Bank of America Corporation Resolution Plan
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FIA Card Services, N.A. Resolution Plan

Public Executive Summary

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Introduction

Bank of America Corporation and its subsidiaries (“Bank of America”, “the Corporation” or “the Company”) developed Resolution Plans for Bank of America Corporation, Bank of America, N.A., and FIA Card Services, N.A. (the “Plan”) as required of all large financial institutions under:

- The Board of Governors of the Federal Reserve System’s (“Federal Reserve’s”) and Federal Deposit Insurance Corporation’s (“FDIC’s”) Joint Resolution Plan Rule as required under Title I, Section 165(d) (“165(d)”), of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and

- The FDIC’s Resolution Plan Rule for Covered Insured Depository Institutions (“CIDI Rule”).

The Plan is required by a provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which mandates that bank-holding companies with assets of $50 billion or more develop a contingency plan for orderly liquidation. The purpose of this provision is to provide bank regulators with plans that would enable them to liquidate failing financial companies that pose a significant risk to the financial stability of the United States in a manner that mitigates such risk and minimizes moral hazard and obviates the need for taxpayer support, which is prohibited in the legislation.

The Plan has been submitted to the Federal Reserve and the FDIC, and provides a detailed roadmap for the orderly resolution of Bank of America under a hypothetical scenario.

The Plan contemplates a resolution strategy in which Bank of America’s U.S. banking subsidiaries, including Bank of America, N.A. and FIA Card Services, N.A., under a hypothetical resolution scenario, would be placed into FDIC receiverships. Certain assets and liabilities would be transferred to a bridge bank that would, subject to certain assumptions, emerge from resolution as a viable going concern. Bank of America’s other material entities would be wound down in an orderly manner, subject to certain assumptions. In addition, the Plan includes strategies designed to ensure continuity of certain core business lines and critical operations during the hypothetical resolution of certain Bank of America entities. The strategies incorporate the importance of continued access to critical services including, but not limited to, technology, employees, facilities, intellectual property and supplier relationships.

Bank of America maintains a strong balance sheet and strong risk management policies. The Company is achieving these goals with a well-defined strategy, and clearly articulated operating principles that include strong and consistent levels of liquidity, capital, earnings and operating performance. Since the beginning of 2010, Bank of America has pursued a strategy to align all of the Company’s resources around three core customer groups – individuals, companies and institutional investors. To support that strategy and drive how the Company manages its businesses and balance sheet the company has adopted six Operating Principles.

Bank of America's Operating Principles

- Be customer-driven
- Manage risk well
- Continue to build a fortress balance sheet
- Deliver for our shareholders
- Manage efficiency well
- Be the best place to work

- **Be customer driven** – Since the beginning of 2010, Bank of America has completed more than 20 non-core asset sales as part of an overall strategy to streamline the Company and focus on serving its three core customer groups – individuals, companies and institutional investors. These actions have generated more than $50 billion in liquidity and $11 billion in Tier 1 common equity. At the same time, the non-core asset sales have reduced risk-weighted assets by nearly $58 billion and have made Bank of America more streamlined.

  The non-core assets that were sold in 2010 and 2011 include:

Non-Core Businesses

- Regions-branded credit cards
- Wilshire Credit Corporation assets
- Columbia's long-term asset management business
- First Republic
- LaSalle Global Trust
- General Fidelity Insurance Co.
- Balboa Insurance
- U.K. Small Business Card
- Spain Credit Card
- Sovereign-branded credit card
- Canadian Consumer Credit Card business

Investments

- Itaú Unibanco Holding
- Santander Mexico
- BlackRock
- MasterCard
- China Construction Bank*
- Private equity investments

*As of March 31, 2012, Bank of America owned less than 1% of the outstanding shares in China Construction Bank.

- **Manage risk well** – Bank of America has strengthened its risk culture as evidenced by improvements in consumer and commercial credit quality and decreases in market and counterparty risk. In addition, since 2009, the Company has made substantial progress on resolving legacy mortgage-related issues and, as demonstrated in its public filings, increased reserves for representations and warranties exposures.

  Bank of America has also deployed a new Risk Management Framework and has embedded a modernized risk culture throughout the organization.

($ in billions)	3/31/12	3/31/09	Change
Risk-weighted assets	$ 1,220.8	$ 1,695.2	$ (474.4)
Net charge-offs*	4.1	9.1	(5.0)
Provision for credit losses*	2.4	15.6	(13.2)
Allowance for loan and lease losses	32.2	29.0	3.2

*presented on a managed basis for 3/31/09

- **Continue to build a fortress balance sheet** – Bank of America has improved its balance sheet by significantly increasing capital and liquidity and reducing long-term debt.

($ in billions)	3/31/12	3/31/09	Change
Tier 1 common equity	$ 131.6	$ 76.1	$ 55.5
Tier 1 common capital ratio	10.78%	4.49%	629-bp
Global Excess Liquidity Sources*	$ 405.9	$ 219.0	$ 186.9
Long-term debt	354.9	440.8	(85.9)

**Estimate for 3/31/09 as Gross Excess Liquidity Sources were not reported until December 31, 2009.*

- **Deliver for our shareholders** — Bank of America continues to focus on initiatives to simplify the organization with clear business strategies that focus on three core customer groups – individuals, companies and institutional investors. The Bank of America shareholder return model starts with the fortress balance sheet. The next steps are to generate revenue growth by deepening relationships across the three groups of customers and clients; to continue to control expenses; and to deploy capital to growth opportunities. One important measure over the long term is tangible book value (TBV). Growing TBV over time represents shareholder value. The Company expects these strategies to deliver the types of returns that shareholders expect.

- **Manage efficiency well** — Bank of America continues to focus on improving overall efficiency and effectiveness. The centerpiece of this work is "Project New BAC," a two-phased initiative to simplify and streamline workflows and processes, align businesses and expenses more closely with the Company's overall strategic plan and operating principles and increase revenue. Phase 1 implementation continued during the three months ended March 31, 2012, and the Company recently completed Phase 2 evaluations. The Company's stated goal of the full implementation of Phase 1 is to reduce certain costs by $5 billion per year by 2014 with more than 20 percent of the Phase 1 cost savings coming by the end of 2012. The Company expects all aspects of Project New BAC to be fully implemented by the end of 2014.

- **Be the best place to work** — The Company believes that by being the best place to work, employees can better serve customers and clients, which, in turn, will result in good returns for shareholders. To put this philosophy into practice, the Company continues to improve training and career opportunities. In 2011, Bank of America placed tens of thousands of teammates in new jobs throughout the Company, representing opportunities for employees to build new skills and benefit from new experiences.

The following chart compares the financial strength of Bank of America at March 31, 2012, to March 31, 2009, and demonstrates the significant improvements in Bank of America's financial position over the past three years. Tier 1 common capital ratio has improved by 629 basis points, while Global Excess Liquidity Sources have improved by $186.9 billion during this timeframe.

Financial Comparison: March 31, 2012 to March 31, 2009

($ in billions, except as noted)	3/31/2012	3/31/2009	Change	% change
Capital				
Tier 1 common capital	$ 131.6	$ 76.1	$ 55.5	73%
Risk-weighted assets	1,220.8	1,695.1	(474.3)	(28)%
Tier 1 common capital ratio	10.78%	4.49%	629-bp	140%
Funding and Liquidity				
Global Excess Liquidity Sources[1]	$ 405.9	$ 219.0	$ 186.9	85%
Long-term debt	354.9	440.8	(85.9)	(19)%
Short-term borrowings (e.g., bank notes, CP etc.)	39.3	185.8	(146.5)	(79)%
Trading Book				
Value-at-risk ($ in millions)	$ 84.1	$ 244.6	$ (160.5)	(66)%
Credit Quality				
Allowance for loan and lease losses (ALLL) reserves	$ 32.2	$29.0	3.2	11%
ALLL as % of loans and leases outstanding[2]	3.61%	3.00%	0.61-bp	20%
Annualized net charge-offs (NCOs) as % of loans and leases outstanding[2]	1.80%	2.85%	(105)-bp	(37)%
Ratio of ALLL to annualized NCOs	1.97 x	1.03 x	0.94 x	91%

[1]Estimate for 3/31/09 as Gross Excess Liquidity Sources were not reported until December 31, 2009.
[2]Total loans and leases do not include loans accounted for under the fair value option of $9.2 billion and $7.4 billion at March 31, 2012 and 2009.

I. Names of Material Entities

The Resolution Plan identifies Bank of America Corporation (the "Parent") and certain of its subsidiaries as "Material Entities" ("MEs") for the purpose of resolution planning. The Resolution Plan includes an analysis of each ME and the resolution regime and strategy that would be applicable to each ME. The MEs in the Resolution Plan include, but are not limited to, the following legal entities:

Bank of America Corporation

Bank of America Corporation is a bank-holding company that is incorporated in Delaware and headquartered in Charlotte, North Carolina. Bank of America Corporation is a Covered Company for the purposes of Section 165(d) of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and is the "Parent Company" for the purposes of 12 CFR Part 360.

The Corporation is the ultimate parent of all MEs and consists of bank and non-bank subsidiaries that provide diversified banking and non-banking financial services and products throughout the U.S. and in certain international markets. The Corporation's subsidiaries operate in all 50 states, the District of Columbia, and more than 40 countries.

