- (i) The undersigned hereby undertakes to pay all Expenses with respect to the relevant Certificates.
- (ii) The undersigned certifies that the beneficial owner of each Certificate is not a U.S. person (as defined in Regulation S under the Securities Act of 1933, as amended), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with the transfer contemplated hereby.

-
- (iii) The undersigned authorizes the production of this Certificate Settlement Notice, including the certifications herein, in any applicable governmental, judicial, administrative or legal proceedings.

For: _____

By: _____

Signature: _____

Print Name: _____

Telephone No.: _____

E-mail: _____

Dated:

To be completed by recipient Paying Agent in respect of physical definitive securities held outside of Euroclear and/or Clearstream, Luxembourg

Received by: _____

Signature and stamp of Paying Agent

At its office at: _____

On: _____

Time: _____

Notes

- (1) The Agency Agreement provides that Certificates or authorities so returned will be sent by post, uninsured and at the risk of the Holder, unless the Holder otherwise requests and pays the costs of such insurance in advance to the relevant Paying Agent.
- (2) This Certificate Settlement Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) The Paying Agent with whom the above-mentioned Certificates are deposited will not in any circumstances be liable to the depositing Holder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Certificates or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

FORM OF CALCULATION AGENCY AGREEMENT

CALCULATION AGENCY AGREEMENT

STRUCTURED SECURITIES PROGRAM

THIS CALCULATION AGENCY AGREEMENT (this "Agreement") is made as of January 16, 2007 among:

(A) B OF A ISSUANCE B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer");

(B) BANK OF AMERICA CORPORATION, a Delaware corporation (the "Guarantor"); and

(C) BANK OF AMERICA, N.A., a national banking association organized under the laws of the United States (the "Calculation Agent," which expression shall include its successor or successors as calculation agent hereunder).

WHEREAS:

The Issuer and the Guarantor have entered into a Program Agreement (the "Program Agreement") with Banc of America Securities Limited (and such other Dealers as may be appointed from time to time thereunder) dated as of January 16, 2007, under which the Issuer may issue notes, certificates and warrants (collectively, the "Securities"). The payment of the Securities will be guaranteed by the Guarantor pursuant to a senior guarantee agreement or a subordinated guarantee agreement, as applicable, each of even date herewith.

The Securities will be issued subject to and with the benefit of an Agency Agreement (the "Agency Agreement") dated as of January 16, 2007 and entered into among the Issuer, the Guarantor, The Bank of New York, as Agent (the "Agent" which expression shall include its successor or successors under the Agency Agreement), and any paying agent appointed thereunder. The Agency Agreement may be amended and restated from time to time either in connection with any amendment and restatement of the Program Agreement or otherwise. Expressions used and not defined in this Agreement shall, unless the context otherwise requires, have the meanings set forth in the Program Agreement and the Terms and Conditions of the Notes (the "General Note Conditions") or the Terms and Conditions of the Instruments (the "General Instrument Conditions"), as applicable, set out in Schedule 12 of the Agency Agreement (together, the "Terms and Conditions").

NOW IT IS HEREBY AGREED that:

1. Appointment of the Calculation Agent

(1) The Issuer and the Guarantor hereby appoint Bank of America, N.A., as Calculation Agent in respect of each Series of Securities where specified in the relevant Final Terms or Securities Note, as the case may be (the "Relevant Securities"), for the purposes set out in Clause 2 below, all upon the terms set forth herein. The agreement of the parties hereto that this Agreement is to apply to a specific Series of Relevant Securities shall be evidenced by the

naming of the Calculation Agent as such in the relevant Final Terms or Securities Note, as the case may be. As used herein, "Series" means a Tranche of Securities, together with any further Tranche or Tranche of Securities which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) except for the date on which such Securities will be issued (the "Issue Date"), for interest bearing Securities, the date from which such Securities bear interest (if different from the Issue Date) and/or the price (expressed as a percentage or an amount of the principal amount of the Securities) at which such Securities will be issued. As used herein "Tranche" means Securities (whether in global or definitive form or both) which are identical in all respects (including as to listing, if any).

(2) The appointment of the Calculation Agent shall continue as the Program may be amended from time to time until terminated in accordance with Clause 6.

