UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[✓] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

or

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

For the transition period from to

Commission file number:

1-6523

Exact name of registrant as specified in its charter:

Bank of America Corporation

State or other jurisdiction of incorporation or organization:

Delaware

IRS Employer Identification No.:

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange London Stock Exchange Tokyo Stock Exchange
Depositary Shares each representing a 1/1000th interest in a share of:	
6.204% Non-cumulative Preferred Stock, Series D	New York Stock Exchange
Floating Rate Non-cumulative Preferred Stock, Series E	New York Stock Exchange
S&P 500® Index Return Linked Notes, due July 2, 2007	American Stock Exchange
Minimum Return Index EAGLES℠, due June 1, 2010, Linked to the Nasdaq-100 Index®	American Stock Exchange
Minimum Return Index EAGLES®, due June 28, 2010, Linked to the S&P 500® Index	American Stock Exchange
Minimum Return—Return Linked Notes, due June 24, 2010, Linked to the Nikkei 225 Index	American Stock Exchange
Minimum Return Basket EAGLES℠, due August 2, 2010, Linked to a Basket of Energy Stocks	American Stock Exchange
Minimum Return Index EAGLES®, due August 28, 2009, Linked to the Russell 2000® Index	American Stock Exchange
Minimum Return Index EAGLES®, due September 25, 2009, Linked to the Dow Jones Industrial Average℠	American Stock Exchange
Minimum Return Index EAGLES®, due October 29, 2010, Linked to the Nasdaq-100 Index®	American Stock Exchange
1.50% Index CYCLES™, due November 26, 2010, Linked to the S&P 500® Index	American Stock Exchange
1.00% Index CYCLES™, due December 28, 2010, Linked to the S&P MidCap 400 Index	American Stock Exchange
Return Linked Notes due June 28, 2010, Linked to the Nikkei 225 Index	American Stock Exchange
1.00% Index CYCLES™, due January 28, 2011, Linked to a Basket of Health Care Stocks	American Stock Exchange
Minimum Return Index EAGLES®, due January 28, 2011, Linked to the Russell 2000® Index	American Stock Exchange
0.25% Cash-Settled Exchangeable Notes, due January 26, 2010, Linked to the Nasdaq-100 Index®	American Stock Exchange

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Title of each class	Name of each exchange on which registered
1.25% Index CYCLES™, due February 24, 2010, Linked to the S&P 500 ® Index	American Stock Exchange
Minimum Return Index EAGLES®, due March 27, 2009, Linked to the Nasdaq-100 Index ®	American Stock Exchange
1.75% Basket CYCLES™, due April 30, 2009, Linked to a Basket of Three Indices	American Stock Exchange
1.00% Basket CYCLES™, due May 27, 2010, Linked to a "70/30" Basket of Four Indices and an Exchange Traded Fund	American Stock Exchange
Minimum Return Index EAGLES®, due June 25, 2010, Linked to the Dow Jones Industrial Average SM	American Stock Exchange
1.50% Basket CYCLES™, due July 29, 2011, Linked to an "80/20" Basket of Four Indices and an Exchange Traded Fund	American Stock Exchange
Minimum Return Index EAGLES®, due August 28, 2009, Linked to the AMEX Biotechnology Index SM	American Stock Exchange
1.25% Index CYCLES™, due August 25, 2010, Linked to the Dow Jones Industrial Average SM	American Stock Exchange
1.25% Basket CYCLES™, due September 27, 2011, Linked to a Basket of Four Indices	American Stock Exchange
Minimum Return Basket EAGLES SM, due September 29, 2010, Linked to a Basket of Energy Stocks	American Stock Exchange
Minimum Return Index EAGLES®, due October 29, 2010, Linked to the S&P 500 ® Index	American Stock Exchange
Minimum Return Index EAGLES®, due November 23, 2010, Linked to the Nasdaq-100 Index ®	American Stock Exchange
Minimum Return Index EAGLES®, due November 24, 2010, Linked to the CBOE China Index	American Stock Exchange
1.25% Basket CYCLES™, due December 27, 2010, Linked to a "70/30" Basket of Four Indices and an Exchange Traded Fund	American Stock Exchange
1.50% Index CYCLES™, due December 28, 2011, Linked to a Basket of Health Care Stocks	American Stock Exchange
6 1/2% Subordinated InterNotesSM, due 2032	New York Stock Exchange
5 1/2% Subordinated InterNotesSM, due 2033	New York Stock Exchange
5 7/8% Subordinated InterNotesSM, due 2033	New York Stock Exchange
6% Subordinated InterNotesSM, due 2034	New York Stock Exchange
8 1/2% Subordinated Notes, due 2007	New York Stock Exchange
Minimum Return Index EAGLES, due March 25, 2011, Linked to the Dow Jones Industrial Average	New York Stock Exchange
1.625% Index CYCLES, due March 23, 2010, Linked to the Nikkei 225 Index	New York Stock Exchange
1.75% Index CYCLES, due April 28, 2011, Linked to the S&P 500 Index	American Stock Exchange
Return Linked Notes, due August 26, 2010, Linked to a Basket of Three Indices	American Stock Exchange
Return Linked Notes, due June 27, 2011, Linked to an “80/20” Basket of Four Indices and an Exchange Traded Fund	American Stock Exchange
Minimum Return Index EAGLES, due July 29, 2010, Linked to the S&P 500 Index	American Stock Exchange
Return Linked Notes, due January 28, 2011, Linked to a Basket of Two Indices	American Stock Exchange
Minimum Return Index EAGLES, due August 26, 2010, Linked to the Dow Jones Industrial Average	American Stock Exchange
Return Linked Notes, due August 25, 2011, Linked to the Dow Jones EURO STOXX 50 Index	American Stock Exchange
Minimum Return Index EAGLES, due October 3, 2011, Linked to the S&P 500 Index	American Stock Exchange
Minimum Return Index EAGLES, due October 28, 2011, Linked to the AMEX Biotechnology Index	American Stock Exchange
Return Linked Notes, due October 27, 2011, Linked to a Basket of Three Indices	American Stock Exchange
Return Linked Notes, due November 22, 2010, Linked to a Basket of Two Indices	American Stock Exchange
Minimum Return Index EAGLES, due November 23, 2011, Linked to a Basket of Five Indices	American Stock Exchange
Minimum Return Index EAGLES, due December 27, 2011, Linked to the Dow Jones Industrial average	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No ✓

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Rule 12b-2 of the Exchange Act). Yes No ✓

The aggregate market value of the registrant’s common stock (“Common Stock”) held by non-affiliates is approximately $213,260,291,645 (based on the June 30, 2006 closing price of Common Stock of $48.10 per share as reported on the New York Stock Exchange). As of February 26, 2007, there were 4,472,315,428 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Document of the Registrant	Form 10-K Reference Locations
Portions of the 2007 Proxy Statement	PART III

Part I

Item 1. BUSINESS

General

Bank of America Corporation ("Bank of America" or the "Corporation") is a Delaware corporation, a bank holding company and a financial holding company under the Gramm-Leach-Bliley Act. We were incorporated in 1998 as part of the merger of BankAmerica Corporation with NationsBank Corporation. Our principal executive offices are located in the Bank of America Corporate Center, Charlotte, North Carolina 28255.

Through our banking subsidiaries (the "Banks") and various nonbanking subsidiaries throughout the United States and in selected international markets, we provide a diversified range of banking and nonbanking financial services and products through three business segments: *Global Consumer and Small Business Banking, Global Corporate and Investment Banking* and *Global Wealth and Investment Management.* We currently operate in 30 states, the District of Columbia and 44 foreign countries. The Bank of America footprint covers more than 75 percent of the U.S. population and 44 percent of the country's wealthy households. In the United States, we serve more than 55 million consumer and small business relationships with more than 5,700 retail banking offices, more than 17,000 ATMs and more than 21 million active on-line users. We offer services in 16 of the 20 fastest growing states. Bank of America is the number one small business bank, and has relationships with 98 percent of the U.S. Fortune 500 Companies and 80 percent of the Global Fortune 500 Companies.

Additional information relating to our businesses and our subsidiaries is included in the information set forth in pages 25 through 42 of Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 20 of the Notes to the Consolidated Financial Statements in Item 8 of this report.

Bank of America's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available on our website at *http://investor.bankofamerica.com* under the heading Complete SEC Filings as soon as reasonably practicable after we electronically file such material with, or furnish it to the Securities and Exchange Commission (the "SEC"). In addition, we make available on *http://investor.bankofamerica.com* under the heading Corporate Governance our: (i) Code of Ethics and Insider Trading Policy; (ii) Corporate Governance Guidelines; and (iii) the charters of each of Bank of America's Board committees, and we also intend to disclose any amendments to our Code of Ethics, or waivers of our Code of Ethics on behalf of our Chief Executive Officer, Chief Financial Officer or Chief Accounting Officer, on our website. All of these corporate governance materials are also available free of charge in print to stockholders who request them in writing to: Bank of America Corporation, Attention: Shareholder Relations Department, 101 South Tryon Street, NC1-002-29-01, Charlotte, North Carolina 28255.

Competition

The activities in which Bank of America and our subsidiaries engage are highly competitive. Generally, the lines of activity and markets served involve competition with banks, thrifts, credit unions and nonbank financial institutions, such as investment banking firms, investment advisory firms, brokerage firms, investment companies and insurance companies. We also compete against banks and thrifts owned by nonregulated diversified corporations and other entities which offer financial services and through alternative delivery channels such as the Internet. The methods of competition center around various factors, such as customer service, interest rates on loans and deposits, quality and range of products, lending limits and customer convenience, such as locations of offices.

The commercial banking business in the various local markets served by our subsidiaries is highly competitive. We compete with banks, thrifts, finance companies and other businesses which provide similar services. We actively compete in commercial lending activities with local, regional and international banks and nonbank financial organizations, some of which are larger than certain of our nonbanking subsidiaries and the Banks. In our consumer lending operations, our competitors include banks, thrifts, credit unions, finance companies and other nonbank organizations offering financial services. In the investment banking, investment advisory and brokerage business, our nonbanking subsidiaries compete with U.S. and international banking and investment banking firms, investment advisory firms, brokerage firms, investment

companies, other organizations offering similar services and other investment alternatives available to investors, some of which are larger than our nonbanking subsidiaries. Our mortgage banking units compete with banks, thrifts, government agencies, mortgage brokers and other nonbank organizations offering mortgage banking services. Our card business competes in the U.S. and internationally with banks, as well as monoline and retail card product companies. In the trust business, the Banks compete with other banks, investment counselors and insurance companies in national markets for institutional funds and insurance agents, thrifts, financial counselors and other fiduciaries for personal trust business. We also actively compete for funds. A primary source of funds for the Banks is deposits, and competition for deposits includes other deposit-taking organizations, such as banks, thrifts, and credit unions, as well as money market mutual funds. Bank of America also competes for funding in the domestic and international short-term and long-term debt securities capital markets.

Our ability to expand into additional states remains subject to various federal and state laws. See "Government Supervision and Regulation—General" below for a more detailed discussion of interstate banking and branching legislation and certain state legislation.

Employees

As of December 31, 2006, there were 203,425 full-time equivalent employees within Bank of America and our subsidiaries. Of these employees, 100,909 were employed within *Global Consumer and Small Business Banking,* 26,622 were employed within *Global Corporate and Investment Banking* and 13,728 were employed within *Global Wealth and Investment Management*. The remainder were employed elsewhere within our company including various staff and support functions.

None of our domestic employees is subject to a collective bargaining agreement. Management considers our employee relations to be good.

Acquisition and Disposition Activity

As part of our operations, we regularly evaluate the potential acquisition of, and hold discussions with, various financial institutions and other businesses of a type eligible for financial holding company ownership or control. In addition, we regularly analyze the values of, and submit bids for, the acquisition of customer-based funds and other liabilities and assets of such financial institutions and other businesses. We also regularly consider the potential disposition of certain of its assets, branches, subsidiaries or lines of businesses. As a general rule, we publicly announce any material acquisitions or dispositions when a definitive agreement has been reached.

On January 1, 2006, Bank of America completed our merger with MBNA Corporation. Additional information on the MBNA merger is included under Note 2 of the Notes to the Consolidated Financial Statements in Item 8 which is incorporated herein by reference.

Government Supervision and Regulation

The following discussion describes elements of an extensive regulatory framework applicable to bank holding companies, financial holding companies and banks and specific information about Bank of America and our subsidiaries. Federal regulation of banks, bank holding companies and financial holding companies is intended primarily for the protection of depositors and the Deposit Insurance Fund rather than for the protection of stockholders and creditors.

General

As a registered bank holding company and financial holding company, Bank of America is subject to the supervision of, and regular inspection by, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Banks are organized as national banking associations, which are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency (the "Comptroller" or "OCC"), the Federal Deposit Insurance Corporation (the "FDIC"), the Federal Reserve Board, other federal and state regulatory agencies, and with respect to Bank of America's operations in the United Kingdom, the Financial Services Authority (the "FSA"). In addition to banking laws, regulations and regulatory agencies, Bank of America and our subsidiaries and affiliates are subject to various other laws and regulations and supervision and examination by other regulatory agencies, all of which directly or indirectly affect the operations and management of Bank of America and our ability to make distributions to stockholders.

A financial holding company, and the companies under its control, are permitted to engage in activities considered "financial in nature" as defined by the Gramm-Leach-Bliley Act and Federal Reserve Board interpretations (including, without limitation, insurance and securities activities), and therefore may engage in a broader range of activities than permitted for bank holding companies and their subsidiaries. A financial holding company may engage directly or indirectly in activities considered financial in nature, either de novo or by acquisition, provided the financial holding company gives the Federal Reserve Board after-the-fact notice of the new activities. The Gramm-Leach-Bliley Act also permits national banks, such as the Banks, to engage in activities considered financial in nature through a financial subsidiary, subject to certain conditions and limitations and with the approval of the OCC.

Bank holding companies (including bank holding companies that also are financial holding companies) also are required to obtain the prior approval of the Federal Reserve Board before acquiring more than five percent of any class of voting stock of any non-affiliated bank. Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Banking and Branching Act"), a bank holding company may acquire banks located in states other than its home state without regard to the permissibility of such acquisitions under state law, but subject to any state requirement that the bank has been organized and operating for a minimum period of time, not to exceed five years, and the requirement that the bank holding company, after the proposed acquisition, controls no more than 10 percent of the total amount of deposits of insured depository institutions in the United States and no more than 30 percent or such lesser or greater amount set by state law of such deposits in that state. Subject to certain restrictions, the Interstate Banking and Branching Act also authorizes banks to merge across state lines to create interstate banks. The Interstate Banking and Branching Act also permits a bank to open new branches in a state in which it does not already have banking operations if such state enacts a law permitting de novo branching.

Changes in Regulations

Proposals to change the laws and regulations governing the banking industry are frequently introduced in Congress, in the state legislatures and before the various bank regulatory agencies. The likelihood and timing of any proposals or legislation and the impact they might have on Bank of America and our subsidiaries cannot be determined at this time.

Capital and Operational Requirements

The Federal Reserve Board, the OCC and the FDIC have issued substantially similar risk-based and leverage capital guidelines applicable to United States banking organizations. In addition, these regulatory agencies may from time to time require that a banking organization maintain capital above the minimum levels, whether because of its financial condition or actual or anticipated growth. The Federal Reserve Board risk-based guidelines define a three-tier capital framework. Tier 1 capital includes common shareholders' equity, trust preferred securities, minority interests and qualifying preferred stock, less goodwill and other adjustments. Tier 2 capital consists of preferred stock not qualifying as Tier 1 capital, mandatory convertible debt, limited amounts of subordinated debt, other qualifying term debt and the allowance for credit losses up to 1.25 percent of risk-weighted assets and other adjustments. Tier 3 capital includes subordinated debt that is unsecured, fully paid, has an original maturity of at least two years, is not redeemable before maturity without prior approval by the Federal Reserve Board and includes a lock-in clause precluding payment of either interest or principal if the payment would cause the issuing bank's risk-based capital ratio to fall or remain below the required minimum. The sum of Tier 1 and Tier 2 capital less investments in unconsolidated subsidiaries represents our qualifying total capital. Risk-based capital ratios are calculated by dividing Tier 1 and total capital by risk-weighted assets. Assets and off-balance sheet exposures are assigned to one of four categories of risk-weights, based primarily on relative credit risk. The minimum Tier 1 capital ratio is four percent and the minimum total capital ratio is eight percent. Our Tier 1 and total risk-based capital ratios under these guidelines at December 31, 2006 were 8.64 percent and 11.88 percent, respectively. At December 31, 2006, we had no subordinated debt that qualified as Tier 3 capital.

The leverage ratio is determined by dividing Tier 1 capital by adjusted average total assets. Although the stated minimum ratio is 100 to 200 basis points above three percent, banking organizations are required to maintain a ratio of at least five percent to be classified as well capitalized. Our leverage ratio at December 31, 2006 was 6.36 percent. We exceed our leverage ratio requirement.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), among other things, identifies five capital categories for insured depository institutions (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized) and requires the respective federal regulatory agencies to implement systems for "prompt corrective action" for insured depository institutions that do not meet minimum capital requirements

within such categories. FDICIA imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the category in which an institution is classified. Failure to meet the capital guidelines could also subject a banking institution to capital raising requirements. An "undercapitalized" bank must develop a capital restoration plan and its parent holding company must guarantee that bank's compliance with the plan. The liability of the parent holding company under any such guarantee is limited to the lesser of five percent of the bank's assets at the time it became "undercapitalized" or the amount needed to comply with the plan. Furthermore, in the event of the bankruptcy of the parent holding company, such guarantee would take priority over the parent's general unsecured creditors. In addition, FDICIA requires the various regulatory agencies to prescribe certain non-capital standards for safety and soundness relating generally to operations and management, asset quality and executive compensation and permits regulatory action against a financial institution that does not meet such standards.

The various regulatory agencies have adopted substantially similar regulations that define the five capital categories identified by FDICIA, using the total risk-based capital, Tier 1 risk-based capital and leverage capital ratios as the relevant capital measures. Such regulations establish various degrees of corrective action to be taken when an institution is considered undercapitalized. Under the regulations, a "well capitalized" institution must have a Tier 1 risk-based capital ratio of at least six percent, a total risk-based capital ratio of at least ten percent and a leverage ratio of at least five percent and not be subject to a capital directive order. Under these guidelines, each of the Banks was considered well capitalized as of December 31, 2006.

Regulators also must take into consideration: (a) concentrations of credit risk; (b) interest rate risk; and (c) risks from non-traditional activities, as well as an institution's ability to manage those risks, when determining the adequacy of an institution's capital. This evaluation will be made as a part of the institution's regular safety and soundness examination. In addition, Bank of America, and any Bank with significant trading activity, must incorporate a measure for market risk in their regulatory capital calculations.

Distributions

Our funds for cash distributions to our stockholders are derived from a variety of sources, including cash and temporary investments. The primary source of such funds, and funds used to pay principal and interest on our indebtedness, is dividends received from the Banks. Each of the Banks is subject to various regulatory policies and requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums. The appropriate federal regulatory authority is authorized to determine under certain circumstances relating to the financial condition of a bank or bank holding company that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof.

In addition, the ability of Bank of America and the Banks to pay dividends may be affected by the various minimum capital requirements and the capital and non-capital standards established under FDICIA, as described above. The right of Bank of America, our stockholders and our creditors to participate in any distribution of the assets or earnings of its subsidiaries is further subject to the prior claims of creditors of the respective subsidiaries.

Source of Strength

According to Federal Reserve Board policy, bank holding companies are expected to act as a source of financial strength to each subsidiary bank and to commit resources to support each such subsidiary. This support may be required at times when a bank holding company may not be able to provide such support. Similarly, under the cross-guarantee provisions of the Federal Deposit Insurance Act, in the event of a loss suffered or anticipated by the FDIC–either as a result of default of a banking subsidiary or related to FDIC assistance provided to a subsidiary in danger of default–the other Banks may be assessed for the FDIC's loss, subject to certain exceptions.

Additional Information

See also the following additional information which is incorporated herein by reference: Net Interest Income (under the captions "Financial Highlights—Net Interest Income" and "Supplemental Financial Data" in Item 7, Management's Discussion and Analysis of Financial Conditions and Results of Operations (the "MD&A") and Tables I, II and XIII of the Statistical Financial Information); Securities (under the caption "Interest Rate Risk Management—Securities" in the MD&A and Notes 1 and 5 of the Notes to the Consolidated Financial Statements in Item 8, Financial Statements and Supplemental Data (the "Notes")); Outstanding Loans and Leases (under the caption "Credit Risk Management" in the MD&A, Table III of

the Statistical Financial Information, and Notes 1 and 6 of the Notes); Deposits (under the caption "Liquidity Risk and Capital Management—Liquidity Risk" in the MD&A and Note 11 of the Notes); Short-Term Borrowings (under the caption "Liquidity Risk and Capital Management—Liquidity Risk" in the MD&A, Table IX of the Statistical Financial Information and Note 12 of the Notes); Trading Account Assets and Liabilities (under the caption "Market Risk Management—Trading Risk Management" in the MD&A and Note 3 of the Notes); Market Risk Management (under the caption "Market Risk Management" in the MD&A); Liquidity Risk Management (under the caption "Liquidity Risk and Capital Management" in the MD&A); Operational Risk Management (under the caption "Operational Risk Management" in the MD&A); and Performance by Geographic Area (under Note 22 of the Notes).

Item 1A. RISK FACTORS

The following discusses some of the key risk factors that could affect Bank of America's business and operations. Other factors besides those discussed below or elsewhere in this report also could adversely affect our business and operations, and these risk factors should not be considered a complete list of potential risks that may affect Bank of America.