Bank of America, National Association

Bank of America, N.A. ("BANA") is the flagship national full-service commercial bank and primary bank subsidiary of Bank of America Corporation.

As of December 31, 2011, BANA operates in all 50 states, the District of Columbia and has foreign branches in more than 20 countries. Its retail banking footprint covers approximately 80 percent of the U.S. population, and in the U.S. it serves approximately 57 million consumer and small business relationships with approximately 5,700 banking centers, 17,250 ATMs, nationwide call centers and leading online and mobile banking platforms. BANA offers industry leading support to approximately four million small business owners. It is a leading provider of corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, institutions and individuals around the world.

FIA Card Services, National Association

FIA Card Services, N.A. ("FIA") is a national bank and a credit card lender. FIA is one of the leading issuers of credit cards to consumers, small businesses and corporations in the U.S. FIA also supports Merrill Lynch U.S. Wealth Management's offerings of card and deposit solutions.

Merrill Lynch & Co., Inc.

Merrill Lynch & Co., Inc. ("MLCO") is the former parent holding company for Merrill Lynch entities prior to its acquisition by Bank of America Corporation. MLCO, a direct subsidiary of the Corporation, is the holding company for Merrill Lynch subsidiaries and operations, and is organized as a Delaware corporation.

MLCO, through its subsidiaries, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. MLCO does not have any significant operations, and specifically has no core business lines, critical operations or critical services, but has debt outstanding from discontinued issuance programs. MLCO remains a separate reporting Company that files quarterly unaudited and annual audited financial statements on Forms 10-Q and 10-K with the SEC and similar reports in foreign jurisdictions.

MLCO subsidiaries and affiliates operate in all 50 states, the District of Columbia and more than 40 countries.

Merrill Lynch, Pierce, Fenner & Smith, Inc.

Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") is a U.S. broker-dealer that is 100 percent owned by MLCO.

MLPFS serves corporate, institutional, retail, government, and other clients, with a focus on U.S. clients. MLPFS holds memberships and/or has third-party clearing relationships with most major commodity and financial futures exchanges and clearing associations in the U.S. It also carries positions reflecting trades executed on exchanges and markets outside of the U.S. through affiliates and/or third-party clearing brokers. As a leading investment banking entity, MLPFS provides corporate, institutional, and government clients with a wide variety of financial services including underwriting the sale of securities to the public; structured and derivative financing; private placements; mortgage and lease financing; and financial advisory services, including advice on mergers and acquisitions. MLPFS has been designated by the Federal Reserve Bank of New York as a primary dealer in U.S. Treasury securities. MLPFS also provides securities clearing services for its own account and for unaffiliated broker-dealers. MLPFS is a member of Securities Investor Protection Corporation ("SIPC").

Merrill Lynch International

Merrill Lynch International ("MLI") is a U.K.-based and regulated international broker-dealer providing a wide range of financial services globally for business originated in Europe/Middle East/Africa ("EMEA"), Asia/Pacific Region and the Americas.

MLI supports various Global Markets businesses including investment banking activity, international debt and equity underwriting and mergers and acquisitions. MLI also conducts a wide range of trading activities in the international equity markets, and in the Euro debt and money markets. Additionally, MLI provides a number of post-trade services to third-party clients, including clearing and settlement.

MLI is a market maker in a multitude of products and is engaged in the following products and activities: cash equities, equity derivatives, and equity financing. It is a market maker in many of the European government bond markets and operates repo activities for its own financing, client opportunities, credit, distressed and trading, futures trading, and investment banking.

MLI operates a multicurrency business which includes all major currencies and many emerging market currencies. MLI is a member of over 50 exchanges and platforms throughout EMEA, notably the London Stock Exchange, London International Financial Futures & Options Exchange and European Exchange ("EUREX").

Merrill Lynch International Bank Limited

Merrill Lynch International Bank Limited ("MLIB") is the primary non-U.S. banking entity of Bank of America Corporation. It is incorporated in Ireland and is regulated by the Central Bank of Ireland; however, it operates globally for business originated in EMEA, Asia/Pacific Region and the Americas.

MLIB is used by the Global Markets and GWIM business segments. MLIB acts as a principal and intermediary for debt derivative (e.g., flow trades) transactions and engages in advisory, lending, loan-trading and institutional sales activity. MLIB also provides collateralized lending, letters of credit, guaranties and foreign exchanges services to, and accepts deposits from, its clients (corporate and high net worth retail). Finally, MLIB provides mortgage lending, administration and servicing in the U.K. non-conforming residential mortgage market (through itself and its subsidiaries).

MLIB's principal business in terms of activity is debt derivatives trades. It trades flow rates (e.g., swaps) and over-the-counter derivatives principally with third-party institutions and affiliate companies.

II. Description of Business Segments

The Corporation's banking and various non-banking subsidiaries throughout the U.S. and in international markets provide a diversified range of banking and non-banking financial services and products to three groups of customers – individuals, companies and institutional investors through five business segments: Consumer and Business Banking, Consumer Real Estate Services, Global Banking, Global Markets, and Global Wealth and Investment Management. Certain of the activities of these segments were determined to meet the definition of a "core business" for the Resolution Plan. The five business segments are described below.

Consumer and Business Banking ("CBB")

CBB, which is comprised of the Deposits, Card Services and Business Banking businesses, offers a diversified range of credit, banking and investment products and services to consumers and businesses. CBB customers and clients have access to a franchise network that stretches coast to coast through 32 states and the District of Columbia. The franchise network includes approximately 5,700 banking centers, 17,250 ATMs, nationwide call centers, and online and mobile platforms. CBB operates primarily through BANA and FIA.

Consumer Real Estate Services ("CRES")

CRES operations include Home Loans and Legacy Assets and Servicing. CRES provides an extensive line of consumer real estate products and services to customers in the U.S. CRES products offered by Home Loans include fixed- and adjustable-rate first-lien mortgage loans for home purchase and refinancing needs, home equity lines of credit and home equity loans. CRES operates primarily through BANA, while Legacy Assets and Servicing also has certain operations in legacy Countrywide entities.

Global Banking

Global Banking, which includes Global Corporate and Commercial Banking and Investment Banking, provides a wide range of lending-related products and services, integrated working capital management and treasury solutions to clients through the Company's network of offices and client relationship teams along with various product partners. Global Banking lending products and services include commercial loans, leases, commitment facilities, trade finance, real estate lending, asset-based lending and indirect consumer loans.

Global Banking's treasury solutions business within Global Corporate and Commercial Banking includes treasury management, foreign exchange and short-term investing options and operates primarily through BANA. Global Banking also provides investment banking products such as debt and equity underwriting, merger-related and other advisory services and operates primarily through licensed broker-dealer subsidiaries such as MLPFS and MLI.

Global Markets

Global Markets offers sales and trading services, including research, to institutional clients across fixed-income, credit, currency, commodity and equity businesses. Global Markets product coverage includes securities and derivative products in both the primary and secondary markets. Global Markets provides market-making, financing, securities clearing, settlement and custody services globally to institutional investor clients in support of their investing and trading activities. Global Markets also works with commercial and corporate clients to provide risk management products using interest rate, equity, credit, currency and commodity derivatives, foreign exchange, fixed-income and mortgage-related products. Global Markets operates primarily through BANA, MLPFS, MLIB and MLI.

Global Wealth and Investment Management ("GWIM")

GWIM consists of two primary businesses: Merrill Lynch Global Wealth Management (MLGWM) and U.S. Trust, Bank of America Private Wealth Management (U.S. Trust).

MLGWM's advisory business provides a high-touch client experience through a network of more than 17,000 financial advisors focused on clients with over $250,000 in total investable assets. MLGWM provides tailored solutions to meet clients' needs through a full set of brokerage, banking and retirement products in both domestic and international locations. MLGWM also includes the Retirement Services business.

U.S. Trust, together with MLGWM's Private Banking and Investments Group, provides comprehensive wealth management solutions targeted to wealthy and ultra-wealthy clients with investable assets of more than $5 million, as well as customized solutions to meet clients' wealth structuring, investment management, trust and banking needs, including specialty asset management services. GWIM operates primarily through BANA and MLPFS.

III. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

Bank of America Corporation

Bank of America's Annual Report on Form 10-K and Quarterly Report on Form 10-Q include detailed financial reporting. The following chart summarizes the balance sheet and capital position for Bank of America Corporation as of March 31, 2012.

Bank of America Corporation
Consolidated Balance Sheet - March 31, 2012
($ in millions)

Assets		Liabilities	
Cash and cash equivalents	$ 128,792	Deposits	$ 1,041,311
Time deposits placed and other short-term investments	20,479	Federal funds purchased and securities loaned or sold under agreements to repurchase	258,491
Federal funds sold and securities borrowed or purchased under agreements to resell	225,784	Trading account liabilities	70,414
Trading account assets	209,775	Derivative liabilities	49,172
Derivative assets	59,051	Commercial paper and other short-term borrowings	39,254
Debt securities	331,245	Accrued expenses and other liabilities	135,396
Total consumer loans	589,416		
Total commercial loans	312,878	Long-term debt	354,912
Total loans and leases	902,294	**Total liabilities**	**1,948,950**
Allowance for loan and lease losses	(32,211)	Shareholders' equity	232,499
Total loans and leases net of allowance	870,083	**Total liabilities and shareholders' equity**	**$ 2,181,449**
Premises and equipment, net	13,104		
Mortgage servicing rights	7,723		
Goodwill	69,976	**Regulatory capital ratios**	
Intangible assets	7,696	Tier 1 common capital ratio	10.78%
Loans held-for-sale	12,973	Tier 1 capital ratio	13.37%
Customer and other receivables	74,358	Total capital ratio	17.49%
Other assets	150,410	Tier 1 leverage ratio	7.79%
Total assets	**$ 2,181,449**		

Bank of America, N.A.