2. Duties of Calculation Agent

The Calculation Agent shall, in relation to each Series of Relevant Securities, perform promptly all the functions and duties imposed on the Calculation Agent by the Terms and Conditions of the Relevant Securities.

3. Fees

The Issuer will pay the compensation of the Calculation Agent at such rates as shall be agreed upon between the Issuer and the Calculation Agent from time to time. Upon receiving an accounting from the Calculation Agent, the Issuer also will pay the Calculation Agent for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses), disbursements and advances incurred or made in accordance with any provision of this Agreement. If the Calculation Agent shall cease to be the Calculation Agent hereunder, it shall repay to the Issuer the unearned portion, calculated on a pro rata basis, of its compensation.

4. Indemnity

(1) The Issuer, failing whom the Guarantor, shall indemnify and keep indemnified the Calculation Agent and any of its directors, officers, employees and agents against any losses, liabilities, costs, claims, actions or demands or expenses (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any of the foregoing) which it may reasonably incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except such as may result from its own willful default, gross negligence or bad faith or that of its officers, directors, agents or employees, or the material breach by it of the terms of this Agreement.

(2) The Calculation Agent shall indemnify the Issuer and the Guarantor and any of their respective directors, officers, employees and agents against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any of the foregoing) which the Issuer or the Guarantor may reasonably incur or which may be made against the Issuer or the Guarantor as a result of the Calculation Agent's willful default, gross negligence or bad faith or that of its

officers, directors, agents or employees or the material breach by it of the terms of this Agreement.

5. Conditions of Appointment

(1) In acting hereunder and in connection with the Relevant Securities, the Calculation Agent shall act solely as agent of the Issuer and the Guarantor, and shall not assume thereby any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Relevant Securities or the receipts or coupons (if any) appertaining thereto (the "Receipts" and the "Coupons," respectively).

(2) In relation to each issue of Relevant Securities, the Calculation Agent hereby undertakes to the Issuer and the Guarantor to perform such obligations and duties, and shall be obliged to perform such duties and only such duties as are herein and in the Terms and Conditions specifically set forth, and no implied duties or obligations shall be read into this Agreement or the Terms and Conditions against the Calculation Agent. If the Terms and Conditions are amended on or after a date on which the Calculation Agent accepts any appointment in a way which affects the duties expressed to be performed by the Calculation Agent, the Calculation Agent shall not be obliged to perform such duties as so amended unless it has delivered to the Issuer and the Guarantor its prior written consent to the relevant amendment.

(3) The Calculation Agent may consult with legal and other professional advisers, and the written opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(4) The Calculation Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or the Guarantor or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer or the Guarantor or notification by any reference bank or other entity from which information is obtained for purposes of making the calculations required hereunder.

(5) The Calculation Agent, and any of its officers, directors and employees, may become the owner of, or acquire any interest in, any Securities, Receipts or Coupons (if any) with the same rights that it or he would have if the Calculation Agent were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer, the Guarantor and any of their respective affiliates, and may act on, or as depository, trustee or agent for, any committee or body of holders of Securities or Coupons (if any) or in connection with any other obligations of the Issuer, the Guarantor or any of their respective affiliates as freely as if the Calculation Agent were not appointed hereunder.

6. Termination of Appointment

(1) The Issuer or the Guarantor may terminate the appointment of the Calculation Agent at any time by giving to the Calculation Agent at least 45 calendar days' prior written notice to that effect, provided that, for so long as any of the Relevant Securities are outstanding:

-
- (a) such notice shall not expire less than 45 calendar days before any date upon which any payment is due in respect of any Relevant Securities; and
 - (b) notice shall be given in accordance with General Note Condition 13 or General Instrument Condition 18 of the Terms and Conditions, as applicable, to the holders of the Relevant Securities at least 30 calendar days prior to any removal of the Calculation Agent; and
 - (c) upon giving notice of the intended termination of the appointment of the Calculation Agent, the Issuer and the Guarantor shall use all reasonable efforts to appoint a further financial institution of good standing as successor Calculation Agent.