General business, economic and political conditions. Our businesses and earnings are affected by general business, economic and political conditions in the United States and abroad. Given the concentration of our business activities in the United States, we are particularly exposed to downturns in the United States economy. For example, in a poor economic environment there is a greater likelihood that more of our customers or counterparties could become delinquent on their loans or other obligations to us, which, in turn, could result in a higher level of charge-offs and provision for credit losses, all of which would adversely affect our earnings. General business and economic conditions that could affect us include short-term and long-term interest rates, inflation, variations in monetary supply, fluctuations in both debt and equity capital markets, and the strength of the United States economy and the local economies in which we operate. Geopolitical conditions can also affect our earnings. Acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, could affect business and economic conditions in the United States and abroad.

Access to funds from subsidiaries. The Corporation is a separate and distinct legal entity from our banking and nonbanking subsidiaries. We therefore depend on dividends, distributions and other payments from our banking and nonbanking subsidiaries to fund dividend payments on the common stock and to fund all payments on our other obligations, including debt obligations. Many of our subsidiaries are subject to laws that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to the Corporation. Regulatory action of that kind could impede access to funds we need to make payments on our obligations or dividend payments. In addition, the Corporation's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors.

Changes in accounting standards. Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time the Financial Accounting Standards Board ("FASB") changes the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in the Corporation restating prior period financial statements.

Competition. We operate in a highly competitive environment that could experience intensified competition as continued merger activity in the financial services industry produces larger, better-capitalized companies that are capable of offering a wider array of financial products and services, and at more competitive prices. In addition, technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions to compete with technology companies in providing electronic and Internet-based financial solutions. Many of our competitors have fewer regulatory constraints and some have lower cost structures.

Credit risk. When we loan money, commit to loan money or enter into a letter of credit or other contract with a counterparty, we incur credit risk, or the risk of losses if our borrowers do not repay their loans or our counterparties fail to perform according to the terms of their contract. A number of our products expose us to credit risk, including loans, leases and lending commitments, derivatives, trading account assets and assets held-for-sale. As one of the nation's largest lenders,

the credit quality of our portfolio can have a significant impact on our earnings. We allow for and reserve against credit risks based on our assessment of credit losses inherent in our credit exposure (including unfunded credit commitments). This process, which is critical to our financial results and condition, requires difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of our borrowers to repay their loans. As is the case with any such assessments, there is always the chance that we will fail to identify the proper factors or that we will fail to accurately estimate the impacts of factors that we identify.

For a further discussion of credit risk and our credit risk management policies and procedures, see "Credit Risk Management" in the MD&A.

Federal and state regulation. Bank of America, the Banks and many of our nonbank subsidiaries are heavily regulated by bank regulatory agencies at the federal and state levels. This regulatory oversight is established to protect depositors, federal deposit insurance funds and the banking system as a whole, not security holders. Bank of America and its nonbanking subsidiaries are also heavily regulated by securities regulators, domestically and internationally. This regulation is designed to protect investors in securities we sell or underwrite. Congress and state legislatures and foreign, federal and state regulatory agencies continually review laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including interpretation or implementation of statutes, regulations or policies, could affect us in substantial and unpredictable ways including limiting the types of financial services and products we may offer and increasing the ability of nonbanks to offer competing financial services and products.

Governmental fiscal and monetary policy. Our businesses and earnings are affected by domestic and international monetary policy. For example, the Federal Reserve Board regulates the supply of money and credit in the United States and its policies determine in large part our cost of funds for lending and investing and the return we earn on those loans and investments, both of which affect our net interest margin. The actions of the Federal Reserve Board also can materially affect the value of financial instruments we hold, such as debt securities and mortgage servicing rights and its policies also can affect our borrowers, potentially increasing the risk that they may fail to repay their loans. Our businesses and earnings also are affected by the fiscal or other policies that are adopted by various regulatory authorities of the United States, non-U.S. governments and international agencies. Changes in domestic and international monetary policy are beyond our control and hard to predict.

Liquidity risk. Liquidity is essential to our businesses. Our liquidity could be impaired by an inability to access the capital markets or by unforeseen outflows of cash. This situation may arise due to circumstances that we may be unable to control, such as a general market disruption or an operational problem that affects third parties or us. Our credit ratings are important to our liquidity. A reduction in our credit ratings could adversely affect our liquidity and competitive position, increase our borrowing costs, limit our access to the capital markets or trigger unfavorable contractual obligations.

For a further discussion of our liquidity picture and the policies and procedures we use to manage our liquidity risks, see "Liquidity Risk and Capital Management" in the MD&A.

Litigation risks. We face significant legal risks in our businesses, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high. Substantial legal liability or significant regulatory action against Bank of America could have material adverse financial effects or cause significant reputational harm to Bank of America, which in turn could seriously harm our business prospects.

For a further discussion of litigation risks, see "Litigation and Regulatory Matters" in Note 13 of the Notes.

Market risk. We are directly and indirectly affected by changes in market conditions. Market risk generally represents the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions. For example, changes in interest rates could adversely affect our net interest margin—the difference between the yield we earn on our assets and the interest rate we pay for deposits and other sources of funding—which could in turn affect our net interest income and earnings. Market risk is inherent in the financial instruments associated with our operations and activities including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives. Just a few of the market conditions that may shift from time to time, thereby exposing us to market risk, include fluctuations in interest and currency exchange rates, equity and futures prices, changes in the implied volatility of interest rates, foreign exchange rates, equity and futures prices, and price deterioration or changes in value due to changes in market

perception or actual credit quality of either the issuer or its country of origin. Accordingly, depending on the instruments or activities impacted, market risks can have wide ranging, complex adverse affects on our results from operations and our overall financial condition.

For a further discussion of market risk and our market risk management policies and procedures, see “Market Risk Management” in the MD&A.

Merger risks. There are significant risks and uncertainties associated with mergers. For example, we may fail to realize the growth opportunities and cost savings anticipated to be derived from the merger. In addition, it is possible that the integration process could result in the loss of key employees, or that the disruption of ongoing business from the merger could adversely affect our ability to maintain relationships with clients or suppliers. We have an active acquisition program and there is a risk that integration difficulties may cause us not to realize expected benefits from the transactions We will be subject to similar risks and difficulties in connection with future acquisitions, as well as decisions to downsize, sell or close units or otherwise change the business mix of the Corporation.

Non-U.S. operations; trading in non-U.S. securities. We do business throughout the world, including in developing regions of the world commonly known as emerging markets. Our businesses and revenues derived from non-U.S. operations are subject to risk of loss from currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets, unfavorable political and diplomatic developments and changes in legislation relating to non-U.S. ownership. We also invest in the securities of corporations located in non-U.S. jurisdictions, including emerging markets. Revenues from the trading of non-U.S. securities also may be subject to negative fluctuations as a result of the above factors. The impact of these fluctuations could be accentuated, because generally, non-U.S. trading markets, particularly in emerging market countries, are smaller, less liquid and more volatile than U.S. trading markets.

Operational risks. The potential for operational risk exposure exists throughout our organization. Integral to our performance is the continued efficacy of our technical systems, operational infrastructure, relationships with third parties and the vast array of associates and key executives in our day-to-day and ongoing operations. Failure by any or all of these resources subjects us to risks that may vary in size, scale and scope. This includes but is not limited to operational or technical failures, unlawful tampering with our technical systems, terrorist activities, ineffectiveness or exposure due to interruption in third party support, as well as, the loss of key individuals or failure on the part of the key individuals to perform properly.

For further discussion of operating risks, see “Operational Risk Management” in the MD&A.

Our reputation is important. Our ability to attract and retain customers and employees could be adversely affected to the extent our reputation is damaged. Our failure to address, or to appear to fail to address various issues that could give rise to reputational risk could cause harm to Bank of America and our business prospects. These issues include, but are not limited to, appropriately addressing potential conflicts of interest; legal and regulatory requirements; ethical issues; money-laundering; privacy; properly maintaining customer and associate personal information; record keeping; sales and trading practices; and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in our products. Failure to appropriately address these issues could also give rise to additional legal risks, which, in turn, could increase the size and number of litigation claims and damages asserted or subject us to enforcement actions, fines and penalties and cause us to incur related costs and expenses.

Products and services. Our business model is based on a diversified mix of businesses that provide a broad range of financial products and services, delivered through multiple distribution channels. Our success depends, in part, on our ability to adapt our products and services to evolving industry standards. There is increasing pressure by competition to provide products and services at lower prices. This can reduce our net interest margin and revenues from our fee-based products and services. In addition, the widespread adoption of new technologies, including internet services, could require us to make substantial expenditures to modify or adapt our existing products and services. We might not be successful in introducing new products and services, responding or adapting to changes in consumer spending and saving habits, achieving market acceptance of our products and services, or developing and maintaining loyal customers.

Risk management processes and strategies. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. While we employ a broad

and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Accordingly, our ability to successfully identify and manage risks facing us is an important factor that can significantly impact our results. For a further discussion of our risk management policies and procedures, see "Managing Risk" in the MD&A.

We operate many different businesses. We are a diversified financial services company. In addition to banking, we provide investment, mortgage, investment banking, credit card and consumer finance services. Although we believe our diversity helps lessen the effect when downturns affect any one segment of our industry, it also means our earnings could be subject to different risks and uncertainties than the ones discussed in herein. If any of the risks that we face actually occur, irrespective of whether those risks are described in this section or elsewhere in this report, our business, financial condition and operating results could be materially adversely affected.

Item 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved written comments that were received from the Securities and Exchange Commission's staff 180 days or more before the end of Bank of America's fiscal year relating to our periodic or current reports filed under the Securities Exchange Act of 1934.

Item 2. PROPERTIES

As of December 31, 2006, Bank of America's principal offices and primarily all of our business segments were located in the 60-story Bank of America Corporate Center in Charlotte, North Carolina, which is owned by one of our subsidiaries. We occupy approximately 637,000 square feet and lease approximately 547,000 square feet to third parties at market rates, which represents substantially all of the space in this facility. We occupy approximately 926,000 square feet of space at 100 Federal Street in Boston, which is the headquarters for one of our primary business segments, the Global Wealth and Investment Management Group. The 37-story building is owned by one of our subsidiaries which also leases approximately 463,000 square feet to third parties. We also lease or own a significant amount of space worldwide. As of December 31, 2006, Bank of America and our subsidiaries owned or leased approximately 25,500 locations in 38 states, the District of Columbia and 28 foreign countries.

Item 3. LEGAL PROCEEDINGS

See "Litigation and Regulatory Matters" in Note 13 of the Consolidated Financial Statements beginning on page 137 for Bank of America's litigation disclosure which is incorporated herein by reference.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of stockholders during the quarter ended December 31, 2006.

Item 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to the Instructions to Form 10-K and Item 401(b) of Regulation S-K, the name, age and position of each current executive officer of Bank of America are listed below along with such officer's business experience during the past five years. Officers are appointed annually by the Board of Directors at the meeting of directors immediately following the annual meeting of stockholders.

Amy Woods Brinkley, age 51, Global Risk Executive. Ms. Brinkley was named to her present position in April 2002. From July 2001 to April 2002, she served as Chairman, Credit Policy and Deputy Corporate Risk Management Executive;

and from August 1999 to July 2001, she served as President, Consumer Products. She first became an officer in 1979. She also serves as Global Risk Executive and a director of Bank of America, N.A. and FIA Card Services, N.A.

Barbara J. Desoer, age 54, Global Technology and Operations Executive. Ms Desoer was named to her present position in August 2004. From July 2001 to August 2004, she served as President, Consumer Products; and from September 1999 to July 2001, she served as Director of Marketing. She first became an officer in 1977. She also serves as Global Technology and Operations Executive and a director of Bank of America, N.A. and FIA Card Services, N.A.

Kenneth D. Lewis, age 59, Chairman, Chief Executive Officer and President. Mr. Lewis was named Chief Executive Officer in April 2001, President in July 2004 and Chairman in February 2005. From April 2001 to April 2004, he served as Chairman; from January 1999 to April 2004, he served as President; and from October 1999 to April 2001, he served as Chief Operating Officer. He first became an officer in 1971. Mr. Lewis also serves as a director of the Corporation and as Chairman, Chief Executive Officer, President and a director of Bank of America, N.A. and FIA Card Services, N.A.

Liam E. McGee, age 52, President, Global Consumer and Small Business Banking. Mr. McGee was named to his present position in August 2004. From August 2001 to August 2004, he served as President, Global Consumer Banking; from August 2000 to August 2001, he served as President, Bank of America California; and from August 1998 to August 2000, he served as President, Southern California Region. He first became an officer in 1990. He also serves as President, Global Consumer and Small Business Banking and a director of Bank of America, N.A. and FIA Card Services, N.A.

Brian T. Moynihan, age 47, President, Global Wealth and Investment Management. Mr. Moynihan was named to his present position in April 2004. Previously he held the following positions at FleetBoston Financial Corporation: from 1999 to April 2004, he served as Executive Vice President with responsibility for Brokerage and Wealth Management from 2000, and Regional Commercial Financial Services and Investment Management from May 2003. He first became an officer in 1993. He also serves as President, Global Wealth and Investment Management and a director of Bank of America, N.A. and FIA Card Services, N.A.

Joe L. Price, age 46, Chief Financial Officer. Mr. Price was named to his present position in January 2007. From June 2003 to December 2006, he served as GCIB Risk Management Executive; from July 2002 to May 2003 he served as Senior Vice President Corporate Strategy and President, Consumer Special Assets; from November 1999 to July 2002 he served as President, Consumer Finance; from August 1997 to October 1999 he served as Corporate Risk Evaluation Executive and General Auditor; from June 1995 to July 1997 he served as Controller; and from April 1993 to May 1995 he served as Accounting Policy and Finance Executive. He first became an officer in 1993. He also serves as Chief Financial Officer and a director of Bank of America, N.A. and FIA Card Services, N.A.

R. Eugene Taylor, age 59, Vice Chairman and President, Global Corporate and Investment Banking. Mr. Taylor was named to his present position in July, 2005. From February 2005 to July 2005, he served as President, Global Business and Financial Services; from August 2004 to February 2005, he served as President, Commercial Banking; from June 2000 to August 2004, he served as President, Consumer and Commercial Banking; from February 2000 to June 2000, he served as President, Central Region; and from October 1998 to June 2000, he served as President, West Region. He first became an officer in 1970. He also serves as Vice-Chairman and President, Global Corporate and Investment Banking and a director of Bank of America, N.A. and FIA Card Services, N.A.

Part II

Item 5. Market for Registrant's Common Equity and Related Stock Holder Matters

The principal market on which the Common Stock is traded is the New York Stock Exchange. The Common Stock is also listed on the London Stock Exchange, and certain shares are listed on the Tokyo Stock Exchange. The following table sets forth the high and low closing sales prices of the Common Stock on the New York Stock Exchange for the periods indicated:

		Quarter	High	Low
Bank of America Corporation				
	2005	first	$47.08	$43.66
		second	47.08	44.01
		third	45.98	41.60
		fourth	46.99	41.57
	2006	first	47.08	43.09
		second	50.47	45.48
		third	53.57	47.98
		fourth	54.90	51.66

As of February 26, 2007, there were 272,123 record holders of Common Stock. During 2005 and 2006, Bank of America paid dividends on the Common Stock on a quarterly basis. The following table sets forth dividends paid per share of Common Stock for the periods indicated:

	Quarter	Dividend
2005	first	$.45
	second	.45
	third	.50
	fourth	.50
2006	first	.50
	second	.50
	third	.56
	fourth	.56

For additional information regarding the Corporation's ability to pay dividends, see the discussion under the heading "Government Supervision and Regulation—Distributions" in this report and Note 15 of the Consolidated Financial Statements on page 149 which is incorporated herein by reference.

For information on the Corporation's equity compensation plans, see Note 17 of the Consolidated Financial Statements on page 156 which is incorporated herein by reference.

See Note 14 of the Consolidated Financial Statements on page 145 for information on the monthly share repurchases activity for the three and twelve months ended December 31, 2006, 2005 and 2004, including total common shares repurchased and announced programs, weighted average per share price and the remaining buy back authority under announced programs which is incorporated herein by reference.

The Corporation did not have any unregistered sales of its equity securities in fiscal year 2006.

Item 6. Selected Financial Data

See Table 5 in the MD&A on page 21 and Table XII of the Statistical Financial Information on page 95 which are incorporated herein by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

This report 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 Annual Report 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." 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 (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), state regulators and the Financial Services Authority (FSA); 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 44 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*, *Global Corporate and Investment Banking*, and *Global Wealth and Investment Management.*

At December 31, 2006, the Corporation had $1.5 trillion in assets and approximately 203,000 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. Certain prior period amounts have been reclassified to conform to current period presentation.

Recent Events

In January 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 to be completed within 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 $4.9 billion, or 63.1 million shares, remains available for repurchase under the program at December 31, 2006.

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. In October 2006, the Board declared a regular

quarterly cash dividend on common stock of $0.56 per share which was paid on December 22, 2006 to common shareholders of record on December 1, 2006. In July 2006, the Board increased the quarterly cash dividend on common stock 12 percent from $0.50 to $0.56 per share.

In December 2006, the Corporation completed the sale of its retail and commercial business in Hong Kong and Macau (Asia Commercial Banking business) to China Construction Bank (CCB) for $1.25 billion. The sale resulted in a $165 million gain (pre-tax) that was recorded in Other Income.

In November 2006, the Corporation announced a definitive agreement to acquire U.S. Trust Corporation (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.

In November 2006, the Corporation issued 81,000 shares of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series E with a par value of $0.01 per share for $2.0 billion. In September 2006, the Corporation issued 33,000 shares of Bank of America Corporation 6.204% Non-Cumulative Preferred Stock, Series D with a par value of $0.01 per share for $825 million. In July 2006, the Corporation redeemed its 700,000 shares, or $175 million, of Fixed/Adjustable Rate Cumulative Preferred Stock and redeemed its 382,450 shares, or $96 million, of 6.75% Perpetual Preferred Stock. Both classes were redeemed at their stated value of $250 per share, plus accrued and unpaid dividends.

In September 2006, the Corporation completed the sale of its Brazilian operations in exchange for approximately $1.9 billion in equity of Banco Itaú Holding Financeira S.A. (Banco Itaú), Brazil's second largest nongovernment-owned banking company. The sale resulted in a $720 million gain (pre-tax) that was recorded in Other Income. In August 2006, we announced a definitive agreement to sell our operations in Chile and Uruguay for stock in Banco Itaú and other consideration totaling approximately $615 million. These transactions, as well as the previously announced sale of our operations in Argentina, are expected to close in early 2007.

MBNA Merger Overview

The Corporation acquired 100 percent of the outstanding stock of MBNA Corporation (MBNA) on January 1, 2006, for $34.6 billion. In connection therewith 1,260 million shares of MBNA common stock were exchanged for 631 million shares of the Corporation's common stock. Prior to the MBNA merger, this represented approximately 16 percent of the Corporation's outstanding common stock. MBNA shareholders also received cash of $5.2 billion. The MBNA merger was a tax-free merger for the Corporation. The acquisition expands the Corporation's customer base and its opportunity to deepen customer relationships across the full breadth of the Corporation by delivering innovative deposit, lending and investment products and services to MBNA's customer base. Additionally, the acquisition allows the Corporation to significantly increase its affinity relationships through MBNA's credit card operations and sell these credit cards through our delivery channels (including the retail branch network). MBNA's results of operations were included in the Corporation's results beginning January 1, 2006. The purchase price has been allocated to the assets acquired and the liabilities assumed based on their fair values at the MBNA merger date. For more information related to the MBNA merger, see Note 2 of the Corporation's Consolidated Financial Statements.

Economic Overview

In 2006, the U.S. economic performance was healthy as real Gross Domestic Product grew an estimated annualized 3.4 percent. Consumer spending remained resilient despite significant declines in housing and mortgage refinancing activities. Global economies recorded another solid year of growth, led by robust expansion in Asia. Importantly, Germany and Japan maintained their economic momentum as the U.S. weathered a soft patch in growth. The FRB concluded two consecutive years of rate hikes in June, raising its rate to 5.25 percent, as increases remained on hold in the second half of the year. The yield curve remained inverted for much of the second half of the year, reflecting the FRB's rate increases, its inflation-fighting credibility, and rising foreign capital inflows. In response to the rate hikes and removal of monetary accommodation, housing sales and construction fell sharply, median house prices flattened after surging for a half decade, and mortgage refinancing activity fell sharply. However, business investment remained strong, and solid increases in nonresidential

construction partially offset the declines in housing. Consumer spending, buoyed by rising personal incomes, relative low interest rates and record-breaking wealth, continued to grow, ending the year on a strong note. Dramatic declines in oil and energy prices in August through October sharply reduced inflation, while core measures of inflation, excluding the volatile energy and food components, rose through September. Core inflation drifted modestly lower through year end, but remained above the two percent upper bound of the FRB's comfort range. With the exception of housing, automobiles and related industries sustained healthy product demand and modest pricing power provided businesses record profits. In this environment, businesses continued to hire, and the unemployment rate receded to 4.5 percent, well below its historic average.

Performance Overview

Net Income reached $21.1 billion, or $4.59 per diluted common share in 2006, increases of 28 percent and 14 percent from $16.5 billion, or $4.04 per diluted common share in 2005.

Table 1
Business Segment Total Revenue and Net Income

	Total Revenue		Net Income	
(Dollars in millions)	**2006**	2005	**2006**	2005
Global Consumer and Small Business Banking	**$41,691**	$28,323	**$11,171**	$ 7,021
Global Corporate and Investment Banking	**22,691**	20,600	**6,792**	6,384
Global Wealth and Investment Management	**7,779**	7,316	**2,403**	2,316
All Other	**2,086**	684	**767**	744
Total FTE basis [1]	**74,247**	56,923	**21,133**	16,465
FTE adjustment [1]	**(1,224)**	(832)	**—**	—
Total Consolidated	**$73,023**	$56,091	**$21,133**	$16,465

(1)Total revenue for the business segments and *All Other* is on a fully taxable-equivalent (FTE) basis. For more information on a FTE basis, see Supplemental Financial Data beginning on page 22.