The following chart summarizes the assets, liabilities, and capital position for BANA as of March 31, 2012. The information below is based on internal general ledger data and does not reflect certain post-closing and re-class entries made as part of BANA's regulatory filings. For additional information, please refer to BANA's call reports as filed.

Bank of America, N.A.
Consolidated Balance Sheet - March 31, 2012
($ in millions)

Assets	
Cash and cash equivalents	$ 105,114
Time deposits placed and other short-term investments	35,717
Federal funds sold and securities borrowed or purchased under agreements to resell	15,253
Trading account assets	43,794
Derivative assets	29,839
Debt securities	320,698
Total consumer loans	419,113
Total commercial loans	296,835
Total loans and leases	715,948
Allowance for loan and lease losses	(23,304)
Total loans and leases net of allowance	692,644
Premises and equipment, net	10,444
Mortgage servicing rights	7,790
Goodwill	57,227
Intangible assets	877
Loans held-for-sale	9,060
Customer and other receivables	45,775
Other assets	73,195
Total assets	**$ 1,447,428**

Liabilities	
Deposits	$ 1,087,194
Federal funds purchased and securities loaned or sold under agreements to repurchase	51,498
Trading account liabilities	10,911
Derivative liabilities	24,683
Commercial paper and other short-term borrowings	22,765
Accrued expenses and other liabilities	26,654
Long-term debt	47,779
Total liabilities	**1,271,484**
Shareholders' equity	175,945
Total liabilities and shareholders' equity	**$ 1,447,428**

Regulatory capital ratios	
Tier 1 capital ratio	12.28%
Total capital ratio	15.78%
Tier 1 leverage ratio	8.57%

FIA Card Services, N.A.

The following chart summarizes the assets, liabilities and capital position for FIA as of March 31, 2012. The information below is based on internal general ledger data and does not reflect certain post-closing and re-class entries made as part of FIA's regulatory filings. For additional information please refer to FIA's call reports as filed.

FIA Card Services, N.A.
Consolidated Balance Sheet – March 31, 2012
($ in millions)

Assets		**Liabilities**	
Cash and cash equivalents	$ 6,197	Deposits	$ 101,237
Time deposits placed and other short-term investments	21,588		
Derivative assets	443	Commercial paper and other short-term borrowings	853
Debt securities	3,339		
		Accrued expenses and other liabilities	6,657
Total consumer loans	117,723		
Total commercial loans	10,108		
Total loans and leases	127,831	Long-term debt	30,092
Allowance for loan and lease losses	(7,791)	**Total liabilities**	**138,839**
Total loans and leases net of allowance	120,040	Shareholders' equity	22,000
Premises and equipment, net	419	**Total liabilities and shareholders' equity**	**$ 160,839**
Mortgage servicing rights	-		
Goodwill	-	**Regulatory capital ratios**	
Intangible assets	3,079	Tier 1 capital ratio	17.00%
Loans held-for-sale	864	Total capital ratio	18.38%
Customer and other receivables	880	Tier 1 leverage ratio	13.87%
Other assets	3,991		
Total assets	**$ 160,839**		

Capital

Bank of America manages its capital position to ensure capital is sufficient to support its business activities and that capital, risk and risk appetite are commensurate with one another, ensure safety and soundness under adverse scenarios, take advantage of growth and strategic opportunities, maintain ready access to financial markets, remain a source of strength for its subsidiaries and satisfy current and future regulatory capital requirements.

To determine the appropriate level of capital, the Company assesses the results of its Internal Capital Adequacy Assessment Process ("ICAAP"), the current economic and market environment, and feedback from investors, regulators, and rating agencies. Based upon this analysis, the Company sets capital guidelines for Tier 1 common capital and Tier 1 capital to ensure it can maintain an adequate capital position in a severe adverse economic scenario. The Company also tries to maintain capital in excess of the capital required per its economic capital measurement process. Management and the Company's Board of Directors (the "Board") annually approve a comprehensive Capital Plan which documents the ICAAP and related results, analysis and support for the capital guidelines, and planned capital actions and capital adequacy assessment.

The ICAAP incorporates capital forecasts, stress test results, economic capital, qualitative risk assessments and assessment of regulatory changes. The Company generates monthly regulatory capital and economic capital forecasts that are aligned to the most recent earnings, balance sheet and risk forecasts. The Company utilizes quarterly stress tests to assess the potential impacts to the balance sheet, earnings, capital and liquidity for a variety of economic stress scenarios. The Company performs qualitative risk assessments to identify and assess material risks not fully captured in the forecasts, stress tests or economic capital. Given the significant proposed regulatory capital changes, the Company also regularly assesses the potential capital impacts and monitors associated mitigation actions. Management continuously assesses ICAAP results and provides documented quarterly assessments of the adequacy of the capital position to the Board or its committees.

Capital management is integrated into the risk and governance processes, as capital is a key consideration in the development of the strategic plan, risk appetite and risk limits. Economic capital is allocated to each business unit and used to perform risk-adjusted return analysis at the business unit, client relationship and transaction levels.

Regulatory Capital

As a financial services holding company, Bank of America is subject to the risk-based capital guidelines (Basel I) issued by federal banking regulators. Under these guidelines, the Corporation and its affiliated banking entities measure capital adequacy based on Tier 1 common capital, Tier 1 capital and Total capital (Tier 1 plus Tier 2 capital). Capital ratios are calculated by dividing each capital amount by risk-weighted assets. Additionally, Tier 1 capital is divided by adjusted quarterly average total assets to derive the Tier 1 leverage ratio.

Tier 1 capital is calculated as the sum of “core capital elements.” The predominate components of core capital elements are qualifying common stockholders’ equity and qualifying noncumulative perpetual preferred stock. Also included in Tier 1 capital are qualifying trust-preferred securities (“Trust Securities”), hybrid securities and qualifying non-controlling interest in subsidiaries which are subject to the rules governing “restricted core capital elements.” Goodwill, other disallowed intangible assets, disallowed deferred tax assets and the cumulative changes in fair value of all financial liabilities accounted for under the fair value option that are included in retained earnings and are attributable to changes in the Company’s own creditworthiness are deducted from the sum of the core capital elements. Total capital is Tier 1 plus supplementary Tier 2 capital elements such as qualifying subordinated debt, a limited portion of the allowance for loan and lease losses, and a portion of net unrealized gains on Available For Sale marketable equity securities. Tier 1 common capital is not an official regulatory ratio, but was introduced by the Federal Reserve during the Supervisory Capital Assessment Program in 2009. Tier 1 common capital is Tier 1 capital less preferred stock, Trust Securities, hybrid securities and qualifying non-controlling interest in subsidiaries.

Risk-weighted assets are calculated for credit risk for all on- and off-balance sheet credit exposures and for market risk on trading assets and liabilities, including derivative exposures. Credit risk risk-weighted assets are calculated by assigning a prescribed risk weight to all on-balance sheet assets and to the credit equivalent amount of certain off-balance sheet exposures. The risk weight is defined in the regulatory rules based upon the obligor or guarantor type and collateral if applicable. Off-balance sheet exposures include financial guarantees, unfunded lending commitments, letters of credit and derivatives. Market risk-weighted assets are calculated using risk models for the trading account positions, including all foreign exchange and commodity positions regardless of the applicable accounting guidance. Under Basel I there are no risk-weighted assets calculated for operational risk. Any assets that are a direct deduction from the computation of capital are excluded from risk-weighted assets and adjusted average total assets consistent with regulatory guidance.

The Company manages regulatory capital to adhere to regulatory standards of capital adequacy based on its current understanding of the rules and the application of such rules to its business as currently conducted. The regulatory capital rules as written by the Basel Committee on Banking Supervision (“Basel Committee”) continue to evolve.

Bank of America currently measures and reports capital ratios and related information in accordance with Basel I. Basel I has been subject to revisions, which include final Basel II rules (“Basel II”) published in December 2007 by U.S banking regulators and proposed Basel III rules (“Basel III”) published by the Basel Committee in December 2010, and further amended in July 2011. Bank of America is currently in the Basel II parallel period. The Company continues to evaluate the capital impact of the proposed rules and currently anticipates that it will be in compliance with any final rules by the projected implementation date in late 2012.

Economic Capital

The economic capital measurement process provides a risk-based measurement of the capital required for unexpected credit, market and operational losses over a one-year time horizon at a 99.97 percent confidence level. Economic capital is allocated to each business unit based upon its risk positions and contribution to enterprise risk, and is used for capital adequacy, performance measurement and risk management purposes. The strategic planning process utilizes economic capital with the goal of allocating risk appropriately and measuring returns consistently across all businesses and activities. Economic capital allocation plans are incorporated into the Corporation's financial plan which is approved by the Board on an annual basis.