(2) Notwithstanding the provisions of sub-clause (1) above, if at any time:

(a) the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or admits in writing its inability to pay or meet its debts as they may mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or

(b) the Calculation Agent fails duly to perform any function or duty imposed upon it by the Terms and Conditions and this Agreement,

the Issuer or the Guarantor may forthwith, without notice, terminate the appointment of the Calculation Agent, in which event notice thereof shall be given to the holders of the Relevant Securities by the Issuer in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable, as soon as practicable thereafter.

(3) The termination of the appointment pursuant to sub-clause (1) or (2) above of the Calculation Agent hereunder shall not entitle the Calculation Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued due.

(4) The Calculation Agent may resign its appointment hereunder at any time by giving to the Issuer and the Guarantor at least 90 calendar days prior written notice to that effect. Following receipt of a notice of resignation from the Calculation Agent, the Issuer promptly shall give notice thereof to the holders of the Relevant Securities in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable.

(5) Notwithstanding the provisions of sub-clauses (1), (2) and (4) above, so long as any of the Relevant Securities are outstanding, the termination of the appointment of the Calculation Agent (whether by the Issuer or the Guarantor or by the resignation of the Calculation Agent) shall not be effective unless upon the expiration of the relevant notice a successor Calculation Agent has been appointed. The Issuer and the Guarantor agree with the

Calculation Agent that if, by the day falling 10 calendar days before the expiration of any notice under sub-clause (1) or (4) above, the Issuer and the Guarantor have not appointed a replacement Calculation Agent, the Calculation Agent, on behalf of the Issuer and the Guarantor, shall be entitled to appoint as a successor Calculation Agent in its place a reputable financial institution of good standing (acting through its principal London Office) which the Issuer and the Guarantor shall approve (such approval not to be unreasonably withheld or delayed).

(6) Upon its appointment becoming effective, a successor Calculation Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor with like effect as if originally named as the Calculation Agent hereunder.

(7) If the appointment of the Calculation Agent hereunder is terminated (whether by the Issuer or the Guarantor or by the resignation of the Calculation Agent), the Calculation Agent shall, on the day on which such termination takes effect, deliver to the successor Calculation Agent all records concerning the Relevant Securities maintained by it (except such documents and records as it is obliged by law or regulation to retain or not to release), but shall have no other duties or responsibilities hereunder.

(8) Any entity into which the Calculation Agent may be merged or converted, or any entity with which the Calculation Agent may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any entity to which the Calculation Agent shall sell or otherwise transfer all or substantially all of its assets, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, shall become the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, unless otherwise required by the Issuer and the Guarantor, and after the said effective date, all references in this Agreement to the Calculation Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation or transfer forthwith shall be given to the Issuer, the Guarantor and the Agent.

7. Communications

Any notice or communication given hereunder shall be sufficiently given or served:

(a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at the time of receipt; or

(b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgment of receipt is received (in the case of facsimile).

Where a communication is received after business hours, it shall be deemed to be received and become effective on the next Business Day in such place. Every communication shall be irrevocable, except in respect of any manifest error therein.

8. Descriptive Headings and Counterparts

- (1) The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.
- (2) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument.

9. Governing Law and Jurisdiction

- (1) This Agreement is governed by, and shall be construed in accordance with the laws of the State of New York, notwithstanding any otherwise applicable conflicts of law principles.
- (2) The Issuer, the Guarantor and the Calculation Agent each hereby irrevocably submit to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan over any suit, action or proceeding arising out of or related to this Agreement (together, the "Proceedings"). The Issuer, the Guarantor and the Calculation Agent each irrevocably waive, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of the Proceedings brought in such a court and any claim that the Proceedings have been brought in an inconvenient forum. The Issuer, the Guarantor and the Calculation Agent each agree that final judgment in the Proceedings brought in such a case may be enforced in any court in the jurisdiction to which the Issuer, the Guarantor or the Calculation Agent is subject by a suit upon such judgment, provided that the service of process is effected upon the Issuer or the Guarantor, as applicable, in the manner specified in sub-clause (3) below or as otherwise permitted by law.