Global Consumer and Small Business Banking

Net Income increased $4.2 billion, or 59 percent, to $11.2 billion and Total Revenue increased $13.4 billion, or 47 percent, to $41.7 billion in 2006 compared to 2005. These increases were driven by higher Net Interest Income and Noninterest Income. Net Interest Income increased primarily due to the MBNA merger and organic growth which increased Average Loans and Leases. Noninterest Income increased primarily due to the MBNA merger which resulted in an increase in Card Income driven by increases in excess servicing income, cash advance fees, interchange income and late fees. These increases were partially offset by higher Noninterest Expense and Provision for Credit Losses, primarily driven by the addition of MBNA. For more information on *Global Consumer and Small Business Banking*, see page 26.

Global Corporate and Investment Banking

Net Income increased $408 million, or six percent, to $6.8 billion in 2006 compared to 2005. Total Revenue increased $2.1 billion, or 10 percent, to $22.7 billion in 2006 compared to 2005, driven primarily by higher Trading Account Profits and Investment Banking Income, and gains on the sales of our Brazilian operations and Asia Commercial Banking business. Offsetting these increases was spread compression in the loan portfolios which adversely impacted Net Interest Income. In addition, Net Income in 2006 was impacted by increases in Noninterest Expense and Provision for Credit Losses, and a decrease in Gains on Sales of Debt Securities. For more information on *Global Corporate and Investment Banking*, see page 33.

Global Wealth and Investment Management

Net Income increased $87 million, or four percent, to $2.4 billion in 2006 compared to 2005. The increase was due to higher Total Revenue of $463 million, or six percent, primarily as a result of an increase in Investment and Brokerage Services partially offset by an increase in Noninterest Expense of $295 million, or eight percent, driven by higher personnel-related costs.

Total assets under management increased $60.6 billion to $542.9 billion at December 31, 2006 compared to December 31, 2005. For more information on *Global Wealth and Investment Management*, see page 38.

All Other

Net Income increased $23 million to $767 million in 2006 compared to 2005. This increase was primarily a result of higher Equity Investment Gains of $902 million and Net Interest Income of $446 million offset by lower Gains (Losses) on Sales of Debt Securities of $(495) million in 2006 compared to $823 million in 2005. For more information on *All Other*, see page 41.

Financial Highlights

Net Interest Income

Net Interest Income on a FTE basis increased $4.2 billion to $35.8 billion in 2006 compared to 2005. The primary drivers of the increase were the impact of the MBNA merger (volumes and spreads), consumer and commercial loan growth, and increases in the benefits from asset and liability management (ALM) activities including higher portfolio balances (primarily residential mortgages) and the impact of changes in spreads across all product categories. These increases were partially offset by a lower contribution from market-based earning assets and the higher costs associated with higher levels of wholesale funding. The net interest yield on a FTE basis decreased two basis points (bps) to 2.82 percent in 2006 due primarily to an increase in lower yielding market-based earning assets and loan spreads that continued to tighten due to the flat to inverted yield curve. These decreases were partially offset by widening of spreads on core deposits. For more information on Net Interest Income on a FTE basis, see Tables I and II beginning on page 88.

Noninterest Income

Table 2
Noninterest Income

(Dollars in millions)	2006	2005
Card income	**$ 14,293**	$ 5,753
Service charges	**8,224**	7,704
Investment and brokerage services	**4,456**	4,184
Investment banking income	**2,317**	1,856
Equity investment gains	**3,189**	2,212
Trading account profits	**3,166**	1,763
Mortgage banking income	**541**	805
Other income	**2,246**	1,077
Total noninterest income	**$ 38,432**	$ 25,354

Noninterest Income increased $13.1 billion to $38.4 billion in 2006 compared to 2005, due primarily to the following:

- Card Income increased $8.5 billion primarily due to the addition of MBNA resulting in higher excess servicing income, cash advance fees, interchange income and late fees.

- Service Charges grew $520 million due to increased non-sufficient funds fees and overdraft charges, account service charges, and ATM fees resulting from new account growth and increased account usage.
- Investment and Brokerage Services increased $272 million primarily reflecting higher levels of assets under management.
- Investment Banking Income increased $461 million due to higher market activity and continued strength in debt underwriting.
- Equity Investment Gains increased $977 million primarily due to favorable market conditions driven by liquidity in the capital markets as well as a $341 million gain recorded on the liquidation of a strategic European investment.
- Trading Account Profits increased $1.4 billion due to a favorable market environment, and benefits from previous investments in personnel and trading infrastructure.
- Mortgage Banking Income decreased $264 million primarily due to weaker production income driven by margin compression, which negatively impacted the pricing of loans, and a decision to retain a larger portion of mortgage production.
- Other Income increased $1.2 billion primarily related to the $720 million (pre-tax) gain on the sale of our Brazilian operations and the $165 million (pre-tax) gain on the sale of our Asia Commercial Banking business.

Provision for Credit Losses

The Provision for Credit Losses increased $996 million to $5.0 billion in 2006 compared to 2005. Provision expense rose due to increases from the addition of MBNA, reduced benefits from releases of commercial reserves and lower commercial recoveries. These increases were partially offset by lower bankruptcy-related credit costs on the domestic consumer credit card portfolio.

For more information on credit quality, see Credit Risk Management beginning on page 53.

Gains (Losses) on Sales of Debt Securities

Gains (Losses) on Sales of Debt Securities were $(443) million in 2006 compared to $1.1 billion in 2005. The decrease was primarily due to a loss on the sale of mortgage-backed securities in 2006 compared to gains recorded in 2005. For more information on Gains (Losses) on Sales of Debt Securities, see "Interest Rate Risk Management – Securities" beginning on page 77.

Noninterest Expense

Table 3
Noninterest Expense

(Dollars in millions)	2006	2005
Personnel	**$ 18,211**	$ 15,054
Occupancy	**2,826**	2,588
Equipment	**1,329**	1,199
Marketing	**2,336**	1,255
Professional fees	**1,078**	930
Amortization of intangibles	**1,755**	809
Data processing	**1,732**	1,487
Telecommunications	**945**	827
Other general operating	**4,580**	4,120
Merger and restructuring charges	**805**	412
Total noninterest expense	**$ 35,597**	$ 28,681

Noninterest Expense increased $6.9 billion to $35.6 billion in 2006 compared to 2005, primarily due to the MBNA merger, increased Personnel expense related to higher performance-based compensation and higher Marketing expense related to consumer banking initiatives. Amortization of Intangibles expense was higher due to increases in purchased credit card relationships, affinity relationships, core deposit intangibles and other intangibles, including trademarks.

Income Tax Expense

Income Tax Expense was $10.8 billion in 2006 compared to $8.0 billion in 2005, resulting in an effective tax rate of 33.9 percent in 2006 and 32.7 percent in 2005. The increase in the effective tax rate was primarily due to the charge to Income Tax Expense arising from the change in tax legislation discussed below, the one-time benefit recorded during 2005 related to the repatriation of certain foreign earnings and the January 1, 2006 addition of MBNA. For more information on Income Tax Expense, see Note 18 of the Consolidated Financial Statements.

During the second quarter of 2006, the President signed into law the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA). Among other things, TIPRA repealed certain provisions of prior law relating to transactions entered into under the extraterritorial income and foreign sales corporation regimes. The TIPRA repeal results in an increase in the U.S. taxes expected to be paid on certain portions of the income earned from such transactions after December 31, 2006. Accounting for the change in law resulted in the recognition of a $175 million charge to Income Tax Expense in 2006.

Balance Sheet Analysis

Table 4
Selected Balance Sheet Data

(Dollars in millions)	December 31 2006	December 31 2005	Average Balance 2006	Average Balance 2005
Assets				
Federal funds sold and securities purchased under agreements to resell	**$ 135,478**	$ 149,785	**$ 175,334**	$ 169,132
Trading account assets	**153,052**	131,707	**145,321**	133,502
Debt securities	**192,846**	221,603	**225,219**	219,843
Loans and leases, net of allowance for loan and lease losses	**697,474**	565,746	**643,259**	528,793
All other assets	**280,887**	222,962	**277,548**	218,622
Total assets	**$ 1,459,737**	$ 1,291,803	**$ 1,466,681**	$ 1,269,892
Liabilities				
Deposits	**$ 693,497**	$ 634,670	**$ 672,995**	$ 632,432
Federal funds purchased and securities sold under agreements to repurchase	**217,527**	240,655	**286,903**	230,751
Trading account liabilities	**67,670**	50,890	**64,689**	57,689
Commercial paper and other short-term borrowings	**141,300**	116,269	**124,229**	95,657
Long-term debt	**146,000**	100,848	**130,124**	97,709
All other liabilities	**58,471**	46,938	**57,278**	55,793
Total liabilities	**1,324,465**	1,190,270	**1,336,218**	1,170,031
Shareholders' equity	**135,272**	101,533	**130,463**	99,861
Total liabilities and shareholders' equity	**$ 1,459,737**	$ 1,291,803	**$ 1,466,681**	$ 1,269,892

At December 31, 2006, Total Assets were $1.5 trillion, an increase of $167.9 billion, or 13 percent, from December 31, 2005. Average Total Assets in 2006 increased $196.8 billion, or 15 percent, from 2005. Growth in period end and average Total Assets was primarily attributable to the MBNA merger, which had $83.3 billion of Total Assets on January 1, 2006. The increase in Loans and Leases was also attributable to organic growth. In addition, market-based earning assets increased $42.2 billion and $46.9 billion on a period end and average basis due to continued growth and build out in the *Capital Markets and Advisory Services* business within *Global Corporate and Investment Banking*.

At December 31, 2006, Total Liabilities were $1.3 trillion, an increase of $134.2 billion, or 11 percent, from December 31, 2005. Average Total Liabilities in 2006 increased $166.2 billion, or 14 percent, from 2005. Growth in period end and average Total Liabilities was primarily attributable to increases in Deposits and Long-term Debt, due to the assumption of liabilities in connection with the MBNA merger and the net issuances of Long-term Debt. Funding requirements related to the support of growth in assets, including the financing needs of our trading business, resulted in increases in certain other funding categories.

Period end and average Shareholders' Equity increased primarily from the issuance of stock related to the MBNA merger.

Federal Funds Sold and Securities Purchased under Agreements to Resell

The Federal Funds Sold and Securities Purchased under Agreements to Resell average balance increased $6.2 billion, or four percent, in 2006 compared to the prior year. The increase was from activities in the trading businesses, primarily in interest rate and equity products, as a result of expanded activities related to a variety of client needs.

Trading Account Assets

Trading Account Assets consist primarily of fixed income securities (including government and corporate debt), equity and convertible instruments. The average balance increased $11.8 billion to $145.3 billion in 2006, which was due to growth in client-driven market-making activities in interest rate, credit and equity products. For additional information, see Market Risk Management beginning on page 72.

Debt Securities

Available-for-sale (AFS) Debt Securities include fixed income securities such as mortgage-backed securities, foreign debt, asset-backed securities, municipal debt, U.S. Government agencies and corporate debt. We use the AFS portfolio primarily to manage interest rate risk and liquidity risk and to take advantage of market conditions that create more economically attractive returns on these investments. The average balance in the securities portfolio increased $5.4 billion from 2005 primarily due to the increase in the AFS portfolio in the first half of the year partially offset by the sale of mortgage-backed securities of $43.7 billion in the third quarter of 2006. For additional information, see Market Risk Management beginning on page 72.

Loans and Leases, Net of Allowance for Loan and Lease Losses

Average Loans and Leases, net of Allowance for Loan and Lease Losses, was $643.3 billion in 2006, an increase of 22 percent from 2005. The consumer loan and lease portfolio increased $83.9 billion primarily due to higher retained mortgage production and the MBNA merger. The commercial loan and lease portfolio increased $31.3 billion due to organic growth and the MBNA merger, including the business card portfolio. For a more detailed discussion of the loan portfolio and the allowance for credit losses, see Credit Risk Management beginning on page 53, and Notes 6 and 7 of the Consolidated Financial Statements.

Deposits

Average Deposits increased $40.6 billion to $673.0 billion in 2006 compared to 2005 due to a $24.2 billion increase in average foreign interest-bearing deposits and a $14.0 billion increase in average domestic interest-bearing deposits primarily due to the assumption of liabilities in connection with the MBNA merger. We categorize our deposits as core or market-based deposits. Core deposits are generally customer-based and represent a stable, low-cost funding source that usually react more slowly to interest rate changes than market-based deposits. Core deposits include savings, NOW and money market accounts, consumer CDs and IRAs, and noninterest-bearing deposits. Core deposits exclude negotiable CDs, public funds, other domestic time deposits and foreign interest-bearing deposits. Average core deposits increased $11.0 billion to $574.6 billion in 2006, a two percent increase from the prior year. The increase was distributed between consumer CDs and noninterest-bearing deposits partially offset by decreases in NOW and money market deposits, and savings. The increase in consumer CDs was impacted by the shift of deposit balances from NOW and money market deposits and savings to consumer CDs as a result of the favorable rates offered on consumer CDs. Average market-based deposit funding increased $29.6 billion to $98.4 billion in 2006 compared to 2005 due to increases of $24.2 billion in foreign interest-bearing deposits and $5.3 billion in negotiable CDs, public funds and other time deposits related to funding of growth in core and market-based assets.

Federal Funds Purchased and Securities Sold under Agreements to Repurchase

The Federal Funds Purchased and Securities Sold under Agreements to Repurchase average balance increased $56.2 billion to $286.9 billion in 2006 as a result of expanded trading activities within interest rate and equity products related to client activities.

Trading Account Liabilities

Trading Account Liabilities consist primarily of short positions in fixed income securities (including government and corporate debt), equity and convertible instruments. The average balance increased $7.0 billion to $64.7 billion in 2006, which was due to growth in client-driven market-making activities in equity products, partially offset by a reduction in interest rate products. For additional information, see Market Risk Management beginning on page 72.

Commercial Paper and Other Short-term Borrowings

Commercial Paper and Other Short-term Borrowings provide a funding source to supplement Deposits in our ALM strategy. The average balance increased $28.6 billion to $124.2 billion in 2006, mainly due to the increase in Federal Home Loan Bank advances to fund core asset growth, primarily in the ALM portfolio.

Long-term Debt

Period end and average Long-term Debt increased $45.2 billion and $32.4 billion. The increase resulted from the funding of core asset growth, the addition of MBNA and the issuance of subordinated debt to support Tier 2 capital. For additional information, see Note 12 of the Consolidated Financial Statements.

Shareholders' Equity

Period end and average Shareholders' Equity increased $33.7 billion and $30.6 billion primarily due to the issuance of stock related to the MBNA merger. This increase along with Net Income and issuances of Preferred Stock, was partially offset by cash dividends, net share repurchases of Common Stock and redemption of Preferred Stock.

Table 5
Five Year Summary of Selected Financial Data

(Dollars in millions, except per share information)	2006	2005	2004	2003	2002
Income statement					
Net interest income	**$ 34,591**	$ 30,737	$ 27,960	$ 20,505	$ 20,117
Noninterest income	**38,432**	25,354	21,005	17,329	14,874
Total revenue	**73,023**	56,091	48,965	37,834	34,991
Provision for credit losses	**5,010**	4,014	2,769	2,839	3,697
Gains (losses) on sales of debt securities	**(443)**	1,084	1,724	941	630
Noninterest expense	**35,597**	28,681	27,012	20,155	18,445
Income before income taxes	**31,973**	24,480	20,908	15,781	13,479
Income tax expense	**10,840**	8,015	6,961	5,019	3,926
Net income	**21,133**	16,465	13,947	10,762	9,553
Average common shares issued and outstanding (in thousands)	**4,526,637**	4,008,688	3,758,507	2,973,407	3,040,085
Average diluted common shares issued and outstanding (in thousands)	**4,595,896**	4,068,140	3,823,943	3,030,356	3,130,935
Performance ratios					
Return on average assets	**1.44 %**	1.30 %	1.34 %	1.44 %	1.46 %
Return on average common shareholders' equity	**16.27**	16.51	16.47	21.50	19.96
Total ending equity to total ending assets	**9.27**	7.86	9.03	6.76	7.92
Total average equity to total average assets	**8.90**	7.86	8.12	6.69	7.33
Dividend payout	**45.66**	46.61	46.31	39.76	38.79
Per common share data					
Earnings	**$ 4.66**	$ 4.10	$ 3.71	$ 3.62	$ 3.14
Diluted earnings	**4.59**	4.04	3.64	3.55	3.05
Dividends paid	**2.12**	1.90	1.70	1.44	1.22
Book value	**29.70**	25.32	24.70	16.86	17.04
Average balance sheet					
Total loans and leases	**$ 652,417**	$ 537,218	$ 472,617	$ 356,220	$ 336,820
Total assets	**1,466,681**	1,269,892	1,044,631	749,104	653,732
Total deposits	**672,995**	632,432	551,559	406,233	371,479
Long-term debt	**130,124**	97,709	92,303	67,077	65,550
Common shareholders' equity	**129,773**	99,590	84,584	50,035	47,837
Total shareholders' equity	**130,463**	99,861	84,815	50,091	47,898
Asset Quality					
Allowance for credit losses	**$ 9,413**	$ 8,440	$ 9,028	$ 6,579	$ 6,851
Nonperforming assets	**1,856**	1,603	2,455	3,021	5,262
Allowance for loan and lease losses as a percentage of total loans and leases outstanding	**1.28 %**	1.40 %	1.65 %	1.66 %	1.85 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases	**505**	532	390	215	126
Net charge-offs	**$ 4,539**	$ 4,562	$ 3,113	$ 3,106	$ 3,697
Net charge-offs as a percentage of average loans and leases	**0.70 %**	0.85 %	0.66 %	0.87 %	1.10 %
Nonperforming loans and leases as a percentage of total loans and leases outstanding	**0.25**	0.26	0.42	0.77	1.47
Nonperforming assets as a percentage of total loans, leases, and foreclosed properties	**0.26**	0.28	0.47	0.81	1.53
Ratio of the allowance for loan and lease losses at December 31 to net charge-offs	**1.99**	1.76	2.77	1.98	1.72
Capital ratios (period end)					
Risk-based capital:					
Tier 1	**8.64 %**	8.25 %	8.20 %	8.02 %	8.41 %
Total	**11.88**	11.08	11.73	12.05	12.63
Tier 1 Leverage	**6.36**	5.91	5.89	5.86	6.44
Market capitalization	**$ 238,021**	$ 184,586	$ 190,147	$ 115,926	$ 104,418
Market price per share of common stock					
Closing	**$ 53.39**	$ 46.15	$ 46.99	$ 40.22	$ 34.79
High closing	**54.90**	47.08	47.44	41.77	38.45
Low closing	**43.09**	41.57	38.96	32.82	27.08

Supplemental Financial Data

Table 6 provides a reconciliation of the supplemental financial data mentioned below with financial measures defined by accounting principles generally accepted in the United States (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 year-to-year 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, earnings per common share (EPS), return on average assets, and dividend payout ratio, as well as those measures discussed more fully below, are presented in Table 6.