Economic capital for credit risk captures two types of risks: default risk, which represents the loss of principal due to outright default or the borrower's inability to repay an obligation in full, and migration risk, which represents potential loss in market value due to credit deterioration over the one-year capital time horizon. Credit risk is assessed and modeled for all on- and off-balance sheet credit exposures within sub-categories for commercial, retail, counterparty and investment securities. The economic capital methodology captures dimensions such as concentration and country risk and originated securitizations. The economic capital methodology is based on the probability of default, loss given default, exposure at default and maturity for each credit exposure, and the portfolio correlations across exposures.

Market risk reflects the potential loss in the value of financial instruments or portfolios due to movements in interest and currency exchange rates, equity and futures prices, the implied volatility of interest rates, credit spreads and other economic and business factors. Bank of America's primary market risk exposures are in its trading portfolio, equity investments, mortgage servicing rights ("MSRs") and the interest rate exposure of its core balance sheet. Economic capital is determined by utilizing the same models the Corporation uses to manage these risks including, for example, Value-at-Risk ("VaR"), simulation, stress testing and scenario analysis.

Bank of America calculates operational risk capital at the business unit level using actuarial-based models and historical loss data. The Company supplements the calculations with scenario analysis and risk control assessments.

Liquidity and Major Funding Sources

Bank of America's primary liquidity objective is to ensure adequate funding for its businesses throughout market cycles, including periods of financial stress. To achieve that objective, the Company analyzes and monitors liquidity risk to maintain excess liquidity and access diverse funding sources including the Company's stable deposit base. The Company defines excess liquidity as readily available assets, limited to cash and high-quality, liquid, unencumbered securities that it can use to meet funding requirements as those obligations arise. The Company believes that a centralized approach to funding and liquidity risk management enhances its ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Bank of America maintains excess liquidity at the Parent and selected subsidiaries in the form of cash and high-quality, liquid, unencumbered securities. These assets, which are labeled Global Excess Liquidity Sources, serve as the primary means of liquidity risk mitigation. Cash is primarily on deposit with central banks, such as the Federal Reserve. The Company limits the composition of high-quality, liquid, unencumbered securities to U.S. government securities, U.S. agency securities, U.S. agency mortgage-backed securities and a select group of non-U.S. government and supranational securities.

The Company believes that it could quickly obtain cash for these securities, even in stressed market conditions, through repurchase agreements or outright sales. The Global Excess Liquidity Sources are held in entities that allow the Company to meet the liquidity requirements of its global businesses, and Bank of America considers the impact of potential regulatory, tax, legal and other restrictions that could limit the transferability of funds among entities.

In addition to serving as a source of liquidity, these securities and cash deposits may also be utilized in the Company's asset and liability management activities. Interest rate risk is an inherent part of the Company's core banking business. Bank of America measures interest rate risk as the potential volatility in core net interest income caused by changes in market interest rates. The Company's overall goal is to manage interest rate risk so that movements in interest rates do not adversely affect core net interest income and capital. As part of the Company's asset and liability management activities, Bank of America manages this interest rate sensitivity with a securities and residential mortgage portfolio in conjunction with interest rate and foreign exchange derivatives. Derivative activity is generally restricted to widely traded vanilla instruments including interest rate swaps and foreign exchange forwards. The Company uses these derivatives to hedge variability in expected cash flows or changes in fair value on the balance sheet due to interest rate and foreign exchange fluctuations. The Company does not currently use credit derivatives or macro credit-hedging strategies in its Corporate Investments Group activities.

Global Excess Liquidity Sources totaled $406 billion at March 31, 2012. Global Excess Liquidity Sources available to the Parent at March 31, 2012 totaled $129 billion. Typically, Parent cash is deposited overnight with BANA.

Global Excess Liquidity Sources ($ in billions)	**March 31, 2012**	**December 31, 2011**
Parent company	$ 129	$ 125
Bank subsidiaries	250	222
Broker-dealers	27	31
Total Global Excess Liquidity Sources	**$ 406**	**$ 378**

Composition of Global Excess Liquidity Sources ($ in billions)	**March 31, 2012**	**December 31, 2011**
Cash on deposit	$ 88	$ 79
U.S. treasuries	41	48
U.S. agency securities and mortgage-backed securities	254	228
Non-U.S. government and supranational securities	23	23
Total Global Excess Liquidity Sources	**$ 406**	**$ 378**

The Company uses a variety of metrics to determine the appropriate amounts of excess liquidity to maintain at the Parent and the bank and broker-dealer subsidiaries. One metric the Company uses to evaluate the appropriate level of excess liquidity at the Parent is “time-to-required funding.” This debt coverage measure indicates the number of months that the Parent can continue to meet its unsecured contractual obligations as they come due using only its Global Excess Liquidity Sources without issuing any new debt or accessing any additional liquidity sources. Bank of America defines unsecured contractual obligations for purposes of this metric as maturities of senior or subordinated debt issued or guaranteed by the Parent or MLCO. The Corporation has established a target minimum for time-to-required funding of 21 months. Time-to-required funding was 31 months at March 31, 2012.

Bank of America utilizes liquidity stress models to assist in determining the appropriate amounts of excess liquidity to maintain at the Parent and the bank and broker-dealer subsidiaries. These models are risk sensitive and important in analyzing potential contractual and contingent cash outflows beyond those outflows considered in the time-to-required funding analysis. The Company evaluates the liquidity requirements under a range of scenarios with varying levels of severity and time horizons. These scenarios incorporate marketwide and Corporation-specific events, including potential credit ratings downgrades for the Parent and its subsidiaries. Bank of America considers and utilizes scenarios, including potential credit rating downgrades based on historical experience, regulatory guidance, and both expected and unexpected future events.

Major Funding Sources

Bank of America funds its assets primarily with a mix of deposits and secured and unsecured liabilities through a globally coordinated funding strategy. The Company diversifies funding globally across products, programs, markets, currencies and investor groups and funds a substantial portion of its lending activities through deposits, which are diversified by clients, product type and geography. The Company considers a substantial portion of its deposits to be a stable, low-cost and consistent source of funding. Bank of America believes this deposit funding is generally less sensitive to interest rate changes, market volatility or changes in credit ratings than wholesale funding sources. Lending activities may also be financed through secured borrowings, including securitizations with government-sponsored enterprises, (“GSEs”), the Federal Housing Administration and private-label investors, as well as Federal Home Loan Bank loans.

Trading activities in broker-dealer subsidiaries are primarily funded on a secured basis through securities lending and repurchase agreements, and these amounts will vary based on customer activity and market conditions. The Company believes funding these activities in the secured financing markets is more cost-efficient and less sensitive to changes in credit ratings than unsecured financing. Repurchase agreements are generally short-term and often overnight. Disruptions in secured financing markets for financial institutions have occurred in prior market cycles which resulted in adverse changes in terms or significant reductions in the availability of such financing. The Company manages the liquidity risks arising from secured funding by sourcing funding globally from a diverse group of counterparties, providing a range of securities collateral and pursuing longer durations, when appropriate.

The Company’s U.S. bank subsidiaries can access contingency funding through the Federal Reserve’s Discount Window. Certain non-U.S. subsidiaries have access to central bank facilities in the jurisdictions in which they operate. While the Company does not rely on these sources in its liquidity modeling, it maintains the policies, procedures and governance processes that would enable it to access these sources if necessary.

Additional information on liquidity sources can be found in the Bank of America 2011 Annual Report on Form 10-K.

IV. Description of Derivatives and Hedging Activities

Derivatives are entered into on behalf of customers, for trading, and as economic hedges or as qualifying accounting hedges. Derivatives utilized by the Corporation include swaps, financial futures and forward settlement contracts, and option contracts. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. Financial futures and forward settlement contracts are agreements to buy or sell a quantity of a financial instrument, index, currency or commodity at a predetermined future date, and rate or price. An option contract is an agreement that conveys to the purchaser the right, but not the obligation, to buy or sell a quantity of a financial instrument (including another derivative financial instrument), index, currency or commodity at a predetermined rate or price during a period or at a date in the future. Option agreements can be transacted on organized exchanges or directly between parties.

Valuations of derivative assets and liabilities reflect the value of the instrument including counterparty credit risk. These values also take into account the credit standing of Bank of America's legal entities, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract.

The Company utilizes derivatives to hedge long-term debt. Hedges are transacted with BANA as the counterparty to certain Bank of America legal entities, including the Corporation, and BANA then offsets the derivative with third-party counterparties.

BANA uses derivatives to hedge interest rate, foreign exchange and other risks.

Derivative transactions are not a significant part of FIA's operations.

Derivatives utilized for customers and for trading are transacted through multiple entities, including but not limited to BANA, MLPFS, MLIB and MLI.

The following tables identify derivative instruments included on the Corporation's Consolidated Balance Sheet in derivative assets and liabilities at March 31, 2012 and December 31, 2011. Balances are presented on a gross basis, prior to the application of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of legally enforceable master netting agreements and have been reduced by the cash collateral applied.