(3) As long as any of this Agreement remains in effect, the Issuer and the Guarantor shall at all times either maintain an office or have an authorized agent in New York City upon whom process may be served in the Proceedings. Service of process upon the Issuer or the Guarantor at its offices or upon such agent with written notice of such service mailed or delivered to the Issuer or the Guarantor, as applicable, shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon the Issuer or the Guarantor, as applicable, in the Proceedings. Each of the Issuer and the Guarantor hereby appoints the New York office of CT Corporation System, presently situated at 111 Eighth Avenue, New York, New York 10011, U.S.A., as its agent for such purposes, and covenant and agree that service of process in the Proceedings may be made upon it at its office or at the specified offices of such agent (or such other addresses or at the offices of any other authorized agents which it may designate by written notice to the Calculation Agent) and prior to any termination of such agencies for any reason, it will so appoint a successor thereto as agent hereunder.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

B OF A ISSUANCE B.V.
Herengracht 469
1017 BS Amsterdam
The Netherlands
Telephone: +31 20 5571 606
Facsimile: +31 20 4214 970
Attention: Armstrong Okobia

By: _____
Name:
Title: Managing Director A

By: _____
Name:
Title: Managing Director B

BANK OF AMERICA CORPORATION
Bank of America Corporate Center
NC1-007-07-06
100 North Tryon Street
Charlotte, North Carolina 28255-0065
U.S.A.
Telephone: (866) 804-5241
Facsimile: (704) 386-0270
Attention: Corporate Treasury – Securities Administration

By: _____
Name:
Title:

BANK OF AMERICA, N.A.
5 Canada Square
London E14 5AQ
United Kingdom
Telephone: +44 207 174 4171
Facsimile: +44 20 7174 6481
Attention: EMEA Calculation Agency Group FAO Paul Nichol

By: _____
Name:
Title:

FORM OF DELIVERY AGENCY AGREEMENT

DELIVERY AGENCY AGREEMENT

STRUCTURED SECURITIES PROGRAM

THIS DELIVERY AGENCY AGREEMENT (this "Agreement") is made as of January 16, 2007 among:

- (A) B OF A ISSUANCE B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands (the "Issuer");
- (B) BANK OF AMERICA CORPORATION, a Delaware corporation (the "Guarantor"); and
- (C) BANC OF AMERICA SECURITIES LIMITED (the "Delivery Agent," which expression shall include its successor or successors for the time being as delivery agent hereunder).

WHEREAS:

The Issuer proposes to issue from time to time notes, certificates and warrants (the "Securities") in accordance with the terms of a program agreement dated January 16, 2007 (as amended or supplemented, the "Program Agreement") among the Issuer, the Guarantor and the Dealers named therein or appointed thereunder, relating to the Issuer's Structured Securities Program.

The Securities will be issued pursuant to, and will have the benefit of, an agency agreement dated January 16, 2007 (as amended or supplemented, the "Agency Agreement") among the Issuer, the Guarantor, and the Agent and paying agents named therein.

The payment of the Securities will be guaranteed by the Guarantor pursuant to a senior guarantee agreement or a subordinated guarantee agreement, as applicable, each dated January 16, 2007.

The Issuer and the Guarantor wish to appoint the Delivery Agent as delivery agent for the purpose of delivering to (or at the direction of) the holders of the Securities the relevant Physical Delivery Amount(s) in respect of each Series of Securities where specified in the relevant Final Terms (the "Physical Delivery Securities"), in accordance with the Terms and Conditions of the Notes (the "General Note Conditions") or the Terms and Conditions of the Instruments (the "General Instrument Conditions"), as applicable, set out in Schedule 12 of the Agency Agreement (together, the "Terms and Conditions") as the Issuer, the Guarantor and the Dealer(s) shall agree.

NOW IT IS HEREBY AGREED that:

1. Interpretation

Expressions used and not defined in this Agreement shall, unless the context otherwise requires, have the meanings set forth in the Terms and Conditions and the Program Agreement.