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

We also evaluate our business based upon return on average common shareholders' equity (ROE), return on average tangible shareholders' equity (ROTE), and shareholder value added (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 6
Supplemental Financial Data and Reconciliations to GAAP Financial Measures

(Dollars in millions, except per share information)	2006	2005	2004	2003	2002
Operating basis (1)					
Operating earnings	**$ 21,640**	$ 16,740	$ 14,358	$ 10,762	$ 9,553
Operating earnings per common share	**4.78**	4.17	3.82	3.62	3.14
Diluted operating earnings per common share	**4.70**	4.11	3.75	3.55	3.05
Shareholder value added	**9,121**	6,594	5,718	5,475	4,509
Return on average assets	**1.48 %**	1.32 %	1.37 %	1.44 %	1.46 %
Return on average common shareholders' equity	**16.66**	16.79	16.96	21.50	19.96
Return on average tangible shareholders' equity	**33.59**	30.70	29.79	27.84	26.01
Operating efficiency ratio (FTE basis)	**46.86**	49.66	53.13	52.38	51.84
Dividend payout ratio	**44.59**	45.84	44.98	39.76	38.79
Operating leverage	**7.25**	7.48	(1.85)	(1.12)	n/a
FTE basis data					
Net interest income	**$ 35,815**	$ 31,569	$ 28,677	$ 21,149	$ 20,705
Total revenue	**74,247**	56,923	49,682	38,478	35,579
Net interest yield	**2.82 %**	2.84 %	3.17 %	3.26 %	3.63 %
Efficiency ratio	**47.94**	50.38	54.37	52.38	51.84
Reconciliation of net income to operating earnings					
Net income	**$ 21,133**	$ 16,465	$ 13,947	$ 10,762	$ 9,553
Merger and restructuring charges	**805**	412	618	—	—
Related income tax benefit	**(298)**	(137)	(207)	—	—
Operating earnings	**$ 21,640**	$ 16,740	$ 14,358	$ 10,762	$ 9,553
Reconciliation of average shareholders' equity to average tangible shareholders' equity					
Average shareholders' equity	**$130,463**	$ 99,861	$ 84,815	$ 50,091	$ 47,898
Average goodwill	**(66,040)**	(45,331)	(36,612)	(11,440)	(11,171)
Average tangible shareholders' equity	**$ 64,423**	$ 54,530	$ 48,203	$ 38,651	$ 36,727
Reconciliation of EPS to operating EPS					
Earnings per common share	**$ 4.66**	$ 4.10	$ 3.71	$ 3.62	$ 3.14
Effect of merger and restructuring charges, net of tax benefit	**0.12**	0.07	0.11	—	—
Operating earnings per common share	**$ 4.78**	$ 4.17	$ 3.82	$ 3.62	$ 3.14
Reconciliation of diluted EPS to diluted operating EPS					
Diluted earnings per common share	**$ 4.59**	$ 4.04	$ 3.64	$ 3.55	$ 3.05
Effect of merger and restructuring charges, net of tax benefit	**0.11**	0.07	0.11	—	—
Diluted operating earnings per common share	**$ 4.70**	$ 4.11	$ 3.75	$ 3.55	$ 3.05
Reconciliation of net income to shareholder value added					
Net income	**$ 21,133**	$ 16,465	$ 13,947	$ 10,762	$ 9,553
Amortization of intangibles	**1,755**	809	664	217	218
Merger and restructuring charges, net of tax benefit	**507**	275	411	—	—
Cash basis earnings on an operating basis	**23,395**	17,549	15,022	10,979	9,771
Capital charge	**(14,274)**	(10,955)	(9,304)	(5,504)	(5,262)
Shareholder value added	**$ 9,121**	$ 6,594	$ 5,718	$ 5,475	$ 4,509
Reconciliation of return on average assets to operating return on average assets					
Return on average assets	**1.44 %**	1.30 %	1.34 %	1.44 %	1.46 %
Effect of merger and restructuring charges, net of tax benefit	**0.04**	0.02	0.03	—	—
Operating return on average assets	**1.48 %**	1.32 %	1.37 %	1.44 %	1.46 %
Reconciliation of return on average common shareholders' equity to operating return on average common shareholders' equity					
Return on average common shareholders' equity	**16.27 %**	16.51 %	16.47 %	21.50 %	19.96 %
Effect of merger and restructuring charges, net of tax benefit	**0.39**	0.28	0.49	—	—
Operating return on average common shareholders' equity	**16.66 %**	16.79 %	16.96 %	21.50 %	19.96 %
Reconciliation of return on average tangible shareholders' equity to operating return on average tangible shareholders' equity					
Return on average tangible shareholders' equity	**32.80 %**	30.19 %	28.93 %	27.84 %	26.01 %
Effect of merger and restructuring charges, net of tax benefit	**0.79**	0.51	0.86	—	—
Operating return on average tangible shareholders' equity	**33.59 %**	30.70 %	29.79 %	27.84 %	26.01 %
Reconciliation of efficiency ratio to operating efficiency ratio (FTE basis)					
Efficiency ratio	**47.94 %**	50.38 %	54.37 %	52.38 %	51.84 %
Effect of merger and restructuring charges	**(1.08)**	(0.72)	(1.24)	—	—
Operating efficiency ratio	**46.86 %**	49.66 %	53.13 %	52.38 %	51.84 %
Reconciliation of dividend payout ratio to operating dividend payout ratio					
Dividend payout ratio	**45.66 %**	46.61 %	46.31 %	39.76 %	38.79 %
Effect of merger and restructuring charges, net of tax benefit	**(1.07)**	(0.77)	(1.33)	—	—
Operating dividend payout ratio	**44.59 %**	45.84 %	44.98 %	39.76 %	38.79 %
Reconciliation of operating leverage to operating basis operating leverage					
Operating leverage	**6.32 %**	8.40 %	(4.91) %	(1.12) %	n/a
Effect of merger and restructuring charges	**0.93**	(0.92)	3.06	—	n/a
Operating leverage	**7.25 %**	7.48 %	(1.85) %	(1.12) %	n/a

(1)Operating basis excludes Merger and Restructuring Charges which were $805 million, $412 million, and $618 million in 2006, 2005, and 2004.

n/a = not available

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 *Global Corporate and Investment Banking* business segment section beginning on page 33, 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 7
Core Net Interest Income – Managed Basis

(Dollars in millions)	2006	2005	2004
Net interest income			
As reported (FTE basis)	**$ 35,815**	$ 31,569	$ 28,677
Impact of market-based net interest income[1]	**(1,651)**	(1,938)	(2,606)
Core net interest income	**34,164**	29,631	26,071
Impact of securitizations	**7,045**	323	1,040
Core net interest income – managed basis	**$ 41,209**	$ 29,954	$ 27,111
Average earning assets			
As reported	**$1,269,144**	$1,111,994	$ 905,273
Impact of market-based earning assets[1]	**(369,164)**	(322,236)	(246,704)
Core average earning assets	**899,980**	789,758	658,569
Impact of securitizations	**98,152**	9,033	13,591
Core average earning assets – managed basis	**$ 998,132**	$ 798,791	$ 672,160
Net interest yield contribution			
As reported (FTE basis)	**2.82 %**	2.84 %	3.17 %
Impact of market-based activities	**0.98**	0.91	0.79
Core net interest yield on earning assets	**3.80**	3.75	3.96
Impact of securitizations	**0.33**	—	0.07
Core net interest yield on earning assets – managed basis	**4.13 %**	3.75 %	4.03 %

(1)Represents amounts from the *Capital Markets and Advisory Services* business within *Global Corporate and Investment Banking* .

Core net interest income on a managed basis increased $11.3 billion. This increase was primarily driven by the impact of the MBNA merger (volumes and spreads), consumer (primarily home equity) and commercial loan growth, and increases in the benefits from ALM activities, including increased portfolio balances (primarily residential mortgages) and the impact of changes in spreads across all product categories. Partially offsetting these increases was the higher costs associated with higher levels of wholesale funding.

On a managed basis, core average earning assets increased $199.3 billion primarily due to the impact of the MBNA merger, higher levels of consumer and commercial loans from organic growth and higher ALM levels (primarily residential mortgages).

Core net interest yield on a managed basis increased 38 bps as a result of the impact of the MBNA merger (volumes and spreads) and core deposit spread widening, partially offset by loan spread compression due to the flat to inverted yield curve and increased costs associated with higher levels of wholesale funding.

Business Segment Operations

Segment Description

The Corporation reports the results of its operations through three business segments:*Global Consumer and Small Business Banking, Global Corporate and Investment Banking,* and *Global Wealth and Investment Management*. *All Other* consists of equity investment activities including Principal Investing, Corporate Investments and Strategic Investments, 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 consumer finance and commercial lending businesses that are being liquidated. *All 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 Statement of Financial Accounting Standards (SFAS) No. 133 "Accounting for Derivative Instruments and Hedging Activities, as amended" (SFAS 133) hedge accounting treatment, certain gains or losses on sales of whole mortgage loans, and Gains (Losses) on Sales of Debt Securities.

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 22. 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, 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 minimize significant 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 53. 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 level using a methodology identical to that used in the ROE calculation. 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.

See Note 20 of the Consolidated Financial Statements for additional business segment information, selected financial information for the business segments and reconciliations to consolidated Total Revenue and Net Income amounts.

Global Consumer and Small Business Banking

(Dollars in millions)	2006 Total	Deposits	Card Services [1]	Mortgage	Home Equity	ALM/Other
Net interest income [2]	**$ 21,100**	**$ 9,767**	**$ 8,805**	**$ 599**	**$ 1,406**	**$ 523**
Noninterest income						
Card income	**13,504**	**1,911**	**11,593**	**—**	**—**	**—**
Service charges	**5,343**	**5,343**	**—**	**—**	**—**	**—**
Mortgage banking income	**877**	**—**	**—**	**793**	**84**	**—**
All other income	**867**	**—**	**1,087**	**44**	**—**	**(264)**
Total noninterest income	**20,591**	**7,254**	**12,680**	**837**	**84**	**(264)**
Total revenue [2]	**41,691**	**17,021**	**21,485**	**1,436**	**1,490**	**259**
Provision for credit losses	**5,172**	**165**	**4,727**	**17**	**47**	**216**
Gains (losses) on sales of debt securities	**(1)**	**—**	**—**	**—**	**—**	**(1)**
Noninterest expense	**18,830**	**9,053**	**7,827**	**972**	**641**	**337**
Income before income taxes [2]	**17,688**	**7,803**	**8,931**	**447**	**802**	**(295)**
Income tax expense (benefit)	**6,517**	**2,875**	**3,291**	**165**	**295**	**(109)**
Net income	**$ 11,171**	**$ 4,928**	**$ 5,640**	**$ 282**	**$ 507**	**$ (186)**
Shareholder value added	**$ 5,738**	**$ 3,610**	**$ 1,908**	**$ 75**	**$ 343**	**$ (198)**
Net interest yield [2]	**6.42 %**	**2.94 %**	**8.93 %**	**1.77 %**	**2.47 %**	**n/m**
Return on average equity	**17.70**	**32.53**	**12.67**	**14.95**	**33.96**	**n/m**
Efficiency ratio [2]	**45.17**	**53.19**	**36.43**	**67.71**	**43.01**	**n/m**
Period end—total assets [3]	**$382,392**	**$342,443**	**$143,179**	**$37,282**	**$63,742**	**n/m**

(Dollars in millions)	2005 Total	Deposits	Card Services [1]	Mortgage	Home Equity	ALM/Other
Net interest income [2]	$ 16,898	$ 8,537	$ 5,009	$ 745	$ 1,291	$ 1,316
Noninterest income						
Card income	5,084	1,560	3,524	—	—	—
Service charges	4,996	4,996	—	—	—	—
Mortgage banking income	1,012	—	—	935	77	—
All other income	333	—	57	21	—	255
Total noninterest income	11,425	6,556	3,581	956	77	255
Total revenue [2]	28,323	15,093	8,590	1,701	1,368	1,571
Provision for credit losses	4,243	98	3,999	21	38	87
Gains (losses) on sales of debt securities	(2)	—	—	—	—	(2)
Noninterest expense	13,124	8,079	2,968	1,059	646	372
Income before income taxes [2]	10,954	6,916	1,623	621	684	1,110
Income tax expense	3,933	2,484	582	223	246	398
Net income	$ 7,021	$ 4,432	$ 1,041	$ 398	$ 438	$ 712
Shareholder value added	$ 4,318	$ 3,118	$ 21	$ 212	$ 315	$ 652
Net interest yield [2]	5.65 %	2.77 %	8.90 %	1.99 %	2.71 %	n/m
Return on average equity	23.73	29.56	9.28	23.12	39.20	n/m
Efficiency ratio [2]	46.34	53.52	34.55	62.26	47.24	n/m
Period end—total assets [3]	$331,259	$321,030	$ 66,338	$42,183	$51,401	n/m

(1) *Card Services* presented on a held view.
(2) Fully taxable-equivalent basis
(3) Total Assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

(Dollars in millions)	December 31 2006	December 31 2005	Average Balance 2006	Average Balance 2005
Total loans and leases	**$206,040**	$151,657	**$192,072**	$144,027
Total earning assets [1]	**319,552**	302,619	**328,528**	298,904
Total assets [1]	**382,392**	331,259	**390,257**	326,243
Total deposits	**327,236**	306,101	**330,072**	306,098
Allocated equity	**60,373**	36,861	**63,121**	29,581

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

The strategy of *Global Consumer and Small Business Banking* 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. With the recent merger with MBNA, we also provide credit card products to customers in Canada, Ireland, Spain and the United Kingdom. In the U.S., we serve more than 55 million consumer and small business relationships utilizing our network of 5,747 banking centers, 17,079 domestic branded ATMs, and telephone and Internet channels. Within *Global Consumer and Small Business Banking*, there are four primary businesses: *Deposits*, *Card Services*, *Mortgage* and *Home Equity.* In addition, *ALM/Other* includes the results of ALM activities and other consumer-related businesses (e.g., insurance).

Net Income increased $4.2 billion, or 59 percent, to $11.2 billion and Net Interest Income increased $4.2 billion, or 25 percent in 2006 compared to 2005. These increases were primarily due to the MBNA merger and organic growth which increased Average Loans and Leases.

Noninterest Income increased $9.2 billion, or 80 percent, mainly due to increases of $8.4 billion in Card Income, $534 million in all other income and $347 million in Service Charges. Card Income was higher mainly due to increases in excess servicing income, cash advance fees, interchange income and late fees due primarily to the impact of the MBNA merger. All other income increased primarily as a result of the MBNA merger. Service Charges increased due to new account growth and increased usage.

The Provision for Credit Losses increased $929 million, or 22 percent, to $5.2 billion in 2006 compared to 2005 primarily resulting from a $728 million increase in *Card Services* mainly driven by the MBNA merger. For further discussion of this increase in the Provision for Credit Losses related to *Card Services*, see the *Card Services* discussion beginning on page 28.

Noninterest Expense increased $5.7 billion, or 43 percent, in 2006 compared to 2005. The primary driver of the increase was the MBNA merger, which increased most expense items including Personnel, Marketing and Amortization of Intangibles. Amortization of Intangibles expense was higher due to increases in purchased credit card relationships, affinity relationships, core deposit intangibles and other intangibles, including trademarks related to the MBNA merger.

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.

We added approximately 2.4 million net new retail checking accounts and 1.2 million net new retail savings accounts during 2006. These additions resulted from continued improvement in sales and service results in the Banking Center Channel, the introduction of products such as Keep the Change™ as well as eCommerce accessibility and customer referrals.

The Corporation migrates qualifying affluent customers, and their related deposit balances and associated Net Interest Income from the*Global Consumer and Small Business Banking* segment to *Global Wealth and Investment Management.*

Net Income increased $496 million, or 11 percent, in 2006 compared to 2005. The increase in Net Income was driven by an increase in Total Revenue of $1.9 billion, or 13 percent compared to 2005. Driving this growth was an increase of $1.2 billion, or 14 percent, in Net Interest Income resulting from higher average deposit levels and an increase in deposit spreads. Average deposits increased $24.0 billion, or eight percent, compared to 2005, primarily due to the MBNA merger. Deposit spreads increased 17 bps to 3.00 percent, compared to 2005 as we effectively managed pricing in a rising interest rate environment. The increase in deposits was partially offset by the migration of deposit balances to *Global Wealth and Investment Management*. Noninterest Income increased $698 million, or 11 percent, driven by higher debit card interchange income and higher Service Charges. The increase in debit card interchange income was primarily due to a higher number of active debit cards, increased usage, and continued improvements in penetration and activation rates. Service Charges were higher due to increased non-sufficient funds fees and overdraft charges, account service charges and ATM fees resulting from new account growth and increased usage.

Total Noninterest Expense increased $974 million, or 12 percent, in 2006 compared to 2005, primarily driven by costs associated with increased account volume.

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. As a result of the MBNA merger, we offer a variety of co-branded and affinity credit card products and have become the leading issuer of credit cards through endorsed marketing. Prior to the merger with MBNA, *Card Services* included U.S. Consumer Card, U.S. Business Card, and Merchant Services.

We present our *Card Services* business on both a held and managed basis (a non-GAAP measure). The performance of the managed portfolio is important to understanding *Card Services*' results as it demonstrates the results of the entire portfolio serviced by the business, as the receivables that have been securitized are subject to the same underwriting standards and ongoing monitoring as the held loans. For 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. Managed noninterest income includes the impact of gains recognized on securitized loan principal receivables in accordance with SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities—a replacement of FASB Statement No. 125" (SFAS 140). Managed credit impact represents the held Provision for Credit Losses combined with credit losses associated with the securitized loan portfolio. The following tables reconcile the *Card Services* portfolio and certain credit card data on a held basis to managed basis to reflect the impact of securitizations.

Card Services Data [1]

(Dollars in millions)	2006	2005
Income Statement Data		
Held net interest income	**$ 8,805**	$ 5,009
Securitizations impact	**7,584**	503
Managed net interest income	**$ 16,389**	$ 5,512
Held total noninterest income	**$ 12,680**	$ 3,581
Securitizations impact	**(4,221)**	(69)
Managed total noninterest income	**$ 8,459**	$ 3,512
Held total revenue	**$ 21,485**	$ 8,590
Securitizations impact	**3,363**	434
Managed total revenue	**$ 24,848**	$ 9,024
Held provision for credit losses	**$ 4,727**	$ 3,999
Securitizations impact [2]	**3,363**	434
Managed credit impact	**$ 8,090**	$ 4,433
Balance Sheet Data		
Average held Card Services outstandings	**$ 95,256**	$56,072
Securitizations impact	**96,238**	5,051
Average managed Card Services outstandings	**$191,494**	$61,123
Ending held Card Services outstandings	**$101,532**	$61,397
Securitizations impact	**101,865**	2,237
Ending managed Card Services outstandings	**$203,397**	$63,634
Credit Quality Statistics [3]		
Held net charge-offs	**$ 3,871**	$ 3,759
Securitizations impact [2]	**3,363**	434
Managed Card Services net losses	**$ 7,234**	$ 4,193
Held net charge-offs	**4.06 %**	6.70 %
Securitizations impact [2]	**(0.28)**	0.16
Managed Card Services net losses	**3.78 %**	6.86 %

Credit Card Data [4]

(Dollars in millions)	2006	2005
Balance Sheet Data		
Average held credit card outstandings	**$ 72,979**	$53,997
Securitizations impact	**90,430**	5,051
Average managed credit card outstandings	**$163,409**	$59,048
Ending held credit card outstandings	**$ 72,194**	$58,548
Securitizations impact	**98,295**	2,237
Ending managed credit card outstandings	**$170,489**	$60,785
Credit Quality Statistics [3]		
Held net charge-offs	**$ 3,319**	$ 3,652
Securitizations impact [2]	**3,056**	434
Managed credit card net losses	**$ 6,375**	$ 4,086
Held net charge-offs	**4.55 %**	6.76 %
Securitizations impact [2]	**(0.65)**	0.16
Managed credit card net losses	**3.90 %**	6.92 %

(1) Beginning with the first quarter of 2006, *Card Services* includes U.S. Consumer and Business Card, Unsecured Lending, Merchant Services and International Card Businesses. Prior to January 1, 2006, *Card Services* included U.S. Consumer Card, U.S. Business Card, and Merchant Services.
(2) Represents credit losses associated with the securitized loan portfolio.
(3) Pursuant to American Institute of Certified Public Accountants (AICPA) Statement of Position No. 03-3 "Accounting for Certain Loans or Debt Securities Acquired in a Transfer" (SOP 03-3) the Corporation decreased held net charge-offs for *Card Services* and credit card $288 million or 30 bps and $152 million or 21 bps in 2006. Managed net losses for *Card Services* and credit card decreased $288 million or 15 bps and $152 million or 9 bps. For more information, refer to the discussion of SOP 03-3 in the Consumer Portfolio Credit Risk Management section beginning on page 53.
(4) Includes U.S. Consumer Card and Foreign Credit Card. Does not include Business Card.

Managed Basis

Managed *Card Services* Net Interest Income increased $10.9 billion to $16.4 billion in 2006 compared to 2005. This increase was driven by the addition of MBNA and organic growth which contributed to an increase in total average managed outstandings.

Managed *Card Services* Noninterest Income increased $4.9 billion to $8.5 billion in 2006 compared to 2005, largely resulting from the MBNA merger and organic growth including increases in interchange income, cash advance fees and late fees.

Managed *Card Services* net losses increased $3.0 billion to $7.2 billion or 3.78 percent of average Managed*Card Services* outstandings in 2006 compared to $4.2 billion, or 6.86 percent in 2005, primarily driven by the addition of the MBNA portfolio and portfolio seasoning, partially offset by lower bankruptcy-related losses. The 308 bps decrease in the net loss ratio for Managed *Card Services* was driven by lower net losses resulting from bankruptcy reform and the beneficial impact of the higher credit quality of the MBNA portfolio compared to the legacy Bank of America portfolio. We expect managed net losses to trend towards more normalized levels in 2007.

Managed *Card Services* total average outstandings increased $130.4 billion to $191.5 billion in 2006 compared to 2005. This increase was driven by the addition of MBNA and organic growth.

Held Basis

Net Income increased $4.6 billion to $5.6 billion in 2006 compared to 2005 due to revenue growth, partially offset by increases in Noninterest Expense and Provision for Credit Losses.

Held Total Revenue increased $12.9 billion to $21.5 billion in 2006 compared to 2005 primarily due to the addition of MBNA and organic growth. The MBNA merger increased excess servicing income, cash advance fees, late fees, interchange income and all other income. Excess servicing income benefited from lower net losses on the securitized loan portfolio resulting from bankruptcy reform.

Held Provision for Credit Losses increased $728 million to $4.7 billion. This increase was primarily driven by the addition of the MBNA portfolio and seasoning of the business card portfolio, partially offset by reduced credit-related costs on the domestic consumer credit card portfolio. On the domestic consumer credit card portfolio lower bankruptcy charge-offs resulting from bankruptcy reform and the absence of the $210 million provision recorded in 2005 to establish reserves for changes in credit card minimum payment requirements were partially offset by portfolio seasoning.

Card Services held net charge-offs were $3.9 billion, $112 million higher than 2005, driven by the addition of the MBNA portfolio partially offset by lower bankruptcy-related credit card net charge-offs. Credit card held net charge-offs were $3.3 billion, or 4.55 percent of total average held credit card loans, compared to $3.7 billion, or 6.76 percent, for 2005. This decrease was primarily driven by lower bankruptcy-related charge-offs as 2005 included accelerated charge-offs resulting from bankruptcy reform. The decrease was partially offset by the addition of the MBNA portfolio, new advances on accounts for which previous loan balances were sold to the securitization trusts and portfolio seasoning.

Held total Noninterest Expense increased $4.9 billion to $7.8 billion compared to the same period in 2005 primarily driven by the MBNA merger which increased most expense items including Personnel, Marketing, and Amortization of Intangibles.

In connection with MasterCard's initial public offering on May 24, 2006, the Corporation's previous investment in MasterCard was exchanged for new restricted shares. The Corporation recognized a net pre-tax gain of approximately $36 million in all other income relating to the shares that were required to be redeemed by MasterCard for cash and no gain was recorded associated with the unredeemed shares. For shares acquired as part of the MBNA merger, a purchase accounting adjustment of $71 million was recorded as a reduction of Goodwill to record the fair value of both the redeemed and unredeemed MasterCard shares. At December 31, 2006, the Corporation had approximately 3.5 million restricted shares of MasterCard that are accounted for at cost.

Mortgage

Mortgage generates revenue by providing an extensive line of mortgage products and services to customers nationwide.*Mortgage* products are available to our customers through a retail network of personal bankers located in 5,747 banking centers, sales account executives in nearly 200 locations and through a sales force offering our customers direct telephone and online access to our products. Additionally, we serve our customers through a partnership with more than 6,500 mortgage brokers in all 50 states. The mortgage product offerings for home purchase and refinancing needs include fixed and adjustable rate loans. To manage this portfolio, these 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.