Bank of America Derivative Balances

(Dollars in billions)	March 31, 2012						
		Gross Derivative Assets			Gross Derivative Liabilities		
	Contract/ Notional[1]	Trading Derivatives and Economic	Qualifying Accounting	Total	Trading Derivatives and Economic	Qualifying Accounting	Total
Interest rate contracts							
Swaps	38,841.5	1,169.5	13.8	1,183.3	1,150.9	8.8	1,159.7
Futures and forwards	12,811.8	3.4		3.4	3.7		3.7
Written options	2,440.8				105.2		105.2
Purchased options	2,374.5	107.9		107.9			
Foreign exchange contracts							
Swaps	2,441.3	46.5	2.2	48.7	54.1	1.7	55.8
Spot, futures and forwards	2,902.4	27.3	0.4	27.7	28.5	0.6	29.1
Written options	405.7				7.9		7.9
Purchased options	370.2	7.5		7.5			
Equity contracts							
Swaps	103.7	2.0		2.0	1.8		1.8
Futures and forwards	58.0	1.5		1.5	1.5		1.5
Written options	297.5				20.3		20.3
Purchased options	295.3	21.1		21.1			
Commodity contracts							
Swaps	78.1	4.8	0.1	4.9	5.6		5.6
Futures and forwards	614.7	5.7		5.7	3.4		3.4
Written options	163.2				10.9		10.9
Purchased options	161.7	10.8		10.8			
Credit derivatives							
Purchased credit derivatives:							
Credit default swaps	1,747.7	56.8		56.8	19.4		19.4
Total return swaps/other	22.2	1.4		1.4	0.9		0.9
Written credit derivatives:							
Credit default swaps	1,685.4	19.6		19.6	52.8		52.8
Total return swaps/other	39.1	0.3		0.3	0.2		0.2
Gross derivative assets/liabilities		**1,486.1**	**16.5**	**1,502.6**	**1,467.1**	**11.1**	**1,478.2**
Less: Legally enforceable master netting agreements				(1,382.9)			(1,382.9)
Less: Cash collateral applied				(60.6)			(46.1)
Total derivative assets/liabilities				**59.1**			**49.2**

[1]*Represents the total contract/notional amount of derivative assets and liabilities outstanding.*

Bank of America Derivative Balances (continued)

(Dollars in billions)	Contract / Notional [1]	Gross Derivative Assets: Trading Derivatives and Economic Hedges	Gross Derivative Assets: Qualifying Accounting Hedges	Gross Derivative Assets: Total	Gross Derivative Liabilities: Trading Derivatives and Economic Hedges	Gross Derivative Liabilities: Qualifying Accounting Hedges [2]	Gross Derivative Liabilities: Total
	December 31, 2011						
Interest rate contracts							
Swaps	40,473.7	1,490.7	15.9	1,506.6	1,473.0	12.3	1,485.3
Futures and forwards	12,105.8	2.9	0.2	3.1	3.4		3.4
Written options	2,534.0				117.8		117.8
Purchased options	2,467.2	120.0		120.0			
Foreign exchange contracts							
Swaps	2,381.6	48.3	2.6	50.9	58.9	2.2	61.1
Spot, futures and forwards	2,548.8	37.2	1.3	38.5	39.2	0.3	39.5
Written options	368.5				9.4		9.4
Purchased options	341.0	9.0		9.0			
Equity contracts							
Swaps	75.5	1.5		1.5	1.7		1.7
Futures and forwards	52.1	1.8		1.8	1.5		1.5
Written options	367.1				17.7		17.7
Purchased options	360.2	19.6		19.6			
Commodity contracts							
Swaps	73.8	4.9	0.1	5.0	5.9		5.9
Futures and forwards	470.5	5.3		5.3	3.2		3.2
Written options	142.3				9.5		9.5
Purchased options	141.3	9.5		9.5			
Credit derivatives							
Purchased credit derivatives:							
Credit default swaps	1,944.8	95.8		95.8	13.8		13.8
Total return swaps/other	17.5	0.6		0.6	0.3		0.3
Written credit derivatives:							
Credit default swaps	**1,885.9**	**14.1**		**14.1**	**90.5**		**90.5**
Total return swaps/other	17.8	0.5		0.5	0.7		0.7
Gross derivative assets/liabilities		**1,861.7**	**20.1**	**1,881.8**	**1,846.5**	**14.8**	**1,861.3**
Less: Legally enforceable master netting agreements				(1,749.9)			(1,749.9)
Less: Cash collateral applied				(58.9)			(51.9)
Total derivative assets/liabilities				**73.0**			**59.5**

[1]*Represents the total contract/notional amount of derivative assets and liabilities outstanding.*

[2]*Excludes $191 million of long-term debt designated as a hedge for foreign currency risk.*

Asset Liability Management ("ALM") and Risk Management Derivatives

The Corporation's ALM and risk management activities include the use of derivatives to mitigate risk to the Corporation including derivatives designated as qualifying accounting hedges and economic hedges.

The Corporation maintains an overall interest rate risk management strategy that incorporates the use of interest rate contracts, which are generally non-leveraged generic interest rate and basis swaps, options, futures and forwards, to minimize significant fluctuations in earnings that are caused by interest rate volatility. The Corporation's goal is to manage interest rate sensitivity and volatility so that movements in interest rates do not significantly adversely affect earnings or capital. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities appreciate or depreciate in fair value. Gains or losses on the derivative instruments that are linked to the hedged fixed-rate assets and liabilities are expected to substantially offset this unrealized appreciation or depreciation.

Interest rate and market risk can be substantial in the mortgage business. Market risk is the risk that values of mortgage assets or revenues will be adversely affected by changes in market conditions such as interest rate movements. To hedge interest rate risk in mortgage banking production income, the Corporation utilizes forward loan sale commitments and other derivative instruments including purchased options and certain debt securities. The Corporation also utilizes derivatives such as interest rate options, interest rate swaps, forward settlement contracts and Eurodollar futures as economic hedges of the fair value of MSRs.

The Corporation uses foreign currency contracts to manage the foreign exchange risk associated with certain foreign currency-denominated assets and liabilities, as well as the Corporation's investments in non-U.S. subsidiaries. Foreign exchange contracts, which include spot and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. Exposure to loss on these contracts will increase or decrease over their respective lives as currency exchange and interest rates fluctuate.

Non-derivative commodity contracts and physical inventories of commodities expose the Corporation to earnings volatility. The Corporation enters into derivative commodity contracts such as futures, swaps, options and forwards as well as non-derivative commodity contracts to provide price risk management services to customers or to manage price risk associated with its physical and financial commodity positions.

The Corporation purchases credit derivatives to manage credit risk related to certain funded and unfunded credit exposures. Credit derivatives include credit default swaps ("CDS"), total return swaps and options. These derivatives are accounted for as economic hedges and changes in fair value are recorded in other income (loss).

Additional information can be found on pages 10 and 11 of the Consolidated Financial Statements filed as Exhibit 99.2 to the Corporation's Current Report on Form 8-K filed on May 4, 2012.

V. Memberships in Material Payment, Clearing and Settlement Systems

As an essential part of engaging in the financial services industry and serving customers and clients, Bank of America participates in payment, clearing and settlement systems, also known as Financial Market Utilities ("FMUs"), to conduct financial transactions in a global economy.

These systems allow Bank of America to provide payment services to customers and clients, to serve as a broker-dealer for securities transactions and to engage in derivatives transactions as needed to manage risk, secure funding and meet the needs of customers and clients.

"Membership" means that Bank of America legal entities have direct access to certain FMUs to serve its customers and clients around the globe. Examples of these systems include the following:

Clearing House Automated Payment System

The Clearing House Automated Payment System ("CHAPS") is the U.K.'s interbank payment system for large value sterling payments. CHAPS is operated by CHAPS Clearing Company Limited ("CHAPS Co"). For its normal operation, CHAPS depends on the real-time gross settlement ("RTGS") IT infrastructure of the Bank of England ("BoE").

Clearing House Interbank Payments System

Clearing House Interbank Payments System ("CHIPS"), a U.S. payments system, is a service of The Clearing House Payments Company L.L.C. ("The Clearing House") which, in turn, is owned by the world's largest commercial banks. CHIPS is a large-value wire transfer payment system with real-time final settlement of payments. Payments become final on completion of settlement, which occurs throughout the day. CHIPS processes a large proportion of U.S. dollar cross-border payments and an increasing volume of U.S. domestic payments.

Continuous Linked Settlement

CLS Bank International ("CLS Bank") is a multi-currency cash settlement system. Through its CLS Settlement platform, CLS Bank settles payment instructions related to trades in foreign exchange ("FX") spot contracts, FX forwards, FX options, FX swaps, non-deliverable forwards, credit derivatives and 17 major currencies. CLS Bank's parent company, CLS Group Holdings AG, is a Swiss company that owns CLS U.K. Intermediate Holdings, Ltd., which in turn owns CLS Bank and CLS Services Ltd., a company organized under the laws of England that provides technical and operational support to CLS Bank. As an Edge Act corporation, CLS Bank is regulated and supervised in the U.S. by the Federal Reserve. In the United Kingdom, HM Treasury has specified CLS Bank as a recognized payment system, and it is subject to regulation by the BoE. CLS is a "user-owned" financial market utility used to mitigate settlement risk through a combination of payment versus payment in central bank money, multilateral payment netting, and a standard legal framework.