2. Appointment of the Delivery Agent

The Issuer and the Guarantor hereby appoint the Delivery Agent as agent for the purposes of delivering to (or at the direction of) the holders of any Physical Delivery Securities the relevant Physical Delivery Amount(s) to which such Physical Delivery Securities relate as are agreed between the Issuer, the Guarantor and the Dealer(s) (and set forth in the Terms and Conditions). The Delivery Agent hereby accepts its appointment upon the following terms and conditions. The agreement of the Issuer, the Guarantor and the Delivery Agent that this Agreement is to apply to a specific Series of Physical Delivery Securities (the “Relevant Physical Delivery Securities”) shall be evidenced by the naming of the Delivery Agent as such in the relevant Final Terms or Securities Note, as the case may be. As used herein, “Series” means a Tranche of Securities, together with any further Tranche or Tranche of Securities which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) except for the date on which such Securities will be issued (the “Issue Date”), for interest bearing Securities, the date from which such Securities bear interest (if different from the Issue Date) and/or the price (expressed as a percentage or amount of the principal amount of the Securities) at which such Securities will be issued. As used herein “Tranche” means Securities (whether in global or definitive form or both) which are identical in all respects (including as to listing, if any).

3. Duties of Delivery Agent

- (1) The Delivery Agent shall, in relation to each Series of Relevant Physical Delivery Securities, perform promptly all the functions and duties imposed on the Delivery Agent by the Terms and Conditions of the Relevant Physical Delivery Securities.
- (2) Without prejudice to Clause 3(1) above, and subject as provided below, the Delivery Agent shall, in respect of each Series of Relevant Physical Delivery Securities in relation to which it is appointed as Delivery Agent, deliver to (or at the direction of) the holders of such Relevant Physical Delivery Securities the relevant Physical Delivery Amount(s) in accordance with the relevant Asset Transfer Notice in the case of Notes, Exercise Notice in the case of Warrants or Certificate Settlement Notice in the case of Certificates (or any other notice delivered in connection with the delivery of the Physical Delivery Amount(s) pursuant to the Terms and Conditions) or otherwise at the reasonable instruction of the Issuer or its agents. All deliveries in respect of any Relevant Physical Delivery Securities shall be made outside the United States and its possessions and shall not be made by transfer to an account at a bank, or delivered to an address, located inside the United States or its possessions. Terms used in the preceding sentence shall have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder. No payments shall be made to a U.S. person.
- (3) In no event will the Delivery Agent be required to perform any obligation under this Agreement unless the Issuer (or the Guarantor, as applicable) redeems such Relevant Physical Delivery Securities in whole or in part by delivery of the relevant Physical Delivery Amount(s) and the Issuer (or the Guarantor, as applicable) has delivered or caused to be delivered the relevant Underlying Assets to the Delivery Agent.

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- (4) The Delivery Agent shall notify the Agent of any Physical Delivery Amount(s) delivered to the holders of the Relevant Physical Delivery Securities.
 - (5) If the Delivery Agent does not deliver to (or at the direction of) the holders of such Relevant Physical Delivery Securities the relevant Physical Delivery Amount(s) which it has agreed to deliver, it shall forthwith notify the Issuer, the Guarantor and the Agent.

4. Expenses

The Issuer will pay the compensation of the Delivery Agent at such rates as shall be agreed upon between the Issuer and the Delivery Agent from time to time. Upon receiving an accounting from the Delivery Agent, the Issuer also will pay the Delivery Agent for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses), disbursements and advances incurred or made in accordance with any provision of this Agreement. If the Delivery Agent shall cease to be the Delivery Agent hereunder, it shall repay to the Issuer the unearned portion, calculated on a pro rata basis, of its compensation.

5. Indemnity

The Issuer, failing whom the Guarantor, shall indemnify and keep indemnified the Delivery Agent and any of its directors, officers, employees and agents against any losses, liabilities, costs, claims, actions or demands or expenses (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any of the foregoing) which it may reasonably incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except such as may result from its own willful default, gross negligence or bad faith or that of its officers, directors, agents or employees, or the material breach by it of the terms of this Agreement.

The Delivery Agent shall indemnify the Issuer and the Guarantor and any of their respective directors, officers, employees and agents against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any of the foregoing) which the Issuer or the Guarantor may reasonably incur or which may be made against the Issuer or the Guarantor as a result of the Delivery Agent's willful default, gross negligence or bad faith or that of its respective officers, directors, agents or employees or the material breach by it of the terms of this Agreement.