The mortgage business includes the origination, fulfillment, sale and servicing of first mortgage loan 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.

Mortgage production within *Global Consumer and Small Business Banking* was $76.7 billion in 2006 compared to $74.7 billion in 2005.

Net Income for *Mortgage* declined $116 million, or 29 percent, due to a decrease in Total Revenue of $265 million to $1.4 billion, partially offset by an $87 million decrease in Noninterest Expense. The decline in Total Revenue was due to a decrease of $146 million in Net Interest Income and a decrease of $142 million in Mortgage Banking Income. The reduction in Net Interest Income was primarily driven by the impact of spread compression. The decline in Mortgage Banking Income was primarily due to margin compression which negatively impacted the pricing of loans. This was partially offset by the favorable performance of the Mortgage Servicing Rights (MSRs) net of the derivatives used to economically hedge changes in the fair values of the MSRs. *Mortgage* was not impacted by the Corporation's decision to retain a larger share of mortgage production on the Corporation's Balance Sheet, as *Mortgage* was compensated for the decision on a management accounting basis with a corresponding offset in*All Other*.

The Mortgage servicing portfolio includes loans serviced for others and originated and retained residential mortgages. The servicing portfolio at December 31, 2006 was $333.0 billion, $36.2 billion higher than December 31, 2005, primarily driven by production and lower prepayment rates. Included in this amount was $229.9 billion of loans serviced for others.

At December 31, 2006, the consumer MSR balance was $2.9 billion, an increase of $211 million, or eight percent, from December 31, 2005. This value represented 125 bps of the related unpaid principal balance, a 3 bps increase from December 31, 2005. For additional information, see Note 8 of the Consolidated Financial Statements.

Home Equity

Home Equity generates revenue by providing an extensive line of home equity products and services to customers nationwide.*Home Equity* products include lines of credit and home equity loans and are also available to our customers through our retail network and our partnership with mortgage brokers.

Net Income for *Home Equity* increased $69 million, or 16 percent, in 2006 compared to 2005. Driving this increase in Net Income was Net Interest Income, which increased $115 million to $1.4 billion in 2006 compared to 2005, primarily attributable to account growth and larger line sizes resulting from enhanced product offerings and the expanding home equity market.

The *Home Equity* servicing portfolio at December 31, 2006 was $86.5 billion, $14.9 billion higher than December 31, 2005, driven primarily by increased production. *Home Equity* production within *Global Consumer and Small Business Banking* increased $9.5 billion to $65.4 billion in 2006 compared to 2005.

ALM/Other

ALM/Other is comprised primarily of the allocation of a portion of the Corporation's Net Interest Income from ALM activities, the residual of the funds transfer pricing allocation process associated with recording *Card Services* securitizations and the results of other consumer-related businesses (e.g., insurance).

Net Income decreased $898 million for 2006 compared to 2005. The decrease was primarily a result of a lower contribution from ALM activities and the impact of the residual of the funds transfer pricing allocation process associated with *Card Services* securitizations.

Global Corporate and Investment Banking

(Dollars in millions)	Total	Business Lending	Capital Markets and Advisory Services	Treasury Services	ALM/ Other
	2006				
Net interest income [1]	**$ 10,693**	**$ 4,605**	**$ 1,651**	**$ 3,880**	**$ 557**
Noninterest income					
Service charges	**2,777**	**501**	**120**	**1,995**	**161**
Investment and brokerage services	**1,027**	**15**	**867**	**33**	**112**
Investment banking income	**2,477**	**—**	**2,476**	**—**	**1**
Trading account profits	**3,028**	**54**	**2,748**	**48**	**178**
All other income	**2,689**	**507**	**338**	**734**	**1,110**
Total noninterest income	**11,998**	**1,077**	**6,549**	**2,810**	**1,562**
Total revenue [1]	**22,691**	**5,682**	**8,200**	**6,690**	**2,119**
Provision for credit losses	**(6)**	**3**	**14**	**(2)**	**(21)**
Gains on sales of debt securities	**53**	**13**	**22**	**—**	**18**
Noninterest expense	**11,998**	**2,153**	**5,524**	**3,248**	**1,073**
Income before income taxes [1]	**10,752**	**3,539**	**2,684**	**3,444**	**1,085**
Income tax expense	**3,960**	**1,310**	**993**	**1,274**	**383**
Net income	**$ 6,792**	**$ 2,229**	**$ 1,691**	**$ 2,170**	**$ 702**
Shareholder value added	**$ 2,349**	**$ 623**	**$ 517**	**$ 1,431**	**$ (222)**
Net interest yield [1]	**1.71 %**	**2.00 %**	**n/m**	**2.85 %**	**n/m**
Return on average equity	**16.21**	**14.23**	**15.76 %**	**30.76**	**n/m**
Efficiency ratio [1]	**52.87**	**37.89**	**67.36**	**48.55**	**n/m**
Period end—total assets [2]	**$689,248**	**$246,414**	**$384,151**	**$166,503**	**n/m**

(Dollars in millions)	Total	Business Lending	Capital Markets and Advisory Services	Treasury Services	ALM/ Other
	2005				
Net interest income [1]	$ 11,156	$ 4,825	$ 1,938	$ 3,375	$1,018
Noninterest income					
Service charges	2,618	474	111	1,866	167
Investment and brokerage services	1,046	17	876	28	125
Investment banking income	1,892	—	1,891	—	1
Trading account profits	1,770	(28)	1,618	63	117
All other income	2,118	769	329	676	344
Total noninterest income	9,444	1,232	4,825	2,633	754
Total revenue [1]	20,600	6,057	6,763	6,008	1,772
Provision for credit losses	(291)	67	(27)	(4)	(327)
Gains on sales of debt securities	263	62	55	—	146
Noninterest expense	11,133	2,010	4,754	3,149	1,220
Income before income taxes [1]	10,021	4,042	2,091	2,863	1,025
Income tax expense	3,637	1,448	745	1,030	414
Net income	$ 6,384	$ 2,594	$ 1,346	$ 1,833	$ 611
Shareholder value added	$ 1,966	$ 1,031	$ 265	$ 1,128	$ (458)
Net interest yield [1]	2.03 %	2.36 %	n/m	2.37 %	n/m
Return on average equity	15.28	16.92	13.61 %	27.06	n/m
Efficiency ratio [1]	54.04	33.18	70.30	52.41	n/m
Period end—total assets [2]	$633,362	$227,523	$338,190	$170,601	n/m

(1)Fully taxable-equivalent basis
(2)Total Assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

(Dollars in millions)	December 31 2006	December 31 2005	Average Balance 2006	Average Balance 2005
Total loans and leases	**$246,490**	$232,631	**$243,282**	$214,818
Total trading-related assets	**309,321**	291,267	**338,364**	314,568
Total market-based earning assets (1)	**347,572**	305,374	**369,164**	322,236
Total earning assets (2)	**605,153**	553,390	**625,212**	550,620
Total assets (2)	**689,248**	633,362	**706,906**	633,253
Total deposits	**216,875**	198,352	**205,652**	189,860
Allocated equity	**40,025**	43,985	**41,892**	41,773

(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).

Global Corporate and Investment Banking 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. *Global Corporate and Investment Banking'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 our Latin America and Hong Kong based retail and commercial banking businesses, parts of which were sold in 2006. Our clients are supported through offices in 26 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 65.

Net Income increased $408 million, or six percent, in 2006. Driving the increase were Trading Account Profits, Investment Banking Income, and gains from the sale of our Brazilian operations and Asia Commercial Banking business. These increases were partially offset by declines in Net Interest Income and Gains on Sales of Debt Securities and increases in Provision for Credit Losses and Noninterest Expense.

Although *Global Corporate and Investment Banking* experienced overall growth in Average Loans and Leases of $28.5 billion, or 13 percent, and an increase in Average Deposits of $15.8 billion, or eight percent, Net Interest Income declined primarily due to the impact of ALM activities, spread compression in the loan portfolio and the impact of the sale of our Brazilian operations in the third quarter of 2006. This decline was partially offset by wider spreads in our *Treasury Services* deposit base as we effectively managed pricing in a rising interest rate environment.

Noninterest Income increased $2.6 billion, or 27 percent, in 2006. The increase in Noninterest Income was driven largely by the increase in Trading Account Profits, Investment Banking Income, and the gain on the sale of our Brazilian operations and Asia Commercial Banking business. The increases in Trading Account Profits and Investment Banking Income were driven by continued strength in debt underwriting, sales and trading, and a favorable market environment. The sale of our Brazilian operations and Asia Commercial Banking business generated $720 million and $165 million gains (pre-tax), respectively, and were reflected in all other income.

Provision for Credit Losses was negative $6 million in 2006 compared to negative $291 million in 2005. The change in the Provision for Credit Losses was primarily due to the absence in 2006 of benefits from the release of reserves in 2005 related to an improved risk profile in Latin America and reduced uncertainties associated with the FleetBoston Financial Corporation (FleetBoston) credit integration as well as lower commercial recoveries in 2006. This increase was partially offset by benefits in 2006 from reductions in commercial reserves as a stable economic environment throughout 2006 drove sustained favorable commercial credit market conditions.

Noninterest Expense increased $865 million, or eight percent, mainly due to higher Personnel expense, including performance-based incentive compensation primarily in *Capital Markets and Advisory Services* and Other General Operating costs.

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 Credit Default Swaps (CDS) and may also include the results of other products to help reduce hedging costs.

Net Income decreased $365 million, or 14 percent, primarily due to decreases in Net Interest Income and Noninterest Income, combined with an increase in Noninterest Expense. These items were partially offset by a decrease in the Provision for Credit Losses. The decrease in Net Interest Income of $220 million or five percent, was driven by the impact of lower spreads on all loan products which was partially offset by loan growth. Average Loans and Leases increased 12 percent primarily due to growth in the commercial and indirect consumer loan portfolio. The decrease in Noninterest Income was due to an increase in credit mitigation costs as spreads continued to tighten and lower equity gains in all other income. Provision for Credit Losses was $3 million in 2006 compared to $67 million in 2005. The low level of Provision for Credit Losses in 2006 was driven by benefits in 2006 from reductions in commercial reserves as a stable economic environment throughout 2006 drove sustained favorable commercial credit market conditions. These benefits were in part offset by lower commercial recoveries in 2006. Benefits from the release of reserves related to reduced uncertainties associated with the FleetBoston credit integration contributed to the low level of Provision for Credit Losses in 2005. The increase in Noninterest Expense was primarily driven by increased expenses associated with Personnel, technology, and Professional Fees.

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 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), and 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)	2006	2005
Investment banking income		
Advisory fees	**$ 338**	$ 295
Debt underwriting	**1,822**	1,323
Equity underwriting	**316**	273
Total investment banking income	**2,476**	1,891
Sales and trading		
Fixed income:		
Liquid products	**2,021**	1,890
Credit products	**825**	634
Structured products	**1,449**	1,033
Total fixed income	**4,295**	3,557
Equity income	**1,451**	1,370
Total sales and trading [1]	**5,746**	4,927
Total Capital Markets and Advisory Services market-based revenue [1]	**$8,222**	$ 6,818

(1)Includes Gains on Sales of Debt Securities of $22 million and $55 million for 2006 and 2005.

Net Income increased $345 million, or 26 percent, market-based revenue increased $1.4 billion, or 21 percent, driven primarily by increased sales and trading fixed income activity of $738 million, or 21 percent, due to a favorable market environment as well as benefits from previous investments in personnel and trading infrastructure. Market-based revenue also benefited from an increase in Investment Banking Income of $585 million, or 31 percent, primarily driven by increased market activity and continued strength in debt underwriting. Noninterest Expense increased $770 million, or 16 percent, due to higher Personnel expense, including performance-based incentive compensation, and Other General Operating costs.

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 increased $337 million, or 18 percent, primarily due to an increase in Net Interest Income, higher Service Charges and all other income, partially offset by increased Noninterest Expense. Net Interest Income from *Treasury Services* increased $505 million, or 15 percent, driven primarily by wider spreads associated with higher short-term interest rates as we effectively managed pricing in a rising interest rate environment. This was partially offset by the impact of a four percent decrease in *Treasury Services* average deposit balances driven primarily by the slowdown in the mortgage and title business

reducing real estate escrow and demand deposit balances. Service Charges and wholesale card products increased seven percent and 14 percent benefiting from increased client penetration and both market and product expansion. Noninterest Expense increased $99 million, or three percent, due to higher Personnel expense and Other General Operating costs.

ALM/Other

ALM/Other is comprised primarily of our Latin American operations in Brazil, Chile, Argentina and Uruguay, and our commercial operations in Mexico, as well as our Asia Commercial Banking business. These operations primarily service indigenous and multinational corporations, small businesses and affluent consumers. Brazilian operations were included through September 1, 2006, and the Asia Commercial Banking business was included through December 29, 2006, the effective dates of the sales of these operations. *ALM/Other* also includes an allocation of a portion of the Corporation's Net Interest Income from ALM activities. For more information on our Latin American and Asian operations, see Foreign Portfolio beginning on page 65.

Net Income increased $91 million, or 15 percent, which included the $720 million gain (pre-tax) recorded on the sale of our Brazilian operations. The Corporation sold its operations in exchange for approximately $1.9 billion in equity of Banco Itaú, Brazil's second largest nongovernment-owned banking company. The $1.9 billion equity investment in Banco Itaú is recorded in Other Assets in Strategic Investments. For more information on our Strategic Investments, see *All Other* beginning on page 41. The Corporation also completed the sale of its Asia Commercial Banking business to CCB for cash resulting in a $165 million gain (pre-tax) that was recorded in all other income. Partially offsetting these increases was a decrease in Net Interest Income of $461 million driven by the impact of ALM activities and the impact of the sale of our Brazilian operations in the third quarter of 2006. The Provision for Credit losses was negative $21 million, compared to negative $327 million in 2005. The change in the Provision for Credit Losses was driven by the benefits from the release of reserves in 2005 related to an improved risk profile in Latin America. Gains on Sales of Debt Securities decreased $128 million to $18 million in 2006. Noninterest expense decreased $147 million, or 12 percent, primarily driven by lower expenses after the sale of our Brazilian operations in the third quarter of 2006.

In December 2005, we entered into a definitive agreement with a consortium led by Johannesburg-based Standard Bank Group Limited for the sale of our assets and the assumption of liabilities in Argentina. This transaction is expected to close in early 2007.

In August, 2006, we announced a definitive agreement to sell our operations in Chile and Uruguay for equity in Banco Itaú and other consideration totaling approximately $615 million. These transactions are expected to close in early 2007.

Global Wealth and Investment Management

(Dollars in millions)	2006 Total	Private Bank	Columbia Management	Premier Banking and Investments	ALM/ Other
Net interest income [1]	**$ 3,881**	**$ 1,000**	**$ (37)**	**$ 2,000**	**$ 918**
Noninterest income					
Investment and brokerage services	**3,449**	**1,014**	**1,532**	**752**	**151**
All other income	**449**	**84**	**43**	**126**	**196**
Total noninterest income	**3,898**	**1,098**	**1,575**	**878**	**347**
Total revenue [1]	**7,779**	**2,098**	**1,538**	**2,878**	**1,265**
Provision for credit losses	**(40)**	**(52)**	**—**	**13**	**(1)**
Noninterest expense	**4,005**	**1,273**	**1,007**	**1,361**	**364**
Income before income taxes [1]	**3,814**	**877**	**531**	**1,504**	**902**
Income tax expense	**1,411**	**324**	**196**	**556**	**335**
Net income	**$ 2,403**	**$ 553**	**$ 335**	**$ 948**	**$ 567**
Shareholder value added	**$ 1,340**	**$ 302**	**$ 196**	**$ 574**	**$ 268**
Net interest yield [1]	**3.29 %**	**3.20 %**	**n/m**	**2.93 %**	**n/m**
Return on average equity	**23.20**	**22.46**	**20.66 %**	**26.89**	**n/m**
Efficiency ratio [1]	**51.48**	**60.69**	**65.49**	**47.29**	**n/m**
Period end—total assets [2]	**$137,739**	**$34,047**	**$ 3,082**	**$ 105,460**	**n/m**

(Dollars in millions)	2005 Total	Private Bank	Columbia Management	Premier Banking and Investments	ALM/ Other
Net interest income [1]	$ 3,820	$ 1,008	$ 6	$ 1,732	$1,074
Noninterest income					
Investment and brokerage services	3,140	1,014	1,321	670	135
All other income	356	65	32	148	111
Total noninterest income	3,496	1,079	1,353	818	246
Total revenue [1]	7,316	2,087	1,359	2,550	1,320
Provision for credit losses	(7)	(23)	—	18	(2)
Noninterest expense	3,710	1,237	902	1,266	305
Income before income taxes [1]	3,613	873	457	1,266	1,017
Income tax expense	1,297	314	165	456	362
Net income	$ 2,316	$ 559	$ 292	$ 810	$ 655
Shareholder value added	$ 1,263	$ 337	$ 142	$ 461	$ 323
Net interest yield [1]	3.19 %	3.37 %	n/m	2.53 %	n/m
Return on average equity	22.52	25.28	16.95 %	24.52	n/m
Efficiency ratio [1]	50.72	59.27	66.37	49.65	n/m
Period end—total assets [2]	$129,232	$31,736	$ 2,686	$ 102,090	n/m

(1)Fully taxable-equivalent basis
(2)Total Assets include asset allocations to match liabilities (i.e., deposits).

n/m = not meaningful

(Dollars in millions)	December 31 2006	December 31 2005	Average Balance 2006	Average Balance 2005
Total loans and leases	**$ 66,034**	$ 58,380	**$ 61,497**	$ 54,102
Total earning assets [1]	**129,589**	121,269	**117,916**	119,607
Total assets [1]	**137,739**	129,232	**125,663**	127,394
Total deposits	**125,622**	115,454	**115,071**	117,338
Allocated equity	**11,007**	12,813	**10,358**	10,284

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

Global Wealth and Investment Management provides a wide offering of customized banking and investment 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* includes the impact of *Banc of America Specialist*, the results of ALM activities and the impact of migrating qualifying affluent customers from *Global Consumer and Small Business Banking* to our *PB&I* customer service model.

Net Income increased $87 million, or four percent, due to higher Total Revenue partially offset by higher Noninterest Expense.

Net Interest Income increased $61 million, or two percent, due to increases in deposit spreads and higher Average Loans and Leases, largely offset by a decline in ALM activities and loan spread compression. *Global Wealth and Investment Management* also benefited from the migration of deposits from *Global Consumer and Small Business Banking*.

Noninterest Income increased $402 million, or 11 percent, due to increases in Investment and Brokerage Services driven by higher levels of assets under management. Noninterest Income also benefited from nonrecurring items in 2006.

Provision for Credit Losses decreased $33 million due to a credit loss recovery in 2006.

Noninterest expense increased $295 million, or eight percent, primarily due to increases in Personnel expense driven by the addition of sales associates and revenue generating expenses.

Client Assets

Client Assets consist of Assets under management, Client brokerage assets, and Assets in Custody. Assets under management 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 for the Corporation. 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)	December 31 2006	December 31 2005
Assets under management	**$542,977**	$482,394
Client brokerage assets [1]	**203,799**	176,822
Assets in custody	**100,982**	94,184
Less: Client brokerage assets and Assets in custody included in Assets under management	**(57,446)**	(44,931)
Total net client assets	**$790,312**	$708,469

(1)Client brokerage assets include non-discretionary brokerage and fee-based assets. Previously, the Corporation reported Client brokerage assets excluding fee-based assets. The 2005 amounts have been reclassified to reflect this adjustment.

Assets under management increased $60.6 billion, or 13 percent, and was driven by net inflows in both money market and equity products as well as market appreciation. Client brokerage assets increased by $27.0 billion, or 15 percent, reflecting growth in full service assets from higher broker productivity, as well as growth in self directed assets which benefited from new pricing strategies including $0 Online Equity Trades which were offered beginning in the fourth quarter of 2006. Assets in custody increased $6.7 billion, or seven percent, due to market appreciation partially offset by net outflows.

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 $6 million, or one percent, primarily due to increased Noninterest Expense and a decrease in Net Interest Income, partially offset by higher Noninterest Income and a credit loss recovery. The decrease in Net Interest Income of $8 million, or one percent, was primarily attributable to lower average deposit balances as client money flowed to equities, partially offset by wider deposit spreads. The increase in Noninterest Income of $19 million, or two percent, was a result of nonrecurring items. The Provision for Credit Losses decreased $29 million as a result of a credit loss recovery in 2006. The increase in Noninterest Expense of $36 million, or three percent, was driven by higher personnel and other operating costs.

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 $43 million, or 15 percent, primarily as a result of an increase in Investment and Brokerage Services of $211 million, or 16 percent, in 2006. This increase is due to higher assets under management driven by net inflows in money market and equity funds, and market appreciation. Noninterest Expense increased $105 million, or 12 percent, primarily due to higher Personnel costs including revenue-based compensation and other operating costs.

Premier Banking and Investments

Premier Banking and Investments 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 4,400 client advisors 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 $138 million, or 17 percent, primarily due to an increase in Net Interest Income. The increase in Net Interest Income of $268 million, or 15 percent, was primarily driven by higher deposit spreads partially offset by lower average deposit balances. Deposit spreads increased 40 bps to 2.34 percent. Net Interest Income also benefited from higher Average Loans and Leases, mainly residential mortgages and home equity.

Noninterest Income increased $60 million, or seven percent, primarily driven by higher Investment and Brokerage Services. Noninterest Expense increased $95 million, or eight 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.

ALM/Other

We migrate qualifying affluent customers, and their related deposit balances and associated Net Interest Income from the *Global Consumer and Small Business Banking* segment to our *PB&I* customer service model. In order to provide a view of organic growth in *PB&I,* we allocate the original migrated deposit balances, including attrition, as well as the corresponding Net Interest Income at original spreads from *PB&I* to *ALM/Other*.