Chicago Mercantile Exchange Group Clearing

Chicago Mercantile Exchange Group ("CME") provides clearing and settlement services for futures, options, and over-the-counter derivatives products. These clearing and settlement services are provided by the CME Clearing division of CME's wholly owned subsidiary, Chicago Mercantile Exchange Inc. CME Clearing clears and settles futures and options contracts traded on the Chicago Mercantile Exchange Inc. and five other futures and options exchanges: Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., Commodity Exchange, Inc., the Dubai Mercantile Exchange and the Global Emissions Exchange. CME Clearing backs the clearing and settlement services for over-the-counter derivatives transactions, provided through CME's ClearPort platform. CME wholly owns CME Clearing Europe Limited, which was established in 2011 and began providing clearing services for various over-the-counter derivatives in Europe.

The Depository Trust & Clearing Corporation

The Depository Trust & Clearing Corporation ("DTCC") operates through 10 subsidiaries. Specifically, The Depository Trust Company ("DTC") is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. The National Securities Clearing Corporation ("NSCC") provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depositary receipts, exchange-traded funds and unit investment trusts. The Fixed Income Clearing Corporation ("FICC"), a U.S. securities clearing agency is owned by its users, including major banks, broker-dealers and other financial institutions. FICC operates two divisions, the Government Securities Division ("GSD") and the Mortgage-Backed Securities Division ("MBSD"). Each division offers services to its own members pursuant to separate rules and procedures.

Electronic Payment Network

Electronic Payments Network ("EPN") is an electronic payment system providing automated clearing house ("ACH") services that is owned and operated by The Clearing House. The ACH system facilitates exchanges of batched debit and credit payments among business, consumer and government accounts. The system processes pre-authorized recurring payments such as payroll, Social Security, mortgage and utility payments and non-recurring payments such as telephone-initiated payments and the conversion of checks into ACH payments at lockboxes and points of sale. It also processes inbound and outbound cross-border ACH payments through foreign gateway operators.

Eurex Clearing AG

Eurex Clearing AG (“ECAG”) is a central counterparty ("CCP") organized under the laws of Germany. ECAG is the CCP of EUREX. ECAG provides central counterparty clearing services for derivatives traded on the EUREX, EUREX Bonds (a fixed income trading platform), EUREX Repo (a trading platform for repo), Frankfurt Stock Exchange and Irish Stock Exchange.

Euroclear Bank

Euroclear Bank (“Euroclear”) provides International Central Securities Depository services and settlement services for cross-border transactions involving domestic and international bonds, equities, derivatives, and investment funds. Euroclear is a primary provider of settlement services for Eurobonds. The Euroclear group includes Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear U.K. & Ireland, which provides settlement services in their respective local markets. Euroclear also provides related banking services to its settlement participants.

FedACH Services

FedACH Services (“FedACH”) is an electronic payment system providing ACH services that is owned and operated by the Federal Reserve. The ACH system exchanges batched debit and credit payments among business, consumer and government accounts. The system processes pre-authorized recurring payments such as payroll, Social Security, mortgage and utility payments and non-recurring payments such as telephone-initiated payments and the conversion of checks into ACH payments at lockboxes and points of sale. It also processes outbound cross-border ACH payments through the FedGlobal service.

Fedwire Funds Service/Fedwire Securities Service

Fedwire Funds Service (“Fedwire”) is operated by the Federal Reserve and enables financial institutions to electronically transfer funds between its more than 9,000 participants. Fedwire is the primary U.S. network for large value or time-critical domestic and international payments, and it is designed to be highly resilient and redundant. Fedwire is not managed for profit, but law mandates it charges small fees to recoup costs. Both participants in a given transaction pay a small fee. Fedwire includes an overdraft system for participants with approved accounts.

Fedwire Securities Service (“Fedwire Securities”) is a national securities book entry system that is owned and operated by the Federal Reserve. Fedwire Securities conducts real-time transfers of securities and related funds on an individual and gross basis. Fedwire Securities conducts issuance, transfer and settlement for all marketable Treasury securities, for many federal government agency and GSE securities and for certain international organizations’ securities. It also offers a safekeeping function (electronic storage of securities holding records in custody accounts) and a transfer and settlement function (electronic transfer of securities between parties with or without a settlement payment).

ICE Clear Credit LLC/ICE Clear Europe /ICE Clear U.S.

ICE Clear Credit LLC ("ICE Clear Credit") is a central clearing facility for North American CDS. It is a subsidiary of ICE, which operates futures and options exchanges, trading platforms, and clearing houses for global trading in commodities, currency, credit, and equity indices. ICE is a publicly owned corporation, whose shares are listed on the New York Stock Exchange.

ICE Clear Europe, a London-based clearing house, is a subsidiary of ICE. ICE operates exchanges, trading platforms, and clearing houses for global trading in commodities, currency, credit, and equity indices. ICE Clear Europe provides clearing and settlement services for all futures and options trades on the ICE Futures Europe exchange, as well as for over-the-counter swaps affected through ICE's global OTC markets products.

ICE, a U.S. clearing and settlement agency, is a subsidiary of ICE Futures U.S. which, in turn, is owned by Intercontinental Exchange. ICE operates futures and options exchanges, trading platforms and clearing houses for global trading in commodities, currency, credit, and equity indices. ICE Clear U.S. provides clearing and settlement services for all futures and options traded on ICE's New York-based ICE Futures U.S. exchange. ICE Clear U.S. also provides clearing and settlement services for over-the-counter derivatives transactions.

LCH.Clearnet Limited/LCH.Clearnet SA

LCH.Clearnet Limited ("LCH") is a CCP incorporated under the laws of England and Wales. For U.K. regulatory purposes, LCH is a "recognized clearing house" under the Financial Services and Markets Act 2000. It is regulated by the Financial Services Authority ("FSA") and is also subject to the oversight of the BoE. LCH also is a Derivatives Clearing Organization in the U.S. and is subject to Commodity Futures Trading Commission rules and the U.S. Commodity Exchange Act. LCH is a wholly-owned subsidiary of LCHClearnet Group Limited. The group is currently majority-owned by its users.

LCH Clearnet SA is a central counterparty incorporated under the laws of France. LCH Clearnet SA is an authorized credit institution in France (i.e., a bank) with branches in Amsterdam and Brussels and a representative office in Portugal. LCH Clearnet SA is also regulated in the U.K. by the FSA as a recognized overseas clearing house. LCH Clearnet SA is a wholly-owned subsidiary of LCH Clearnet Group Limited. The group is currently majority-owned by its users.

Options Clearing Corporation

Options Clearing Corporation ("OCC") is a U.S. futures and options clearing agency. OCC is regulated as a clearing agency by the Securities and Exchange Commission ("SEC") with respect to clearing and settlement services for put and call options on common stocks and other equity issues, stock indexes, foreign currencies, interest rate composites and single-stock futures and by the Commodities Futures Trading Commission with respect to clearing and settlement services for transactions in futures and options on futures. In addition, OCC provides central counterparty clearing and settlement services for securities lending transactions.

SWIFT

The Society for Worldwide Interbank Financial Telecommunication, Société Coopérative à Responsabilité Limitée (limited co-operative society) ("SWIFT") is a member-owned co-operative. SWIFT provides a telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations. SWIFT is neither a payment system nor a settlement system though the SWIFT messaging standard is used in many payment and settlement systems. SWIFT's customers include banks, market infrastructures, broker-dealers, corporates, custodians, and investment managers. SWIFT is subject to oversight by the central banks of the Group of Ten countries.

TARGET2

The Trans-European Automated Real-time Gross settlement Express Transfer system ("TARGET2") is the settlement system for cross-border payments in Euro. Participating commercial banks access the TARGET2 system via the national central banks of eurozone Member States. TARGET2 has to be used for all payments involving the eurosystem, as well as for the settlement of operations of all large-value net settlement systems and securities settlement systems handling the euro (e.g., Euro1). Payment transactions are settled one by one on a continuous basis in central bank money with immediate finality.

VI. Descriptions of Foreign Operations

Bank of America is a global company serving clients and customers in more than 150 countries and has relationships with 99 percent of the U.S. Fortune 500, nearly 96 percent of the Fortune Global 500 and 33 percent of the FTSE 100.

The Corporation's banking and non-banking subsidiaries provide a diverse range of financial services and products across EMEA, as well as Asia and Latin America. The Company's primary international objective is to be a global leader in corporate and investment banking and trading across a broad range of asset classes serving corporations, governments, investors, institutions and individuals around the world. In addition, the Company provides credit cards in the United Kingdom and wealth management services across countries in Europe, Asia and Latin America.

Of Bank of America's approximately 282,000 employees as of December 31, 2011, 43,000 are employed outside of the United States. Bank of America has had a presence in EMEA countries since 1922. Today, Bank of America has subsidiaries in 32 cities across 23 countries in EMEA, and over 14,000 associates are based in EMEA countries. Bank of America's most significant international presence is in the United Kingdom. In the Asia-Pacific region, Bank of America subsidiaries are active in 12 countries and territories.

At and for the year ended December 31, 2011, Bank of America had $272 billion of assets and $20 billion of total revenue, net of interest expense outside the U.S. The table below shows the Corporation's assets, total revenues, and income by region.