6. Conditions of Appointment

- (1) In acting hereunder and in connection with the Relevant Physical Delivery Securities, the Delivery Agent shall act solely as agent of the Issuer and the Guarantor, and shall not assume thereby any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Relevant Physical Delivery Securities or the receipts or coupons (if any) appertaining thereto (the "Receipts" and the "Coupons," respectively).
- (2) In relation to each issue of Relevant Physical Delivery Securities, the Delivery Agent hereby undertakes to the Issuer and the Guarantor to perform such obligations and

duties, and shall be obliged to perform such duties and only such duties as are herein and in the Terms and Conditions specifically set forth, and no implied duties or obligations shall be read into this Agreement or the Terms and Conditions against the Delivery Agent. If the Terms and Conditions are amended on or after a date on which the Delivery Agent accepts any appointment in a way which affects the duties expressed to be performed by the Delivery Agent, the Delivery Agent shall not be obliged to perform such duties as so amended unless it has delivered to the Issuer and to the Guarantor its prior written consent to the relevant amendment.

- (3) The Delivery Agent may consult with legal and other professional advisers, and the written opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.
- (4) The Delivery Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or the Guarantor or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer (or the Guarantor, as applicable).
- (5) The Delivery Agent, and any of its officers, directors and employees, may become the owner of, or acquire any interest in, any Securities, Receipts or Coupons (if any) with the same rights that it or he would have if the Delivery Agent were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer, the Guarantor and any of their respective affiliates, and may act on, or as depository, trustee or agent for, any committee or body of holders of Securities or Coupons (if any) or in connection with any other obligations of the Issuer, the Guarantor and any of their respective affiliates as freely as if the Delivery Agent were not appointed hereunder.

7. Termination of Appointment

- (1) The Issuer or the Guarantor may terminate the appointment of the Delivery Agent at any time by giving to the Delivery Agent at least 45 calendar days' prior written notice to that effect, provided that, for so long as any of the Relevant Physical Delivery Securities are outstanding:
 - (a) such notice shall not expire less than 45 calendar days before any date upon which any payment is due in respect of any Relevant Physical Delivery Securities;
 - (b) notice shall be given in accordance with General Note Condition 13 or General Instrument Condition 18 of the Terms and Conditions, as applicable, to the holders of the Relevant Physical Delivery Securities at least 30 calendar days prior to any removal of the Delivery Agent; and
 - (c) upon giving notice of the intended termination of the appointment of the Delivery Agent, the Issuer and the Guarantor shall use all reasonable efforts to

appoint a further financial institution of good standing as successor Delivery Agent.

- (2) Notwithstanding the provisions of sub-clause (1) above, if at any time:
- (a) the Delivery Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or admits in writing its inability to pay or meet its debts as they may mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
 - (b) the Delivery Agent fails duly to perform any function or duty imposed upon it by the Terms and Conditions and this Agreement,
- the Issuer or the Guarantor may forthwith, without notice, terminate the appointment of the Delivery Agent, in which event notice thereof shall be given to the holders of the Relevant Physical Delivery Securities by the Issuer in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable, as soon as practicable thereafter.
- (3) The termination of the appointment pursuant to sub-clause (1) or (2) above of the Delivery Agent hereunder shall not entitle the Delivery Agent to any amount by way of compensation, but shall be without prejudice to any amount then accrued due.
- (4) The Delivery Agent may resign its appointment hereunder at any time by giving to the Issuer and the Guarantor at least 90 calendar days prior written notice to that effect. Following receipt of a notice of resignation from the Delivery Agent, the Issuer promptly shall give notice thereof to the holders of the Relevant Physical Delivery Securities in accordance with General Note Condition 13 or General Instrument Condition 18, as applicable.
- (5) Notwithstanding the provisions of sub-clauses (1), (2) and (4) above, so long as any of the Relevant Physical Delivery Securities are outstanding, the termination of the appointment of the Delivery Agent (whether by the Issuer or the Guarantor or by the resignation of the Delivery Agent) shall not be effective unless upon the expiration of the relevant notice, a successor Delivery Agent has been appointed by the Issuer and the Guarantor. The Issuer and the Guarantor agree with the Delivery Agent that if, by the day falling 10 calendar days before the expiration of any notice under sub-clause (1) or (4) above, the Issuer and the Guarantor have not appointed a replacement Delivery Agent, the Delivery Agent, on behalf of the Issuer and the Guarantor, shall be entitled to appoint as a successor Delivery Agent in its place a reputable financial institution of good standing (acting through its principal London office) which the Issuer and the Guarantor shall approve (such approval not to be unreasonably withheld or delayed).