Net Income decreased $88 million, or 13 percent, primarily due to a decrease in Net Interest Income partially offset by an increase in Noninterest Income. Net Interest Income decreased $156 million driven by a significant reduction from ALM activities, partially offset by higher Net Interest Income on deposits due to migration of certain banking relationships from *Global Consumer and Small Business Banking.* During 2006 and 2005, $10.7 billion and $16.9 billion of average deposit balances were migrated from the *Global Consumer and Small Business Banking* segment to *Global Wealth and Investment Management.* The total cumulative average impact of migrated balances was $48.5 billion in 2006 compared to $39.3 billion for 2005. Noninterest Income increased $101 million primarily reflecting nonrecurring items in 2006.

All Other

(Dollars in millions)	2006	2005
Net interest income [1]	**$ 141**	$ (305)
Noninterest income		
Equity investment gains	**2,866**	1,964
All other income	**(921)**	(975)
Total noninterest income	**1,945**	989
Total revenue [1]	**2,086**	684
Provision for credit losses	**(116)**	69
Gains (losses) on sales of debt securities	**(495)**	823
Merger and restructuring charges [2]	**805**	412
All other noninterest expense	**(41)**	302
Income before income taxes [1]	**943**	724
Income tax expense (benefit)	**176**	(20)
Net income	**$ 767**	$ 744
Shareholder value added	**$ (306)**	$ (953)

(1)Fully taxable-equivalent basis
(2)For more information on Merger and Restructuring Charges, see Note 2 of the Consolidated Financial Statements.

Included in *All Other* are 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. See Note 1 of the Consolidated Financial Statements for more information on the accounting for the Principal Investing portfolio. 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 Other Comprehensive Income (OCI) starting one year prior to the lapse of their restrictions. See Note 5 of the Consolidated Financial Statements for more information on our strategic investments. Our investment in Santander is accounted for under the equity method of accounting. Income associated with *Equity Investments* is recorded in Equity Investment Gains and includes gains (losses) on sales of these equity investments, dividends, and valuations that primarily relate to the Principal Investing portfolio.

The following table presents the components of *All Other*'s Equity Investment Gains and a reconciliation to the total consolidated Equity Investment Gains for 2006 and 2005.

Components of Equity Investment Gains

(Dollars in millions)	**2006**	2005
Principal Investing	**$1,894**	$ 1,500
Corporate and Strategic Investments	**972**	464
Total equity investment gains included in All Other	**2,866**	1,964
Total equity investment gains included in the business segments	**323**	248
Total consolidated equity investment gains	**$3,189**	$ 2,212

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 consumer finance and commercial lending businesses that are being 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 neutralize the businesses from changes in interest rate and foreign exchange fluctuations. Accordingly, for segment reporting purposes, the businesses received in 2005 the neutralizing benefit to Net Interest Income related to certain of the economic hedges previously mentioned, with the offset recorded in *Other*. *Other* also includes adjustments in 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 fully taxable equivalent amount in the other segments.

Net Income increased $23 million, or three percent, primarily due to increases in Equity Investment Gains, Net Interest Income, decreases in Provision for Credit Losses, and all other noninterest expense. These changes were largely offset by a decrease in Gains (Losses) on Sales of Debt Securities and an increase in Merger and Restructuring Charges. The increase in Net Interest Income of $446 million is due primarily to the $419 million negative impact to 2005 results retained in *All Other* relating to funds transfer pricing that was not allocated to the businesses. Equity Investment Gains increased $902 million due to favorable market conditions driving liquidity in the Principal Investing portfolio as well as a $341 million gain recorded on the liquidation of a strategic European investment.

Provision for Credit Losses decreased $185 million to a negative $116 million. In 2005 a $50 million reserve for estimated losses associated with Hurricane Katrina was established. We did not incur significant losses from Hurricane Katrina and, therefore, released the previously established reserve in 2006.

The decrease in Gains (Losses) on Sales of Debt Securities of $1.3 billion resulted from a loss on the sale of mortgage-backed securities, which was driven by a decision to hold a lower level of investments in securities relative to loans (see "Interest Rate Risk Management – Securities" on page 77 for further discussion), compared with gains recorded on the sales of mortgage-backed securities in 2005.

Merger and Restructuring Charges were $805 million in 2006 compared to $412 million in 2005. The charge in 2006 was due to the MBNA merger whereas the 2005 charge was primarily related to the FleetBoston merger. See Note 2 of Consolidated Financial Statements for further information associated with the MBNA merger. The decline in all other noninterest expense of $343 million is due to decreases in unallocated residual general operating expenses.

Income Tax Expense (Benefit) was $176 million in 2006 compared to $(20) million in 2005. This change was driven by both a $175 million cumulative tax charge in 2006 resulting from the change in tax legislation relating to the extraterritorial income and foreign sales corporation regimes and by higher pre-tax income.

Off- and On-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. We facilitate these transactions and collect fees from the financing entity for the services it provides including administration, trust services and marketing the commercial paper.

We receive fees for providing combinations of liquidity and standby letters of credit (SBLCs) or similar loss protection commitments to the commercial paper financing entities. These forms of asset support are senior to the first layer of asset support provided by customers through over-collateralization or by support provided by third parties. The rating agencies require that a certain percentage of the commercial paper entity's assets be supported by the seller's over-collateralization and our SBLC in order to receive their respective investment rating. The SBLC would be drawn on only when the over-collateralization provided by the seller is not sufficient to cover losses of the related asset. Liquidity commitments made to the commercial paper entity are designed to fund scheduled redemptions of commercial paper if there is a market disruption or the new commercial paper cannot be issued to fund the redemption of the maturing commercial paper. The liquidity facility has the same legal priority as the commercial paper. We do not enter into any other form of guarantee with these entities.

We manage our credit risk on these commitments by subjecting them to our normal underwriting and risk management processes. At December 31, 2006 and 2005, we had off-balance sheet liquidity commitments and SBLCs to these entities of $36.7 billion and $25.9 billion. Substantially all of these liquidity commitments and SBLCs mature within one year. These amounts are included in Table 9. Net revenues earned from fees associated with these off-balance sheet financing entities were $91 million and $72 million in 2006 and 2005.

From time to time, we may purchase some of the commercial paper issued by certain of these entities for our own account or acting as a dealer on behalf of third parties. SBLCs are initially recorded at fair value in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees" (FIN 45). Liquidity commitments and SBLCs subsequent to inception are accounted for pursuant to SFAS No. 5, "Accounting for Contingencies" (SFAS 5), and are discussed further in Note 13 of the Consolidated Financial Statements.

The commercial paper conduits are variable interest entities (VIEs) as defined in FASB Interpretation No. 46 (Revised December 2003), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51" (FIN 46R), which provides a framework for identifying VIEs and determining when a company should include the assets, liabilities, non-controlling interests and results of activities of a VIE in its consolidated financial statements. In accordance with FIN 46R, the primary beneficiary is the party that consolidates a VIE based on its assessment that it will absorb a majority of the expected losses or expected residual returns of the entity, or both. We have determined that we are not the primary beneficiary of the commercial paper conduits described above and, therefore, have not included the assets and liabilities or results of operations of these conduits in the Consolidated Financial Statements of the Corporation.

On-Balance Sheet Commercial Paper Conduits

In addition to the off-balance sheet financing entities previously described, we also utilize commercial paper conduits that have been consolidated based on our determination that we are the primary beneficiary of the entities in accordance with FIN 46R. At December 31, 2006 and 2005, the consolidated assets and liabilities of these conduits were reflected in AFS Securities, Other Assets, and Commercial Paper and Other Short-term Borrowings in *Global Corporate and Investment Banking.* At December 31, 2006 and 2005, we held $10.5 billion and $6.6 billion of assets of these entities while our

maximum loss exposure associated with these entities, including unfunded lending commitments, was approximately $12.9 billion and $8.3 billion. We manage our credit risk on the on-balance sheet commitments by subjecting them to the same processes as the off-balance sheet commitments.

Commercial Paper Qualified Special Purpose Entities

To manage our capital position and diversify funding sources, we will, from time to time, sell assets to off-balance sheet entities that obtain financing by issuing commercial paper or notes with similar repricing characteristics to investors. These entities are Qualified Special Purpose Entities (QSPEs) that have been isolated beyond our reach or that of our creditors, even in the event of bankruptcy or other receivership. The accounting for these entities is governed by SFAS 140, which provides that QSPEs are not included in the consolidated financial statements of the seller. Assets sold to the entities consist of high-grade corporate or municipal bonds, collateralized debt obligations and asset-backed securities. These entities issue collateralized commercial paper or notes with similar repricing characteristics to third party market participants and enter into passive derivative instruments with us. Assets sold to these entities typically have an investment rating ranging from Aaa/AAA to Aa/AA. We may provide liquidity, SBLCs or similar loss protection commitments to these entities, or we may enter into derivatives with these entities in which we assume certain risks. The liquidity facility and derivatives have the same legal standing with the commercial paper.

The derivatives provide interest rate, currency and a pre-specified amount of credit protection to the entity in exchange for the commercial paper rate. These derivatives are provided for in the legal documents and help to alleviate any cash flow mismatches. In some cases, if an asset's rating declines below a certain investment quality as evidenced by its investment rating or defaults, we are no longer exposed to the risk of loss. At that time, the commercial paper holders assume the risk of loss. In other cases, we agree to assume all of the credit exposure related to the referenced asset. Legal documents for each entity specify asset quality levels that require the entity to automatically dispose of the asset once the asset falls below the specified quality rating. At the time the asset is disposed, we are required to reimburse the entity for any credit-related losses depending on the pre-specified level of protection provided.

We manage any credit or market risk on commitments or derivatives through normal underwriting and risk management processes. At December 31, 2006 and 2005, we had off-balance sheet liquidity commitments, SBLCs and other financial guarantees to these entities of $7.6 billion and $7.1 billion, for which we received fees of $9 million and $10 million for 2006 and 2005. Substantially all of these commitments mature within one year and are included in Table 9. Derivative activity related to these entities is included in Note 4 of the Consolidated Financial Statements.

We generally do not purchase any of the commercial paper issued by these types of financing entities other than during the underwriting process when we act as issuing agent nor do we purchase any of the commercial paper for our own account. Derivative instruments related to these entities are marked to market through the Consolidated Statement of Income. SBLCs are initially recorded at fair value in accordance with FIN 45. Liquidity commitments and SBLCs subsequent to inception are accounted for pursuant to SFAS 5 and are discussed further in Note 13 of the Consolidated Financial Statements.

In addition, as a result of the MBNA merger on January 1, 2006, the Corporation acquired interests in off-balance sheet credit card securitization vehicles which issue both commercial paper and medium-term notes. We hold subordinated interests issued by these entities, which are QSPEs, but do not otherwise provide liquidity or other forms of loss protection to these vehicles. For additional information on credit card securitizations, see Note 9 of the Consolidated Financial Statements.

Credit and Liquidity Risks

Because we provide liquidity and credit support to the commercial paper conduits and QSPEs described above, our credit ratings and changes thereto will affect the borrowing cost and liquidity of these entities. In addition, significant changes in counterparty asset valuation and credit standing may also affect the liquidity of the commercial paper issuance. Disruption in the commercial paper markets may result in the Corporation having to fund under these commitments and SBLCs discussed above. We seek to manage these risks, along with all other credit and liquidity risks, within our policies and practices. See Notes 1 and 9 of the Consolidated Financial Statements for additional discussion of off-balance sheet financing entities.

Other Off-Balance Sheet Financing Entities

To improve our capital position and diversify funding sources, we also sell assets, primarily loans, to other off-balance sheet QSPEs that obtain financing primarily by issuing term notes. We may retain a portion of the investment grade notes issued by these entities, and we may also retain subordinated interests in the entities which reduce the credit risk of the senior investors. We may provide liquidity support in the form of foreign exchange or interest rate swaps. We generally do not provide other forms of credit support to these entities, which are described more fully in Note 9 of the Consolidated Financial Statements. In addition to the above, we had significant involvement with VIEs other than the commercial paper conduits. These VIEs were not consolidated because we will not absorb a majority of the expected losses or expected residual returns and are therefore not the primary beneficiary of the VIEs. These entities are described more fully in Note 9 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. Obligations that are legally binding agreements whereby we agree to purchase products or services with a specific minimum quantity defined at a fixed, minimum or variable price over a specified period of time are defined as purchase obligations. Included in purchase obligations are vendor contracts of $6.3 billion, commitments to purchase securities of $9.1 billion and commitments to purchase loans of $43.3 billion. The most significant of our vendor contracts include communication services, processing services and software contracts. Other long-term liabilities include our obligations related to the Qualified Pension Plans, Nonqualified Pension Plans and Postretirement Health and Life Plans (the Plans) as well as amounts accrued for cardholder reward agreements. Obligations to the Plans are based on the current and projected obligations of the Plans, performance of the Plans' assets and any participant contributions, if applicable. During 2006 and 2005, we contributed $2.6 billion and $1.1 billion to the Plans, and we expect to make at least $192 million of contributions during 2007. Debt, lease and other obligations are more fully discussed in Notes 12 and 13 of the Consolidated Financial Statements.

Table 8 presents total long-term debt and other obligations at December 31, 2006.

Table 8

Long-term Debt and Other Obligations [1]

December 31, 2006 (Dollars in millions)	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years	Total
Long-term debt and capital leases	$ 17,194	$ 44,962	$ 20,799	$ 63,045	$146,000
Purchase obligations [2]	23,918	22,578	11,234	1,005	58,735
Operating lease obligations	1,375	2,410	1,732	5,951	11,468
Other long-term liabilities	464	676	290	835	2,265
Total	$ 42,951	$ 70,626	$ 34,055	$ 70,836	$218,468

(1) This table does not include the obligations associated with the Corporation's Deposits. For more information on Deposits, see Note 11 of the Consolidated Financial Statements.
(2) Obligations that are legally binding agreements whereby we agree to purchase products or services with a specific minimum quantity defined at a fixed, minimum or variable price over a specified period of time are defined as purchase obligations.

Many of our lending relationships contain funded and unfunded elements. The funded portion is reflected on our balance sheet. 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. These commitments, as well as guarantees, are more fully discussed in Note 13 of the Consolidated Financial Statements.

The following table summarizes the total unfunded, or off-balance sheet, credit extension commitment amounts by expiration date. At December 31, 2006, 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 $193 million) were not included in credit card line commitments in the table below.

Table 9
Credit Extension Commitments

December 31, 2006 (Dollars in millions)	Expires in 1 year or less	Expires after 1 year through 3 years	Expires after 3 years through 5 years	Expires after 5 years	Total
Loan commitments [1]	$ 151,604	$ 60,660	$ 90,988	$ 34,953	$ 338,205
Home equity lines of credit	1,738	1,801	2,742	91,919	98,200
Standby letters of credit and financial guarantees	29,213	10,712	6,744	6,337	53,006
Commercial letters of credit	3,880	180	27	395	4,482
Legally binding commitments	186,435	73,353	100,501	133,604	493,893
Credit card lines [2]	840,215	13,377	—	—	853,592
Total	$ 1,026,650	$ 86,730	$ 100,501	$ 133,604	$1,347,485

(1)Included at December 31, 2006, are equity commitments of $2.8 billion related to obligations to further fund equity investments.
(2)As part of the MBNA merger, on January 1, 2006, the Corporation acquired $588.4 billion of unused credit card lines.

Managing Risk

Overview

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. Strategic Risk is the risk that adverse business decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, business cycles, customer preferences, product obsolescence, execution and/or other intrinsic risks of business will impact our ability to meet our objectives. Liquidity risk is the inability to accommodate liability maturities and deposit withdrawals, fund asset growth and meet contractual obligations through unconstrained access to funding at reasonable market rates. Credit risk is the risk of loss arising from a borrower's or counterparty's inability to meet its obligations. Market risk is the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions, such as interest rate movements. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. The following sections, Strategic Risk Management, Liquidity Risk and Capital Management, Credit Risk Management beginning on page 48, Market Risk Management beginning on page 72 and Operational Risk Management beginning on page 80, address in more detail the specific procedures, measures and analyses of the major categories of risk that we manage.

Risk Management Processes and Methods

We have established control processes and use various methods to align risk-taking and risk management throughout our organization. These control processes and methods are designed around "three lines of defense": lines of business; enterprise functions (including Risk Management, Compliance, Finance, Human Resources and Legal); and Corporate Audit.

The lines of business are the first line of defense and are responsible for identifying, quantifying, mitigating and managing all risks within their lines of business, while certain enterprise-wide risks are managed centrally. For example, except for trading-related business activities, interest rate risk associated with our business activities is managed in the Corporate Treasury and Corporate Investment functions. Line of business management makes and executes the business plan and is closest to the changing nature of risks and, therefore, we believe is best able to take actions to manage and mitigate those risks. Our lines of business prepare periodic self-assessment reports to identify the status of risk issues, including mitigation plans, if appropriate. These reports roll up to executive management to ensure appropriate risk management and oversight, and to identify enterprise-wide issues. Our management processes, structures and policies aid us in complying with laws and regulations and provide clear lines for decision-making and accountability. Wherever practical, we attempt to house decision-making authority as close to the transaction as possible while retaining supervisory control functions from both in and outside of the lines of business.

The key elements of the second line of defense are Risk Management, Compliance, Finance, Global Technology and Operations, Human Resources, and Legal functions. These groups are independent of the lines of businesses and are organized on both a line of business and enterprise-wide basis. For example, for Risk Management, a senior risk executive is assigned to each of the lines of business and is responsible for the oversight of all the risks associated with that line of business. Enterprise-level risk executives have responsibility to develop and implement polices and practices to assess and manage enterprise-wide credit, market and operational risks.

Corporate Audit, the third line of defense, provides an independent assessment of our management and internal control systems. Corporate Audit activities are designed to provide reasonable assurance that resources are adequately protected; significant financial, managerial and operating information is materially complete, accurate and reliable; and employees' actions are in compliance with corporate policies, standards, procedures, and applicable laws and regulations.

We use various methods to manage risks at the line of business levels and corporate-wide. Examples of these methods include planning and forecasting, risk committees and forums, limits, models, and hedging strategies. Planning and forecasting facilitates analysis of actual versus planned results and provides an indication of unanticipated risk levels. Generally, risk committees and forums are composed of lines of business, risk management, treasury, compliance, legal and finance personnel, among others, who actively monitor performance against plan, limits, potential issues, and introduction of new products. Limits, the amount of exposure that may be taken in a product, relationship, region or industry, seek to align corporate-wide risk goals with those of each line of business and are part of our overall risk management process to help reduce the volatility of market, credit and operational losses. Models are used to estimate market value and Net Interest Income sensitivity, and to estimate expected and unexpected losses for each product and line of business, where appropriate. Hedging strategies are used to manage the risk of borrower or counterparty concentration risk and to manage market risk in the portfolio.

The formal processes used to manage risk represent only one portion of our overall risk management process. Corporate culture and the actions of our associates are also critical to effective risk management. Through our Code of Ethics, we set a high standard for our associates. The Code of Ethics provides a framework for all of our associates to conduct themselves with the highest integrity in the delivery of our products or services to our customers. We instill a risk-conscious culture through communications, training, policies, procedures, and organizational roles and responsibilities. Additionally, we continue to strengthen the linkage between the associate performance management process and individual compensation to encourage associates to work toward corporate-wide risk goals.

Oversight

The Board oversees the risk management of the Corporation through its committees, management committees and the Chief Executive Officer. The Board's Audit Committee monitors (1) the effectiveness of our internal controls, (2) the

integrity of our Consolidated Financial Statements and (3) compliance with legal and regulatory requirements. In addition, the Audit Committee oversees the internal audit function and the independent registered public accountant. The Board's Asset Quality Committee oversees credit risks and related topics that may impact our assets and earnings. The Finance Committee, a management committee, oversees the development and performance of the policies and strategies for managing the strategic, credit, market, and operational risks to our earnings and capital. The Asset Liability Committee (ALCO), a subcommittee of the Finance Committee, oversees our policies and processes designed to assure sound market risk and balance sheet management. The Compliance and Operational Risk Committee, a subcommittee of the Finance Committee, oversees our policies and processes designed to assure sound operational and compliance risk management. The Credit Risk Committee (CRC), a subcommittee of the Finance Committee, oversees and approves our adherence to sound credit risk management policies and practices. Certain CRC approvals are subject to the oversight of the Board's Asset Quality Committee. The Risk and Capital Committee, a management committee, reviews our corporate strategies and objectives, evaluates business performance, and reviews business plans including economic capital allocations to the Corporation and business lines. Management continues to direct corporate-wide efforts to address the Basel Committee on Banking Supervision's new risk-based capital standards (Basel II). The Audit Committee and Finance Committee oversee management's plans to comply with Basel II. For additional information, see Basel II on page 51 and Note 15 of the Consolidated Financial Statements.

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 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 80 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. Sources of liquidity include deposits and other customer-based funding, and wholesale market-based funding.

We manage liquidity at two levels. The first is the liquidity of the parent company, which is the holding company that owns the banking and nonbanking subsidiaries. The second is the liquidity of the banking subsidiaries. The management of liquidity at both levels is essential because the parent company and banking subsidiaries each have different funding needs and sources, and each are subject to certain regulatory guidelines and requirements. Through ALCO, the Finance Committee is responsible for establishing our liquidity policy as well as approving operating and contingency procedures, and monitoring liquidity on an ongoing basis. Corporate Treasury is responsible for planning and executing our funding activities and strategy.

In order to ensure adequate liquidity through the full range of potential operating environments and market conditions, we conduct our liquidity management and business activities in a manner that will preserve and enhance funding stability, flexibility, and diversity. Key components of this operating strategy include a strong focus on customer-based funding, maintaining direct relationships with wholesale market funding providers, and maintaining the ability to liquefy certain assets when, and if, requirements warrant.