Performance by Geographical Area 2011[1]

(Dollars in millions)	Total Assets	Total Revenue, Net of Interest Expense	Income (Loss) Before Income Taxes	Net Income (Loss)
U.S.	$ 1,856,654	$ 73,613	$ (9,261)	$ (3,471)
Asia[2]	95,776	10,890	7,598	4,787
Europe, Middle East and Africa	151,956	7,320	1,009	(137)
Latin America and the Caribbean	24,660	1,631	424	267
Total Non-U.S.	272,392	19,841	9,031	4,917
Total Consolidated	$ 2,129,046	$ 93,454	$ (230)	$ 1,446

[1]Source: Note 28 on page 125 of the Consolidated Financial Statements filed as Exhibit 99.2 to the Corporation's Current Report on Form 8-K filed on May 4, 2012.

[2]Amounts include pretax gain of $6.5 billion ($4.1 billion net-of-tax) on the sale of a portion of the common shares of the Corporation's investment in China Construction Bank during 2011.

Bank of America's shares are listed on the New York, London, and Tokyo stock exchanges. The Corporation had $355 billion of long-term debt outstanding as of March 31, 2012 denominated primarily in the following currencies: U.S. dollar, Australian dollar, British pound, Canadian dollar, euro, Japanese yen, and Swiss franc.

BANA Foreign Operations

BANA operates overseas through branches and subsidiaries. BANA has 29 active non-U.S. branches. These non-U.S. branches offer the following products and services: cash management services – payments, deposits, overdrafts, advances; trade finance services; lending, leasing, foreign currency and bank note services; and extended custodial services and foreign exchange and derivatives products.

BANA also has international subsidiaries that are primarily Federal Reserve Regulation K subsidiaries owned through BANA's Edge and agreement corporation subsidiaries and foreign banks. The Federal Reserve Regulation K subsidiaries are primarily used to conduct commercial banking and other activities permissible under Regulation K.

FIA Foreign Operations

FIA's operations are primarily located in the United States. FIA has no non-U.S. branches and its primary international subsidiary is MBNA Europe Bank Limited, a U.K. chartered credit card bank that itself has subsidiaries engaged primarily in consumer banking activities and providing administrative services to the credit card bank. FIA's other foreign subsidiaries are primarily used for funding its foreign credit card operations.

VII. Material Supervisory Authorities

Bank of America Corporation is subject to the extensive regulatory framework applicable to financial holding companies, bank-holding companies, banks and securities firms. As a registered financial holding company and bank-holding company, Bank of America Corporation is subject to the supervision of, and regular inspection by, the Federal Reserve System. Bank of America Corporation and MLCO are subject to applicable Securities and Exchange Commission ("SEC") SEC regulations and financial filing requirements. BANA and FIA, which are the primary banking entities within the Corporation, are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency and the Federal Reserve. In addition, the Consumer Financial Protection Bureau, which regulates consumer financial products and services, supervises these entities.

Bank of America Corporation's subsidiaries are also subject to various other laws and regulations, as well as supervision and examination by other regulatory agencies, all of which directly or indirectly affect its operations and management and its ability to make distributions to stockholders. The U.S. broker-dealer subsidiaries are subject to regulation and supervision by the SEC, New York Stock Exchange and Financial Industry Regulatory Authority, with respect to their securities activities, and the U.S. Commodities Futures Trading Commission, with respect to their U.S. futures activities.

Moreover, Bank of America's non-U.S. businesses are also subject to extensive regulation by various non-U.S. regulators, including governments, securities exchanges, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate. BANA's foreign branches are subject to regulation and supervision by local regulatory authorities. The financial services operations in the United Kingdom, including BANA's London branch as well as non-bank legal entities in the United Kingdom, are subject to regulation by and supervision of the Financial Services Authority (the "FSA"). In July 2010, the United Kingdom proposed abolishing the FSA and replacing it with the Financial Policy Committee within the Bank of England ("FPC") and two new regulators, the Prudential Regulatory Authority and the Consumer Protection and Markets Authority ("CPMA"). Bank of America's U.K. regulated entities will be subject to the supervision of the FPC and the PRA for prudential matters and the CPMA for conduct of business matters. The new financial regulatory structure is intended to be in place by the end of 2012.

Additional information can be found in the "Government Supervision and Regulation" section on pages 2-4 of the Bank of America 2011 Annual Report on Form 10-K.

VIII. Principal Officers

Bank of America Corporation Executive Management Team (*Executive Officers)

Brian T. Moynihan*
Chief Executive Officer

Terrence P. Laughlin*
Chief Risk Officer

Andrea B. Smith
Global Head of Human Resources

Catherine P. Bessant
Global Technology and Operations Executive

Gary G. Lynch*
Global Chief of Legal, Compliance and Regulatory Relations

Ron D. Sturzenegger
Legacy Assets and Servicing Executive

David C. Darnell*
Co-Chief Operating Officer

Thomas K. Montag*
Co-Chief Operating Officer

Bruce R. Thompson*
Chief Financial Officer

Anne M. Finucane
Global Strategy and Marketing Officer

Charles H. Noski
Vice Chairman

Christine P. Katziff
Corporate General Auditor

Edward P. O'Keefe*
General Counsel

BANA Officers

Brian T. Moynihan
Chief Executive Officer, President

Bruce R. Thompson
Chief Financial Officer

Edward P. O'Keefe
General Counsel

Thomas K. Montag
Co-Chief Operating Officer

Gary G. Lynch
Global Chief of Legal, Compliance and Regulatory Relations

Lauren A. Mogensen
Corporate Secretary

Terrence P. Laughlin
Chief Risk Officer

David C. Darnell
Co-Chief Operating Officer

Neil A. Cotty
Chief Accounting Officer

FIA Officers

Brian T. Moynihan Chief Executive Officer	**Bruce R. Thompson** Chief Financial Officer	**Edward P. O'Keefe** General Counsel
Gary G. Lynch Global Chief of Legal, Compliance and Regulatory Relations	**Lauren A. Mogensen** Corporate Secretary	**Terrence P. Laughlin** Chief Risk Officer
Susan R. Faulkner Senior Vice President	**Mark D. Linsz** Treasurer	

IX. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

The Corporation is committed to maintaining strong, consistent risk management practices. The Company takes a comprehensive approach to risk management and has a defined Risk Framework and clearly articulated Risk Appetite which are approved annually by the Board. Risk management planning is integrated with strategic, financial and customer planning so that goals and responsibilities are aligned across the organization. Risk is managed in a systematic manner by focusing on the Corporation as a whole, as well as managing risk across the enterprise and within individual business units. The Company maintains a governance structure that delineates the responsibilities for risk management activities, as well as governance and oversight of those activities.

The Corporation adopted a Risk Framework focused on the identification and management of several categories of risk: strategic, credit, market, liquidity, operational, compliance and reputational. Executive management develops the Corporation's Risk Framework, Risk Appetite Statement, and financial operating plans for Board approval. Through the Credit, Enterprise Risk and Audit Committees, management monitors, and the Board oversees, financial performance, execution of the strategic and financial operating plans, compliance with the Risk Appetite Statement and the adequacy of internal controls.

The Board reviews and approves the Risk Framework and the Risk Appetite Statement for the Corporation. The Risk Framework defines the accountability of the Corporation and its employees and the Risk Appetite Statement defines the parameters under which the Company will take risk. Both documents are intended to enable the Company to maximize long-term results and ensure the integrity of its assets and the quality of its earnings. The Risk Framework is designed to be used by employees to understand risk management activities, including their individual roles and accountabilities. It also defines how risk management is integrated into the Company's business processes, and it defines the risk management governance structure, including management's involvement. The risk management responsibilities of the businesses, governance and control functions, and Corporate Audit are also clearly defined. The risk management process includes four critical elements: identify and measure risk, mitigate and control risk, monitor and test risk, and report and review risk, and is applied across all business activities to enable an integrated and comprehensive review of risk consistent with the Risk Appetite Statement.

Bank of America has incorporated Resolution Planning into the Risk Framework. A comprehensive process was designed and deployed to ensure the proper governance and internal controls were incorporated in developing the initial Resolution Plan. In 2011, a Resolution Planning team was established to prepare and submit the Resolution Plan. The Resolution Planning team reports to the Chief Risk Officer. All processes related to development and management of the Corporation's Resolution Plan were coordinated through this centralized team.

The Boards of Directors of Bank of America, BANA, and FIA, respectively, approved the respective Resolution Plans. The Enterprise Risk Committee of the Bank of America Board is the subcommittee directly responsible for Resolution Planning. The Enterprise Risk Committee, among other things, oversees the identification of, management of and planning for, material risks on an enterprise-wide basis, including strategic, credit, market, liquidity, operational, interest rate risk, compliance and reputational risk. The Enterprise Risk Committee also oversees capital management and liquidity planning. Reviews of the Plan were also performed by the Asset Liability and Market Risk Committee ("ALMRC"), which is an executive management level sub-committee of the Enterprise Risk Committee, and by the Chief Financial Officer Risk Committee, which is a sub-committee of ALMRC.