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- (6) Upon its appointment becoming effective, a successor Delivery Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor with like effect as if originally named as the Delivery Agent hereunder.
 - (7) If the appointment of the Delivery Agent hereunder is terminated (whether by the Issuer or the Guarantor or by the resignation of the Delivery Agent), the Delivery Agent shall, on the day on which such termination takes effect, deliver to the successor Delivery Agent all records concerning the Relevant Physical Delivery Securities maintained by it (except such documents and records as it is obliged by law or regulation to retain or not to release), but shall have no other duties or responsibilities hereunder.
 - (8) Any entity into which the Delivery Agent may be merged or converted, or any entity with which the Delivery Agent may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Delivery Agent shall be a party, or any entity to which the Delivery Agent shall sell or otherwise transfer all or substantially all of its assets, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, shall become the successor Delivery Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, unless otherwise required by the Issuer and the Guarantor, and after the said effective date, all references in this Agreement to the Delivery Agent shall be deemed to be references to such entity. Written notice of any such merger, conversion, consolidation or transfer forthwith shall be given to the Issuer, the Guarantor and the Agent by the Delivery Agent.

8. Communications

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at the time of receipt; or
- (b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgment of receipt is received (in the case of facsimile).

Where a communication is received after business hours, it shall be deemed to be received and become effective on the next Business Day in such place. Every communication shall be irrevocable, except in respect of any manifest error therein.

9. Descriptive Headings and Counterparts

- (1) The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.
- (2) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument.

10. Governing Law and Jurisdiction

- (1) This Agreement is governed by, and shall be construed in accordance with the laws of the State of New York, notwithstanding any otherwise applicable conflicts of law principles.
- (2) The Issuer, the Guarantor and the Delivery Agent each hereby irrevocably submit to the non-exclusive jurisdiction of any United States federal court sitting in New York City, the Borough of Manhattan over any suit, action or proceeding arising out of or related to this Agreement (together, the "Proceedings"). The Issuer, the Guarantor and the Delivery Agent each irrevocably waive, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of the Proceedings brought in such a court and any claim that the Proceedings have been brought in an inconvenient forum. The Issuer, the Guarantor and the Delivery Agent each agree that final judgment in the Proceedings brought in such a case may be enforced in any court in the jurisdiction to which the Issuer, the Guarantor or the Delivery Agent is subject by a suit upon such judgment, provided that the service of process is effected upon the Issuer or the Guarantor, as applicable, in the manner specified in sub-clause (3) below or as otherwise permitted by law.
- (3) As long as any of this Agreement remains in effect, the Issuer and the Guarantor shall at all times either maintain an office or have an authorized agent in New York City upon whom process may be served in the Proceedings. Service of process upon the Issuer or the Guarantor at its offices or upon such agent with written notice of such service mailed or delivered to the Issuer or the Guarantor, as applicable, shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon the Issuer or the Guarantor, as applicable, in the Proceedings. Each of the Issuer and the Guarantor hereby appoints the New York office of CT Corporation System, presently situated at 111 Eighth Avenue, New York, New York 10011, U.S.A., as its agent for such purposes, and covenant and agree that service of process in the Proceedings may be made upon it at its office or at the specified offices of such agent (or such other addresses or at the offices of any other authorized agents which it may designate by written notice to the Delivery Agent) and prior to any termination of such agencies for any reason, it will so appoint a successor thereto as agent hereunder.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

B OF A ISSUANCE B.V.
Herengracht 469
1017 BS Amsterdam
The Netherlands
Telephone: +31 20 5571 606
Facsimile: +31 20 4214 970
Attention: Armstrong Okobia

By: _____
Name:
Title: Managing Director A

By: _____
Name:
Title: Managing Director B

BANK OF AMERICA CORPORATION
Bank of America Corporate Center
NC1-007-07-06
100 North Tryon Street
Charlotte, North Carolina 28255-0065
U.S.A.
Telephone: (866) 804-5241
Facsimile: (704) 386-0270
Attention: Corporate Treasury – Securities Administration