We develop and maintain contingency funding plans for both the parent company and bank liquidity positions. These plans evaluate our liquidity position under various operating circumstances and allow us to ensure that we would be able to operate though a period of stress when access to normal sources of funding is constrained. The plans project funding requirements during a potential period of stress, specify and quantify sources of liquidity, outline actions and procedures for effectively managing through the problem period, and define roles and responsibilities. They are reviewed and approved annually by ALCO.

Our borrowing costs and ability to raise funds are directly impacted by our credit ratings. The credit ratings of Bank of America Corporation and Bank of America, N.A. are reflected in the table below.

Table 10
Credit Ratings

	December 31, 2006				
	Bank of America Corporation			Bank of America, N.A.	
	Senior Debt	Subordinated Debt	Commercial Paper	Short-term Borrowings	Long-term Debt
Moody's	Aa2	Aa3	P-1	P-1	Aa1
Standard & Poor's [1]	AA-	A+	A-1+	A-1+	AA
Fitch, Inc. [2]	AA-	A+	F1+	F1+	AA-

(1) On February 14, 2007, Standard & Poor's Rating Services raised their ratings on Bank of America Corporation's Senior Debt to AA and Subordinated Debt to AA- while Bank of America, N. A.'s Long-term Debt rating was raised to AA+.
(2) On February 15, 2007, Fitch, Inc. raised their ratings on Bank of America Corporation's Senior Debt to AA and Subordinated Debt to AA- while Bank of America, N. A.'s Long-term Debt rating was raised to AA.

Under normal business conditions, primary sources of funding for the parent company include dividends received from its banking and nonbanking subsidiaries, and proceeds from the issuance of senior and subordinated debt, as well as commercial paper and equity. Primary uses of funds for the parent company include repayment of maturing debt and commercial paper, share repurchases, dividends paid to shareholders, and subsidiary funding through capital or debt.

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. This measure assumes that the parent company is unable to generate funds from debt or equity issuance, receives no dividend income from subsidiaries, and no longer pays dividends to shareholders while continuing to meet nondiscretionary uses needed to maintain bank operations and repayment of contractual principal and interest payments owed by the parent company and affiliated companies. Under this scenario, the amount of time the parent company and its nonbank subsidiaries can operate and meet all obligations before the current liquid assets are exhausted is considered the "Time to Required Funding." ALCO approves the target range set for this metric, in months, and monitors adherence to the target. Maintaining excess parent company cash ensures that "Time to Required Funding" remains in the target range of 21 to 27 months and is the primary driver of the timing and amount of the Corporation's debt issuances. As of December 31, 2006 "Time to Required Funding" was 24 months compared to 29 months at December 31, 2005. The reduction reflects the funding in 2005 in anticipation of the $5.2 billion cash payment related to the MBNA merger that was paid on January 1, 2006 combined with an increase in share repurchases.

The primary sources of funding for our banking subsidiaries include customer deposits and wholesale market–based funding. Primary uses of funds for the banking subsidiaries include growth in the core asset portfolios, including loan demand, and in the ALM portfolio. We use the ALM portfolio primarily to manage interest rate risk and liquidity risk.

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 core deposits, a relatively stable funding source. A ratio below 100 percent indicates that our loan portfolio is completely funded by domestic core deposits. The ratio was 118 percent at December 31, 2006 compared to 102 percent at December 31, 2005. The increase was primarily attributable to the addition of MBNA, 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 strength of our balance sheet is a result of rigorous financial and risk discipline. Our core deposit base, which is a low cost funding source, is often used to fund the purchase of incremental assets (primarily loans and securities), the composition of which impacts our loan to deposit ratio. Mortgage-backed securities and mortgage loans have prepayment risk which must be managed. Repricing of deposits is a key variable in this process. The capital generated in excess of capital adequacy targets and to support business growth, is available for the payment of dividends and share repurchases.

ALCO determines prudent parameters for wholesale market-based borrowing and regularly reviews the funding plan for the bank subsidiaries to ensure compliance with these parameters. The contingency funding plan for the banking subsidiaries evaluates liquidity over a 12-month period in a variety of business environment scenarios assuming different levels of earnings performance and credit ratings as well as public and investor relations factors. Funding exposure related to our role as liquidity provider to certain off-balance sheet financing entities is also measured under a stress scenario. In this analysis, ratings are downgraded such that the off-balance sheet financing entities are not able to issue commercial paper and backup facilities that we provide are drawn upon. In addition, potential draws on credit facilities to issuers with ratings below a certain level are analyzed to assess potential funding exposure.

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 *Mortgage* and *Home Equity* 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

At December 31, 2006, the Corporation operated its banking activities primarily under two charters: Bank of America, N.A. and FIA Card Services, N.A. (the surviving entity of the MBNA America Bank N.A. and the Bank of America, N.A. (USA) merger) As a regulated financial services company, we are governed by certain regulatory capital requirements. At December 31, 2006, the Corporation, Bank of America, N.A. and FIA Card Services, N.A. were classified as "well-capitalized" for regulatory purposes, the highest classification. At December 31, 2005, the Corporation, Bank of America, N.A. and Bank of America. N.A. (USA) were also classified as "well-capitalized" for regulatory purposes. There have been no conditions or events since December 31, 2006 that management believes have changed the Corporation's, Bank of America, N.A.'s and FIA Card Services, N.A.'s capital classifications.

Certain corporate sponsored trust companies which issue trust preferred securities (Trust Securities) are deconsolidated under FIN 46R. As a result, the Trust Securities are not included on our Consolidated Balance Sheets. On March 1, 2005, the FRB issued Risk-Based Capital Standards: Trust Preferred Securities and the Definition of Capital (the Final Rule) which allows Trust Securities to continue to qualify as Tier 1 Capital with revised quantitative limits that would be effective after a five-year transition period. As a result, we continue to include Trust Securities in Tier 1 Capital.

The Final Rule limits restricted core capital elements to 15 percent for internationally active bank holding companies. In addition, the FRB revised the qualitative standards for capital instruments included in regulatory capital. Internationally active bank holding companies are those with consolidated assets greater than $250 billion or on-balance sheet exposure greater than $10 billion. At December 31, 2006, our restricted core capital elements comprised 17.3 percent of total core capital elements. We expect to be fully compliant with the revised limits prior to the implementation date of March 31, 2009.

Table 11 reconciles the Corporation's Total Shareholders' Equity to Tier 1 and Total Capital as defined by the regulations issued by the FRB, the FDIC, and the OCC at December 31, 2006 and 2005.

Table 11

Reconciliation of Tier 1 and Total Capital	December 31	
(Dollars in millions)	**2006**	2005
Tier 1 Capital		
Total Shareholders' equity	**$135,272**	$101,533
Goodwill	**(65,662)**	(45,354)
Nonqualifying intangible assets [1]	**(3,782)**	(2,642)
Effect of net unrealized losses on AFS debt and marketable equity securities and net losses on derivatives recorded in Accumulated OCI, net of tax	**6,430**	7,316
Accounting change for implementation of FASB Statement No. 158	**1,428**	—
Trust securities [2]	**15,942**	12,446
Other	**1,436**	1,076
Tier 1 Capital	**91,064**	74,375
Long-term debt qualifying as Tier 2 Capital	**24,546**	16,848
Allowance for loan and lease losses	**9,016**	8,045
Reserve for unfunded lending commitments	**397**	395
Other	**203**	238
Total Capital	**$125,226**	$ 99,901

(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.

See Note 15 of the Consolidated Financial Statements for more information on the Corporation's regulatory requirements and restrictions.

The Corporation anticipates that the implementation, of FASB Staff Position 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," will reduce Retained Earnings and associated regulatory capital by approximately $1.4 billion after-tax as of January 1, 2007. The amount of the charge initially recorded will be recognized as income over the remaining terms, generally 15 to 30 years, of the affected leases. Further, this change in accounting will also result in an adverse impact on earnings in the first two years subsequent to the change. The Corporation expects that Net Income will be negatively impacted by approximately $105 million in 2007. The Corporation anticipates that its Tier 1 and Total Capital Ratios will be negatively impacted by approximately 13 bps and its Tier 1 Leverage Ratio will be negatively impacted by approximately 10 bps as a result of the initial adoption.

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 35 bps and its Tier 1 Leverage Ratio will be negatively impacted by approximately 25 bps upon the acquisition of U.S. Trust.

Basel II

In June 2004, Basel II was published with the intent of more closely aligning regulatory capital requirements with underlying risks. Similar to economic capital measures, Basel II seeks to address credit risk, market risk, and operational risk.

While economic capital is measured to cover unexpected losses, the Corporation also maintains a certain threshold in terms of regulatory capital to adhere to legal standards of capital adequacy. These thresholds or leverage ratios will continue to be utilized for the foreseeable future.

U.S. banks are required to implement Basel II within three years of the date the final rules are published. Banks must successfully complete four consecutive quarters of parallel calculations to be considered compliant and to enter a three-year implementation period. The three-year implementation period is subject to capital relief floors (limits) that are set to help mitigate substantial decreases in an institution's capital levels when compared to current regulatory capital rules.

On September 25, 2006, the Agencies officially published several documents providing updates to the Basel II Risk-Based Capital Standards for the U.S. as well as new regulatory reporting requirements related to these Risk-Based Capital Standards for review and comment by U.S.-based banks and trade associations. These publications included previously published regulations and guidance as well as revised market risk rules and a proposal including several new regulatory reporting templates. These Capital Standards are expected to be finalized in 2007.

The Corporation continues its execution efforts to ensure preparedness with Basel II requirements. The goal is to achieve full compliance within the three-year implementation period. Further, the Corporation anticipates being ready for all international reporting requirements that occur before that time.

Dividends

Effective for the third quarter 2006 dividend, the Board increased the quarterly cash dividend 12 percent from $0.50 to $0.56 per share. In October 2006, the Board declared a fourth quarter cash dividend of $0.56 which was paid on December 22, 2006 to common shareholders of record on December 1, 2006. 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 January 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 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 will continue to repurchase shares, from time to time, in the open market or in private transactions through our approved repurchase programs. We repurchased approximately 291.1 million shares of common stock in 2006 which more than offset the 118.4 million shares issued under employee stock plans.

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 $4.9 billion, or 63.1 million shares, remains available for repurchase under the program at December 31, 2006.

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 to be completed within a period of 12 to 18 months. For additional information on common share repurchases, see Note 14 of the Consolidated Financial Statements.

Preferred Stock

In November 2006, the Corporation authorized 85,100 shares and issued 81,000 shares, or $2.0 billion, of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series E with a par value of $0.01 per share.

In September 2006, the Corporation authorized 34,500 shares and issued 33,000 shares, or $825 million, of Series D Preferred Stock with a par value of $0.01 per share.

During July 2006, the Corporation redeemed its 6.75% Perpetual Preferred Stock with a stated value of $250 per share and its Fixed/Adjustable Rate Cumulative Preferred Stock with a stated value of $250 per share.

For additional information on the issuance and redemption of preferred stock, see Note 14 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 13 of the Consolidated Financial Statements.

For credit risk purposes, we evaluate our consumer businesses on both a held and managed basis (a non-GAAP measure). Managed basis treats securitized loan receivables as if they were still on the balance sheet. 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 the 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 28. For additional information on our managed portfolio and securitizations, refer to Note 9 of the Consolidated Financial Statements.

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

Credit risk management for the consumer portfolio begins with initial underwriting and continues throughout a borrower's credit cycle. Statistical techniques in conjunction with experiential judgment are used in all aspects of portfolio management including product pricing, risk appetite, setting credit limits, operating processes and metrics to quantify and balance risks and returns. In addition, credit decisions are statistically based with tolerances set to decrease the percentage of approvals as the risk profile increases. Statistical models are built using detailed behavioral information from external sources such as credit bureaus and/or internal historical experience. These models are a critical component of our consumer credit risk management process and are used in the determination of both new and existing credit decisions, portfolio management strategies including authorizations and line management, collection practices and strategies, determination of the allowance for credit losses, and economic capital allocations for credit risk.

For information on our accounting policies regarding delinquencies, nonperforming status and charge-offs for the consumer portfolio, see Note 1 of the Consolidated Financial Statements.

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. We purchase credit protection on certain portions of our portfolio that is designed to enhance our overall risk management strategy. At December 31, 2006 and 2005, we had mitigated a portion of our credit risk on approximately $131.0 billion and $110.4 billion of consumer loans, including both residential mortgage and indirect automotive 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 December 31, 2006 and 2005, these transactions had the cumulative effect of reducing our risk-weighted assets by $36.4 billion and $30.6 billion, and resulted in increases of 30 bps and 28 bps in our Tier 1 Capital ratio at December 31, 2006 and 2005.

Consumer Credit Portfolio

Table 12 presents our held and managed consumer loans and leases and related asset quality information for 2006 and 2005. Overall, consumer credit quality remained sound in 2006 as performance was favorably impacted by lower bankruptcy-related charge-offs.

Table 12
Consumer Loans and Leases

	December 31						Year Ended December 31			
	Outstandings		Nonperforming [1]		Accruing Past Due 90 Days or More [2]		Net Charge-offs / Losses		Net Charge-off / Loss Ratios [3]	
(Dollars in millions)	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
Held basis										
Residential mortgage	**$241,181**	$182,596	**$ 660**	$ 570	**$ 118**	$ —	**$ 39**	$ 27	**0.02 %**	0.02 %
Credit card—domestic	**61,195**	58,548	**n/a**	n/a	**1,991**	1,197	**3,094**	3,652	**4.85**	6.76
Credit card—foreign	**10,999**	—	**n/a**	n/a	**184**	—	**225**	—	**2.46**	—
Home equity lines	**74,888**	62,098	**249**	117	**—**	—	**51**	31	**0.07**	0.05
Direct/Indirect consumer [4]	**68,224**	45,490	**44**	37	**347**	75	**524**	248	**0.88**	0.55
Other consumer [5]	**9,218**	6,725	**77**	61	**38**	15	**303**	275	**2.83**	3.99
Total consumer loans and leases—held	**465,705**	355,457	**1,030**	785	**2,678**	1,287	**4,236**	4,233	**1.01**	1.26
Securitizations impact [6]	**110,151**	12,523	**2**	—	**2,407**	23	**3,371**	434	**3.22**	3.34
Total consumer loans and leases—managed	**$575,856**	$367,980	**$ 1,032**	$ 785	**$ 5,085**	$ 1,310	**$7,607**	$4,667	**1.45 %**	1.34 %
Managed basis										
Residential mortgage	**$245,840**	$188,380	**$ 660**	$ 570	**$ 118**	$ —	**$ 39**	$ 27	**0.02 %**	0.02 %
Credit card—domestic	**142,599**	60,785	**n/a**	n/a	**3,828**	1,217	**5,395**	4,086	**3.89**	6.92
Credit card—foreign	**27,890**	—	**n/a**	n/a	**608**	—	**980**	—	**3.95**	—
Home equity lines	**75,197**	62,546	**251**	117	**—**	3	**51**	31	**0.07**	0.05
Direct/Indirect consumer	**75,112**	49,544	**44**	37	**493**	75	**839**	248	**1.23**	0.53
Other consumer	**9,218**	6,725	**77**	61	**38**	15	**303**	275	**2.83**	3.99
Total consumer loans and leases—managed	**$575,856**	$367,980	**$ 1,032**	$ 785	**$ 5,085**	$ 1,310	**$7,607**	$4,667	**1.45 %**	1.34 %

(1)The definition of nonperforming does not include consumer credit card and consumer non-real estate loans and leases.
(2)Accruing past due 90 days or more as a percentage of outstanding held and managed consumer loans and leases was 0.58 percent and 0.88 percent at December 31, 2006 and 0.36 percent and 0.36 percent at December 31, 2005.
(3)Net charge-off/loss ratios are calculated as held net charge-offs or managed net losses divided by average outstanding held or managed loans and leases during the year for each loan and lease category.
(4)Outstandings include home equity loans of $12.8 billion and $8.1 billion at December 31, 2006 and 2005.
(5)Outstandings include foreign consumer loans of $6.2 billion and $3.8 billion and consumer finance loans of $2.8 billion and $2.8 billion at December 31, 2006 and 2005.
(6)For additional information on our managed portfolio and securitizations, refer to Note 9 of the Consolidated Financial Statements.
n/a = not applicable

Residential Mortgage

The residential mortgage portfolio makes up the largest percentage of our consumer loan portfolio at 52 percent of held consumer loans and leases and 43 percent of managed consumer loans and leases at December 31, 2006. Residential mortgages are originated for the home purchase and refinancing needs of our customers in *Global Consumer and Small Business Banking* and *Global Wealth and Investment Management* and represent 22 percent of the managed residential portfolio. The remaining 78 percent of the managed portfolio is in *All Other*, which includes Corporate Treasury and Corporate Investments, and is comprised of purchased or originated residential mortgage loans used to manage our overall ALM activities.

On a held basis, outstanding loans and leases increased $58.6 billion in 2006 compared to 2005 driven by retained mortgage production and bulk purchases. Nonperforming balances increased $90 million due to portfolio seasoning. Loans past due 90 days or more and still accruing interest of $118 million is 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. This past due GNMA portfolio of $161 million was included in loans held-for-sale at December 31, 2005 and was not reclassified to conform to current presentation.

Credit Card – Domestic and Foreign

The consumer credit card portfolio is managed in *Card Services* within *Global Consumer and Small Business Banking.* Outstandings in the held domestic loan portfolio increased $2.6 billion in 2006 compared to 2005 due to the MBNA merger and organic growth partially offset by an increase in net securitization activity. The $794 million increase in held domestic loans past due 90 days or more and still accruing interest was driven by portfolio seasoning, the trend toward more normalized delinquency levels following bankruptcy reform and the addition of the MBNA portfolio, including the adoption of MBNA collection practices and policies that have historically led to higher delinquencies but lower losses. Net charge-offs for the held domestic portfolio decreased $558 million to $3.1 billion, or 4.85 percent (5.00 percent excluding the impact of SOP 03-3) of total average held credit card – domestic loans compared to 6.76 percent in 2005 primarily due to bankruptcy reform which accelerated charge-offs into 2005. This decrease in net charge-offs was partially offset by new advances on accounts for which previous loan balances were sold to the securitization trusts, portfolio seasoning and the addition of the MBNA portfolio. See below for a discussion of the impact of SOP 03-3 on the MBNA portfolio.

Managed domestic credit card outstandings increased $81.8 billion to $142.6 billion at December 31, 2006, primarily due to the MBNA merger. Managed net losses increased $1.3 billion to $5.4 billion, or 3.89 percent of total average managed domestic loans compared to 6.92 percent in 2005. Managed net losses were higher primarily due to the addition of the MBNA portfolio and portfolio seasoning, partially offset by lower bankruptcy-related losses as a result of bankruptcy reform. The 303 bps decrease in the managed net loss ratio was driven by lower bankruptcy-related losses and the beneficial impact of the higher credit quality of the MBNA portfolio compared to the legacy Bank of America portfolio.

Held and managed outstandings in the foreign credit card portfolio of $11.0 billion and $27.9 billion at December 31, 2006, as well as delinquencies, held net charge-offs and managed net losses, are related to the addition of the MBNA portfolio. Net charge-offs for the held foreign portfolio were $225 million, or 2.46 percent (3.05 percent excluding the impact of SOP 03-3) of total average held credit card – foreign loans in 2006. Net losses for the managed foreign portfolio were $980 million, or 3.95 percent, of total average managed credit card – foreign loans. The foreign credit card portfolio experienced increasing net charge-off and managed net loss trends throughout the year resulting from seasoning of the European portfolio and higher personal insolvencies in the United Kingdom. See below for a discussion of the impact of SOP 03-3 on the MBNA portfolio.

Home Equity Lines

At December 31, 2006, approximately 73 percent of the managed home equity portfolio was included in *Global Consumer and Small Business Banking*, while the remainder of the portfolio is in *Global Wealth and Investment Management.* This portfolio consists of revolving first and second lien residential mortgage lines of credit. On a held basis, outstanding home equity lines increased $12.8 billion, or 21 percent, in 2006 compared to 2005 due to enhanced product offerings and the expanding home equity market. Nonperforming home equity lines increased $132 million in 2006 due to portfolio seasoning.

Direct/Indirect Consumer

At December 31, 2006, approximately 49 percent of the managed direct/indirect portfolio was included in *Business Lending* within *Global Corporate and Investment Banking* (automotive, marine, motorcycle and recreational vehicle loans); 41 percent was included in *Global Consumer and Small Business Banking* (home equity loans, student and other non-real estate secured and unsecured personal loans) and the remainder was included in *Global Wealth and Investment Management* (home equity loans and other non-real estate secured and unsecured personal loans) and *All Other* (home equity loans).

On a held basis, outstanding loans and leases increased $22.7 billion in 2006 compared to 2005 due to the addition of the MBNA portfolio, purchases of retail automotive loans and reduced securitization activity. Loans past due 90 days or more and still accruing interest increased $272 million due to the addition of MBNA and growth in the portfolio. Net charge-offs

increased $276 million to 0.88 percent (1.01 percent excluding the impact of SOP 03-3) of total average held direct/indirect loans, driven by the addition of the MBNA unsecured lending portfolio and seasoning of the automotive loan portfolio. *Card Services* unsecured lending portfolio charge-offs increased throughout 2006 as charge-offs trended toward more normalized loss levels post bankruptcy reform. Portfolio seasoning and reduced securitization activity also contributed to the increasing charge-off trend.

Net losses for the managed loan portfolio increased $591 million to 1.23 percent of total average managed direct/indirect loans compared to 0.53 percent in 2005, primarily due to the addition of MBNA. See below for a discussion of the impact of SOP 03-3 on the MBNA portfolio.

Other Consumer

At December 31, 2006, approximately 67 percent of the other consumer portfolio consists of the foreign consumer loan portfolio which was included in *Card Services* within *Global Consumer and Small Business Banking* and in *ALM/Other* within *Global Corporate and Investment Banking.* 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 increased $2.5 billion at December 31, 2006 compared to December 31, 2005 driven primarily by the addition of the MBNA portfolio. Net charge-offs as a percentage of total average other consumer loans declined by 116 bps due primarily to growth in the foreign portfolio from the MBNA acquisition. See below for a discussion of the impact of SOP 03-3 on the MBNA portfolio.