X. Description of Material Management Information Systems

Management Information Systems ("MIS") at Bank of America generally take the form of platform technologies and user interfaces that enable business users to perform analytics and generate standard and ad hoc reporting. MIS capabilities are enabled through data repositories and platforms used to aggregate and catalog data core to Bank of America's operations and management. Bank of America's key MIS generate numerous reports that are used during the normal course of business to monitor the financial health, risks and operations of Bank of America, its material entities, core business lines and critical operations.

To address financial health, accounting MIS applications are used to produce both management and legal entity reporting. Other financial MIS applications report on funding, liquidity, capital and Bank of America's balance sheet. Additionally, risk management MIS applications capture and report credit, market, and operational risk exposures for Bank of America.

Bank of America has a number of policies in place to ensure infrastructure and computing systems are consistently planned, implemented, secured, supported and managed. These policies enable the technology organization to meet technology demands through continued reliability, availability, serviceability and scalability to allow for capacity planning and Key Performance Indicator management.

Bank of America maintains detailed business continuity (which includes disaster recovery) documentation for each of its lines of business and supporting technology platforms. This documentation discusses in detail application-specific recovery time objectives as well as the plans to continue business operations in events where key systems are unavailable. Business continuity resources are deployed regionally around the globe to provide the appropriate level of governance and oversight for business continuity planning, testing, response management, crisis management and supplier resiliency.

XI. High-level Description of Resolution Strategy

As required pursuant to Title I, Section 165(d), of the Dodd Frank Act and the implementing regulations (the Federal Reserve's and FDIC's Section 165(d) Rule and the FDIC's CIDI Rule), Bank of America has developed strategies for a hypothetical resolution of its Material Entities. The Plan contemplates a resolution strategy in which Bank of America's U.S. bank material entities ("MEs"), under a hypothetical failure scenario, would be resolved by placing them into FDIC receiverships. Certain assets and liabilities would be transferred to a bridge bank that would, subject to certain assumptions, emerge from resolution as a viable going concern. Bank of America's other MEs would be wound down in an orderly manner, subject to certain assumptions. In addition, the Plan includes strategies designed to ensure continuity of certain core business lines and critical operations following the hypothetical failure of certain Bank of America entities. The strategies incorporate the importance of continued access to critical services including, but not limited to, technology, employees, facilities, intellectual property and supplier relationships.

In addition to these strategies for the hypothetical resolution scenario, the Plan outlines the asset and business sales that could occur during the resolution process. Depending on the size and complexity of the businesses or assets sold, the potential purchasers could include a broad range of buyers including, but not limited to, national, international and regional financial institutions; private equity and hedge funds; and other financial asset buyers such as insurance companies. The following is a description of select resolution regimes currently in existence.

FDIC Receiverships Under Sections 11 and 13 of the Federal Deposit Insurance Act

FDIC insured depository institutions, such as BANA and FIA, would be resolved under the Federal Deposit Insurance Act ("FDIA"). The resolution of a U.S. insured depository institution is initiated by its state or federal chartering authority and by the FDIC if they find that one or more of the statutory grounds for appointing the FDIC as receiver or conservator exist. For a national bank, the grounds for appointing the FDIC as receiver or conservator of an insured institution are listed in Section 11(c)(5) of the FDIA and include the following: (1) the institution is insolvent; critically undercapitalized; operating in an unsafe or unsound condition; or likely to be unable to pay its obligations in the normal course of business; (2) the institution is engaging in an unsafe or unsound practice likely to result in a substantial dissipation of its assets or earnings; or (3) the board of directors or shareholders of the institution consent to such appointment.

If the FDIC is to be appointed as receiver of the insured institution, the institution's state or federal chartering authority would issue an order closing the institution (i.e., revoking its charter or license to operate as a depository institution) and appoint the FDIC as the institution's receiver. If the FDIC is to be appointed as conservator of the insured institution, the institution is not closed, but instead the FDIC would be simply appointed as the institution's conservator.

If the FDIC is appointed as an insured institution's receiver or conservator, it succeeds, by operation of law, to all of the rights, titles, powers, and privileges of the insured institution and its stockholders, members, directors, officers, account holders, and depositors, subject to the provisions of the FDIA.

Bankruptcy Under Chapter 11 of the Bankruptcy Code

The resolution of material non-bank, non-broker-dealer domestic entities, such as Bank of America Corporation and MLCO, would be through bankruptcy procedures. A bankruptcy proceeding begins with the filing of a voluntary or involuntary Chapter 11 bankruptcy petition with the clerk of an appropriate bankruptcy court with an ultimate goal to liquidate or reorganize the enterprise.

Under the provisions of the Bankruptcy Code and upon the filing of a petition for Chapter 11 relief, a company as the debtor, generally becomes the debtor-in-possession (the "DIP"). The DIP is automatically authorized to operate its business "in the ordinary course" without the necessity of obtaining bankruptcy court approval. Subject to court approval, the DIP would promptly retain and employ attorneys, accountants, investment bankers, and other professionals to advise the debtors in the bankruptcy process. The DIP has an exclusive right to file a plan of reorganization that may be extended up to 18 months after commencement of the Chapter 11 Proceedings, after which a plan may be filed by other parties in interest.

The plan of reorganization, which may provide for the reorganization or liquidation of the debtor, must be approved by a requisite majority of each impaired class of creditors or must satisfy the requirements of the "fair and equitable" test with respect to any class that rejects the plan. It must also be found by the bankruptcy court to be "feasible" and to provide all impaired creditors with at least what such creditors would have received in a Chapter 7 liquidation of the debtor.

Liquidation Pursuant to the Securities Investor Protection Act

The liquidation of material domestic broker-dealer entities, such as MLPFS, would be conducted pursuant to the Securities Investor Protection Act ("SIPA"). The commencement of SIPA proceedings for a broker-dealer would be initiated by the Securities Investor Protection Corporation ("SIPC") through an application to the district court for a protective decree based on a determination by the SIPC that the broker-dealer was in danger of failing to meet its obligations to customers and was either insolvent, was not in compliance with certain regulatory requirements or was unable to perform the calculations necessary to meet such requirements, or that certain other conditions exist.

Upon issuance of a protective decree, the district court would appoint a SIPC trustee selected by the SIPC to manage and oversee the liquidation of the broker-dealer. SIPA proceedings would then be removed to the bankruptcy court and administered under the provisions of the SIPA, as supplemented by the Bankruptcy Code to the extent not inconsistent with the SIPA.

Upon appointment, the SIPC trustee would take control of all property, premises, bank accounts, records, systems and other assets of the broker-dealer. From that point forward, the liquidation of the business would be under the control of the SIPC trustee, and the broker-dealer's existing management would be displaced. The SIPC trustee's primary duties would be to marshal assets, recover and return customer property and liquidate the broker-dealer.

U.K. Special Administration Regime

In the United Kingdom, there is a special administration regime available to investment banks, such as MLI. The main features are that an investment bank enters the procedure by court order and the order appoints an administrator. The administrator is to pursue the special administration objectives which are (i) to ensure the return of client assets as soon as is reasonably practicable; (ii) to ensure timely engagement with market infrastructure bodies and the FSA, Her Majesty's Treasury and the Bank of England; and (iii) either to rescue the investment bank as a going concern or to wind it up in the best interests of the creditors.

Once a special administration order has been made, there is an automatic moratorium on a winding up of the company and no enforcement of security or other legal process may be taken against the company without the consent of the administrator or permission of the court. Enforcement of security under financial collateral arrangements covered by the Financial Collateral Regulations is, however, unaffected by the moratorium. An interim moratorium with similar effect would apply from the date of making the application, save that the permission of the court is not required for the presentation of a winding up petition on certain grounds or the appointment of an administrator or administrative receiver.

The administrator is an officer of the court and has the general power to do anything necessary or expedient for the pursuit of the special administration objectives. This includes the power to set a bar date for the submission of claims in relation to client assets if the administrator thinks it necessary in order to expedite the return of client assets. The administrator also has certain powers usually available to liquidators appointed under the Insolvency Act of 1986, including the power to disclaim onerous property and rescind contracts. The administrator also has the power to make distributions to creditors.

Irish Special Resolution Regime

In Ireland, there is a Special Resolution Regime that would be applicable to credit institutions, such as MLIB. The Central Bank and Credit Institutions Act of 2011 ("Resolution Act") contains a set of stabilization tools for the Central Bank of Ireland ("CBI"). Part V of the Resolution Act allows the CBI to transfer some or all of the of the assets and/or liabilities to (a) a commercial purchaser or (b) a bridge bank established pursuant to the Resolution Act (which would be owned by the CBI or its nominee). The transfer of some or all of the assets and liabilities of a failing bank to a private sector purchaser or a bridge bank is done by the CBI either under a special management order or a transfer order. The transfer order is proposed by the CBI, after consultation with the

Minister of Finance. The CBI must then apply to the High Court for a court order to effectuate the transfer or special management of the credit institution.

If the CBI has declared the intention of preserving or restoring the financial position of a credit institution, the court would declare the transfer order a reorganization measure so as to be recognized on a European Union-wide basis in accordance with the provisions of the Winding Up Regulations. A special manager would take over the management of the business with a view to (a) preserve or restore the financial position of the credit institution, (b) wind down the business or (c) otherwise manage the business in accord with the terms of a special management order. The special manager would have all the power to acquire or dispose of any or all assets and liabilities of the credit institution.