By: _____
Name:
Title:

BANK OF AMERICA, N.A.
26 Elmfield Road
Bromley, BR1 1WA
United Kingdom
Telephone: +44 20 8313 2723
Telefax: +44 20 8313 2800
Attention: Delivery Agent Services FAO Barry Delacour

By: _____
Name:
Title:

Bank of America Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges
Ratio of Earnings to Fixed Charges and Preferred Dividends

(Dollars in millions)	Three Months Ended March 31, 2007	Year Ended December 31				
		2006	2005	2004	2003	2002
Excluding Interest on Deposits						
Income before income taxes	\$ 7,823	\$31,973	\$24,480	\$20,908	\$15,781	\$13,479
Equity in undistributed earnings of unconsolidated subsidiaries	(46)	(315)	(151)	(135)	(125)	(6)
Fixed charges:						
Interest expense	8,258	29,514	18,397	9,072	6,105	6,363
1/3 of net rent expense ⁽¹⁾	157	609	585	512	398	383
Total fixed charges	8,415	30,123	18,982	9,584	6,503	6,746
Preferred dividend requirements	68	33	27	23	6	6
Fixed charges and preferred dividends	8,483	30,156	19,009	9,607	6,509	6,752
Earnings	\$ 16,192	\$61,781	\$43,311	\$30,357	\$22,159	\$20,219
Ratio of earnings to fixed charges	1.92	2.05	2.28	3.17	3.41	3.00
Ratio of earnings to fixed charges and preferred dividends	1.91	2.05	2.28	3.16	3.40	2.99

(Dollars in millions)	Three Months Ended March 31, 2007	Year Ended December 31				
		2006	2005	2004	2003	2002
Including Interest on Deposits						
Income before income taxes	\$ 7,823	\$31,973	\$24,480	\$20,908	\$15,781	\$13,479
Equity in undistributed earnings of unconsolidated subsidiaries	(46)	(315)	(151)	(135)	(125)	(6)
Fixed charges:						
Interest expense	12,292	43,994	27,889	14,993	10,667	11,632
1/3 of net rent expense ⁽¹⁾	157	609	585	512	398	383
Total fixed charges	12,449	44,603	28,474	15,505	11,065	12,015
Preferred dividend requirements	68	33	27	23	6	6
Fixed charges and preferred dividends	12,517	44,636	28,501	15,528	11,071	12,021
Earnings	\$ 20,226	\$76,261	\$52,803	\$36,278	\$26,721	\$25,488
Ratio of earnings to fixed charges	1.62	1.71	1.85	2.34	2.41	2.12
Ratio of earnings to fixed charges and preferred dividends	1.62	1.71	1.85	2.34	2.41	2.12

⁽¹⁾Represents an appropriate interest factor.

**Certification Pursuant to Section 302
of the Sarbanes-Oxley Act of 2002
for the Chief Executive Officer**

I, Kenneth D. Lewis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bank of America Corporation (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2007

/s/ Kenneth D. Lewis
Kenneth D. Lewis
Chairman, President and
Chief Executive Officer

**Certification Pursuant to Section 302
of the Sarbanes-Oxley Act of 2002
for the Chief Financial Officer**

I, Joe L. Price, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bank of America Corporation (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2007

/s/ Joe L. Price
Joe L. Price
Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

I, Kenneth D. Lewis, state and attest that:

1. I am the Chief Executive Officer of Bank of America Corporation (the registrant).
2. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
 - the Quarterly Report on Form 10-Q of the registrant for the quarter ended March 31, 2007 (the periodic report) containing financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
 - the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the registrant as of, and for, the periods presented.

Date: May 9, 2007

/s/ Kenneth D. Lewis
Kenneth D. Lewis
Chairman, President and
Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

I, Joe L. Price, state and attest that:

1. I am the Chief Financial Officer of Bank of America Corporation (the registrant).
2. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
 - the Quarterly Report on Form 10-Q of the registrant for the quarter ended March 31, 2007 (the periodic report) containing financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
 - the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the registrant as of, and for, the periods presented.

Date: May 9, 2007

/s/ Joe L. Price
Joe L. Price
Chief Financial Officer