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. SOP 03-3 does not apply to the acquired loans that have been securitized as they are not held on the Corporation's Balance sheet.

Consumer net charge-offs, managed net losses, and associated ratios as reported and excluding the impact of SOP 03-3 for 2006 are presented in Table 13. Management believes that excluding the impact of SOP 03-3 provides a more accurate reflection of portfolio credit quality.

Table 13
Consumer Net Charge-offs and Managed Net Losses (Excluding the Impact of SOP 03-3)

	2006							
	As Reported				Excluding Impact [1]			
	Held		Managed		Held		Managed	
(Dollars in millions)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential mortgage	$ 39	0.02 %	$ 39	0.02 %	$ 39	0.02 %	$ 39	0.02 %
Credit card – domestic	3,094	4.85	5,395	3.89	3,193	5.00	5,494	3.96
Credit card – foreign	225	2.46	980	3.95	278	3.05	1,033	4.17
Home equity lines	51	0.07	51	0.07	51	0.07	51	0.07
Direct/Indirect consumer	524	0.88	839	1.23	602	1.01	917	1.35
Other consumer	303	2.83	303	2.83	344	3.21	344	3.21
Total consumer	**$4,236**	**1.01 %**	**$7,607**	**1.45 %**	**$4,507**	**1.07 %**	**$7,878**	**1.50 %**

(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 $99 million, credit card – foreign $53 million, direct/indirect consumer $78 million, and other consumer $41 million for 2006. The impact of SOP 03-3 on average outstanding held and managed consumer loans and leases for 2006 was not material.

Nonperforming Consumer Assets Activity

Table 14 presents the additions and reductions to nonperforming assets in the held consumer portfolio during 2006 and 2005. Net additions to nonperforming loans and leases in 2006 were $245 million compared to $47 million in 2005. The increase in 2006 was driven by seasoning of the residential mortgage and home equity portfolios. The nonperforming consumer loans and leases ratio was unchanged compared to 2005 as the addition of the MBNA portfolio and broad-based loan growth offset the impact of the increase in nonperforming consumer loan levels.

Table 14
Nonperforming Consumer Assets Activity

(Dollars in millions)	2006	2005
Nonperforming loans and leases		
Balance, January 1	**$ 785**	$ 738
Additions to nonperforming loans and leases:		
New nonaccrual loans and leases	**1,432**	1,108
Reductions in nonperforming loans and leases:		
Paydowns and payoffs	**(157)**	(223)
Sales	**(117)**	(112)
Returns to performing status [1]	**(698)**	(531)
Charge-offs [2]	**(150)**	(121)
Transfers to foreclosed properties	**(65)**	(69)
Transfers to loans held-for-sale	**—**	(5)
Total net additions to nonperforming loans and leases	**245**	47
Total nonperforming loans and leases, December 31 [3]	**1,030**	785
Foreclosed properties		
Balance, January 1	**61**	69
Additions to foreclosed properties:		
New foreclosed properties	**159**	125
Reductions in foreclosed properties:		
Sales	**(76)**	(108)
Writedowns	**(85)**	(25)
Total net reductions in foreclosed properties	**(2)**	(8)
Total foreclosed properties, December 31	**59**	61
Nonperforming consumer assets, December 31 [4]	**$1,089**	$ 846
Nonperforming consumer loans and leases as a percentage of outstanding consumer loans and leases	**0.22 %**	0.22 %
Nonperforming consumer assets as a percentage of outstanding consumer loans, leases and foreclosed properties	**0.23 %**	0.24 %

(1) Consumer loans and leases are generally returned to performing status when principal or interest is less than 90 days past due.
(2) 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.
(3) In 2006, $69 million in Interest Income was estimated to be contractually due on nonperforming consumer loans and leases classified as nonperforming at December 31, 2006 of which $17 million was received and included in Net Income for 2006.
(4) Balances do not include nonperforming loans held for sale included in Other Assets of $30 million and $24 million at December 31, 2006 and 2005.

Commercial Portfolio Credit Risk Management

Credit risk management for the commercial portfolio begins with an assessment of the credit risk profile of the borrower or counterparty based on an analysis of the financial position of a borrower or counterparty. As part of the overall credit risk assessment of a borrower or counterparty, most of our commercial credit exposure or transactions are assigned a risk rating and are subject to approval based on defined credit approval standards. Subsequent to loan origination, risk ratings are monitored on an ongoing basis. If necessary, risk ratings are adjusted to reflect changes in the financial condition, cash flow or financial situation of a borrower or counterparty. We use risk rating aggregations to measure and evaluate concentrations within portfolios. Risk ratings are a factor in determining the level of assigned economic capital and the allowance for credit

losses. In making credit decisions, we consider risk rating, collateral, country, industry and single name concentration limits while also balancing the total borrower or counterparty relationship and SVA. Our lines of business and Risk Management personnel use a variety of tools to continuously monitor the ability of a borrower or counterparty to perform under its obligations.

For information on our accounting policies regarding delinquencies, nonperforming status and charge-offs for the commercial portfolio, see Note 1 of the Consolidated Financial Statements.

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 18 and 20 and Tables 23 through 25 summarize these concentrations. Additionally, we utilize syndication of exposure to third parties, loan sales 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*Global Corporate and Investment Banking.* Within that segment's *Business Lending* and *Capital Markets and Advisory Services* businesses, we facilitate bridge financing to fund acquisitions 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, an increase in criticized assets and higher potential for loss, unless an orderly disposition of the exposure can be made.

In *Global Corporate and Investment Banking*, concentrations are actively managed through the underwriting and ongoing monitoring processes, the "originate to distribute" strategy and through the utilization of various risk mitigation tools, such as credit derivatives, to economically hedge our risk to certain credit counterparties. Credit derivatives are financial instruments that we purchase for protection against the deterioration of credit quality. Earnings volatility increases due to accounting asymmetry as we mark-to-market the credit derivatives, as required by SFAS 133, whereas the exposures being hedged, including the funding commitments, are accounted for on an accrual basis. Once funded, these exposures are accounted for at historical cost less an allowance for credit losses or, if held-for-sale, at the lower of cost or market.

Commercial Credit Portfolio

Commercial credit quality continued to be stable in 2006. At December 31, 2006, the loans and leases net charge-off ratio declined to 0.13 percent from 0.16 percent at December 31, 2005. The nonperforming loan ratio declined to 0.31 percent from 0.33 percent.

Table 15 presents our commercial loans and leases and related asset quality information for 2006 and 2005.

Table 15
Commercial Loans and Leases

	December 31						Year Ended December 31			
	Outstandings		Nonperforming		Accruing Past Due 90 Days or More [1]		Net Charge-offs [2]		Net Charge-off Ratios [3]	
(Dollars in millions)	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
Commercial loans and leases										
Commercial – domestic	**$161,982**	$140,533	**$ 584**	$ 581	**$265**	$117	**$336**	$170	**0.22 %**	0.13 %
Commercial real estate [4]	**36,258**	35,766	**118**	49	**78**	4	**3**	—	**0.01**	—
Commercial lease financing	**21,864**	20,705	**42**	62	**26**	15	**(28)**	231	**(0.14)**	1.13
Commercial – foreign	**20,681**	21,330	**13**	34	**9**	32	**(8)**	(72)	**(0.04)**	(0.39)
Total commercial loans and leases	**$240,785**	$218,334	**$ 757**	$ 726	**$378**	$168	**$303**	$329	**0.13 %**	0.16 %

(1)Accruing past due 90 days or more as a percentage of outstanding commercial loans and leases was 0.16 percent and 0.08 percent at December 31, 2006 and 2005.
(2)Includes a reduction in net charge-offs on commercial – domestic of $17 million as a result of the impact of SOP 03-3 for 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.
(3)Net charge-off ratios are calculated as net charge-offs divided by average outstanding loans and leases during the year for each loan and lease category.
(4)Includes domestic commercial real estate loans of $35.7 billion and $35.2 billion at December 31, 2006 and 2005, and foreign commercial real estate loans of $578 million and $585 million at December 31, 2006 and 2005.

Table 16 presents commercial credit exposure by type for utilized, unfunded and total committed credit exposure.

Table 16
Commercial Credit Exposure by Type

	December 31					
	Commercial Utilized [1]		Commercial Unfunded [2]		Total Commercial Committed	
(Dollars in millions)	**2006**	2005	**2006**	2005	**2006**	2005
Loans and leases	**$240,785**	$218,334	**$269,937**	$246,629	**$510,722**	$464,963
Standby letters of credit and financial guarantees	**46,772**	43,096	**6,234**	5,033	**53,006**	48,129
Derivative assets [3]	**23,439**	23,712	**—**	—	**23,439**	23,712
Assets held-for-sale	**21,936**	16,867	**1,136**	848	**23,072**	17,715
Commercial letters of credit	**4,258**	5,154	**224**	818	**4,482**	5,972
Bankers' acceptances	**1,885**	1,643	**1**	1	**1,886**	1,644
Securitized assets	**1,292**	1,914	**—**	—	**1,292**	1,914
Foreclosed properties	**10**	31	**—**	—	**10**	31
Total	**$340,377**	$310,751	**$277,532**	$253,329	**$617,909**	$564,080

(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, most of these exposure types are considered utilized for credit risk management purposes.
(2)Excludes unused business card lines which are not legally binding.
(3)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 $7.3 billion and $9.3 billion at December 31, 2006 and 2005. Commercial utilized credit exposure at December 31, 2005 has been reclassified to reflect cash collateral applied to Derivative Assets. In addition to cash collateral, Derivative Assets are also collateralized by $7.6 billion and $7.8 billion of other marketable securities at December 31, 2006 and 2005 for which the credit risk has not been reduced.

Table 17 presents commercial utilized criticized exposure by product type and as a percentage of total commercial utilized exposure for each category presented. Bridge exposure of $550 million as of December 31, 2006 and $442 million as of December 31, 2005, are excluded from the table below. These exposures are carried at the lower of cost or market and are managed in part through our "originate to distribute" strategy (see page 58 for more information on bridge financing). Had this exposure been included, the ratio of commercial utilized criticized exposure to total commercial utilized exposure would have been 2.25 percent and 2.42 percent as of December 31, 2006 and December 31, 2005, respectively.

Table 17

Commercial Utilized Criticized Exposure [1,2]

	December 31, 2006			December 31, 2005		
(Dollars in millions)	**Amount**	**Percent** [3]		Amount	Percent [3,4]	
Commercial – domestic	**$5,210**	**2.41**	**%**	$4,954	2.59	%
Commercial real estate	**815**	**1.78**		723	1.63	
Commercial lease financing	**504**	**2.31**		611	2.95	
Commercial – foreign	**582**	**1.05**		797	1.48	
Total commercial utilized criticized exposure	**$7,111**	**2.09**	**%**	$7,085	2.28	%

(1) Criticized exposure corresponds to the Special Mention, Substandard and Doubtful asset categories defined by regulatory authorities.
(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, most of 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.
(4) Commercial – domestic and Total commercial criticized exposure ratios for December 31, 2005 have been reclassified to reflect cash collateral applied to Derivative Assets that are in total commercial utilized credit exposure.

Commercial – Domestic

At December 31, 2006, 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 *Global Corporate and Investment Banking.* Outstanding loans and leases in *Global Corporate and Investment Banking* increased $11.6 billion to $130.0 billion at December 31, 2006 compared to December 31, 2005 driven by organic growth. Nonperforming loans and leases declined by $45 million to $460 million driven by overall improvements in the portfolio. Net charge-offs were up $72 million from 2005 due to a lower level of recoveries. Criticized utilized exposure, excluding bridge exposure, remained essentially flat at $4.6 billion.

The remaining 20 percent of the commercial—domestic portfolio is in *Global Wealth and Investment Management* (business-purpose loans for wealthy individuals) and *Global Consumer and Small Business Banking* (business card and small business loans). Outstanding loans and leases increased $9.8 billion to $32.0 billion at December 31, 2006 compared to December 31, 2005 driven primarily by growth in *Global Consumer and Small Business Banking.* Growth was centered in the business card portfolio, including the addition of MBNA, and the small business portfolio. Nonperforming loans and leases increased $48 million to $124 million due to seasoning of the small business portfolio and the addition of MBNA, both within *Global Consumer and Small Business Banking.* Loans past due 90 days or more and still accruing interest increased $153 million to $215 million primarily attributable to the business card portfolio. The increase was driven by the adoption of MBNA collection practices that have historically led to higher delinquencies but lower losses, the addition of the MBNA business card portfolio and portfolio seasoning. Net charge-offs were up $94 million from 2005 due to a $134 million increase in *Global Consumer and Small Business Banking,* partially offset by a 2006 credit loss recovery in *Global Wealth and Investment Management.* The increase in net charge-offs in *Global Consumer and Small Business Banking* was due to the addition of MBNA and seasoning of the small business and business card portfolios. Criticized utilized exposure increased $265 million to $561 million driven by an increase in the business card portfolio resulting primarily from the addition of MBNA.

Commercial Real Estate

The commercial real estate portfolio is managed in *Business Lending* within *Global Corporate and Investment Banking* and consists of loans issued primarily to public and private developers, homebuilders and commercial real estate firms. Outstanding loans and leases increased $492 million in 2006 compared to 2005. The increase was driven by business generated predominantly with existing clients across multiple property types. Utilized criticized exposure increased $92

million to $815 million driven by a $147 million increase in the utilized criticized loan and lease portfolio, attributable to the deterioration of a number of relatively small credits in a variety of property types, the largest of which is residential. The increase was partially offset by improvements centered in hotels/motels and multiple use commercial properties.

Table 18 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. The increase in residential property type loans was driven by higher utilizations in the for-sale housing sector due to increased construction and land cost.

Table 18
Outstanding Commercial Real Estate Loans

(Dollars in millions)	December 31 2006	2005
By Geographic Region [1]		
California	**$ 7,781**	$ 7,615
Northeast	**6,368**	6,337
Southeast	**5,097**	4,370
Florida	**3,898**	4,507
Southwest	**3,787**	3,658
Midwest	**2,271**	2,595
Northwest	**2,053**	2,048
Midsouth	**2,006**	1,485
Other	**870**	873
Geographically diversified [2]	**1,549**	1,693
Non-U.S.	**578**	585
Total	**$ 36,258**	$ 35,766
By Property Type		
Residential	**$ 8,151**	$ 7,601
Office buildings	**4,823**	4,984
Apartments	**4,277**	4,461
Land and land development	**3,956**	3,715
Shopping centers/retail	**3,955**	4,165
Industrial/warehouse	**3,247**	3,031
Multiple use	**1,257**	996
Hotels/motels	**1,185**	790
Resorts	**180**	183
Other [3]	**5,227**	5,840
Total	**$ 36,258**	$ 35,766

(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.

Commercial Lease Financing

The commercial lease financing portfolio is managed in *Business Lending* within *Global Corporate and Investment Banking.* Outstanding loans and leases increased $1.2 billion in 2006 compared to 2005 due to organic growth. Net charge-offs decreased $259 million compared to the prior year as 2005 included a higher level of airline industry charge-offs.

Commercial—Foreign

The commercial—foreign portfolio is managed primarily in *Business Lending* and *Capital Markets and Advisory Services,* both within *Global Corporate and Investment Banking*. Outstanding loans and leases declined by $649 million at

December 31, 2006 compared to December 31, 2005 driven by the sale of our Brazilian operations and Asia Commercial Banking business, partially offset by increases due to organic growth, principally in Western Europe. Nonperforming loans and criticized utilized exposure, excluding bridge exposure, decreased $21 million and $215 million, respectively, primarily attributable to the sale of our Brazilian operations. Commercial—foreign net charge-offs were in a net recovery position in both 2006 and 2005. The lower net recovery position in 2006 was driven by higher net charge-offs in Brazil as well as lower recoveries in Asia. For additional information on the commercial—foreign portfolio, refer to Foreign Portfolio discussion beginning on page 65.

Nonperforming Commercial Assets Activity

Table 19 presents the additions and reductions to nonperforming assets in the commercial portfolio during 2006 and 2005.

Table 19

Nonperforming Commercial Assets Activity [1]

(Dollars in millions)	2006	2005
Nonperforming loans and leases		
Balance, January 1	**$ 726**	$1,475
Additions to nonperforming loans and leases:		
New nonaccrual loans and leases	**980**	892
Advances	**32**	37
Reductions in nonperforming loans and leases:		
Paydowns and payoffs	**(403)**	(686)
Sales	**(152)**	(108)
Returns to performing status [2]	**(80)**	(152)
Charge-offs [3]	**(331)**	(669)
Transfers to foreclosed properties	**(3)**	(19)
Transfers to loans held-for-sale	**(12)**	(44)
Total net additions to (reductions in) nonperforming loans and leases	**31**	(749)
Total nonperforming loans and leases, December 31 [4]	**757**	726
Foreclosed properties		
Balance, January 1	**31**	33
Additions to foreclosed properties:		
New foreclosed properties	**6**	32
Reductions in foreclosed properties:		
Sales	**(18)**	(24)
Writedowns	**(9)**	(8)
Charge-offs	**—**	(2)
Total net reductions in foreclosed properties	**(21)**	(2)
Total foreclosed properties, December 31	**10**	31
Nonperforming commercial assets, December 31 [5]	**$ 767**	$ 757
Nonperforming commercial loans and leases as a percentage of outstanding commercial loans and leases	**0.31 %**	0.33 %
Nonperforming commercial assets as a percentage of outstanding commercial loans, leases and foreclosed properties	**0.32 %**	0.35 %

(1) During 2005, nonperforming securities were reduced by $140 million primarily through exchanges resulting in a zero balance at December 31, 2005.
(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.
(4) In 2006, $85 million in Interest Income was estimated to be contractually due on nonperforming commercial loans and leases classified as nonperforming at December 31, 2006, including troubled debt restructured loans of which $2 million were performing at December 31, 2006 and not included in the table above. Approximately $38 million of the estimated $85 million in contractual interest was received and included in Net Income for 2006.
(5) Balances do not include nonperforming loans held-for-sale included in Other Assets of $50 million and $45 million at December 31, 2006 and 2005.

Industry Concentrations

Table 20 presents commercial committed credit exposure and the net credit default protection portfolio by industry. Our commercial credit exposure is diversified across a broad range of industries. Total commercial credit exposure increased by $53.8 billion, or 10 percent, in 2006 compared to 2005. Banks increased by $5.9 billion, or 19 percent due to increased activity in *Capital Markets and Advisory Services* within *Global Corporate and Investment Banking*, primarily in Australia and the United Kingdom. Government and public education increased $5.9 billion, or 18 percent, due primarily to growth concentrated in U.S. state and local entities, including both government and public education, consistent with our growth strategy for this sector. Healthcare equipment and services, and media increased $5.6 billion, or 22 percent, and $3.8 billion, or 25 percent, respectively, of which $2.3 billion and $2.5 billion was attributable to bridge and/or syndicated loan commitments, most of which are expected to be distributed in the normal course of executing our "originate to distribute" strategy. MBNA also contributed to growth in a number of industries, including healthcare equipment and services, and individuals and trusts.

Credit protection is purchased to cover the funded portion as well as the unfunded portion of certain credit exposure. 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, 2005, our net credit default protection purchased has been reduced by $6.4 billion reflecting our view of the underlying risk in our credit portfolio and our near term outlook on the credit environment.

At December 31, 2006 and 2005, we had net notional credit default protection purchased in our credit derivatives portfolio of $8.3 billion and $14.7 billion. The net cost of credit default protection, including mark-to-market impacts, resulted in net losses of $241 million in 2006 compared to net gains of $49 million in 2005. Losses in 2006 primarily reflected the impact of credit spreads tightening across most of our hedge positions. The average Value-at-Risk (VAR) for these credit derivative hedges was $54 million and $69 million for the twelve months ended December 31, 2006 and 2005. The decrease in VAR was driven by a decrease 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 $57 million and $62 million for the twelve months ended December 31, 2006 and 2005. Refer to the discussion on page 73 for a description of our VAR calculation for the market-based trading portfolio.

Table 20
Commercial Credit Exposure and Net Credit Default Protection by Industry[1]

	December 31					
	Commercial Utilized		Total Commercial Committed		Net Credit Default Protection [2]	
(Dollars in millions)	**2006**	2005	**2006**	2005	**2006**	2005
Real estate [3]	**$ 49,208**	$ 47,580	**$ 73,493**	$ 70,373	**$ (704)**	$ (1,305)
Diversified financials	**24,802**	24,975	**67,027**	64,073	**(121)**	(250)
Retailing	**27,226**	25,189	**44,064**	41,967	**(581)**	(1,134)
Government and public education	**22,495**	19,041	**39,254**	33,350	**(25)**	—
Capital goods	**16,804**	15,337	**37,337**	33,004	**(402)**	(741)
Banks	**26,405**	21,755	**36,735**	30,811	**(409)**	(315)
Consumer services	**19,108**	17,481	**32,651**	29,495	**(433)**	(788)
Healthcare equipment and services	**15,787**	13,455	**31,095**	25,494	**(249)**	(709)
Individuals and trusts	**18,792**	16,754	**29,167**	24,348	**3**	(30)
Materials	**15,882**	16,754	**28,693**	28,893	**(630)**	(1,119)
Commercial services and supplies	**15,204**	13,038	**23,512**	21,152	**(372)**	(472)
Food, beverage and tobacco	**11,341**	11,194	**21,081**	20,590	**(319)**	(580)
Media	**8,659**	6,701	**19,056**	15,250	**(871)**	(1,790)
Energy	**9,350**	9,061	**18,405**	17,099	**(236)**	(589)
Utilities	**4,951**	5,507	**17,221**	15,182	**(362)**	(899)
Transportation	**11,451**	11,297	**17,189**	16,980	**(219)**	(323)
Insurance	**6,573**	4,745	**14,121**	13,868	**(446)**	(1,493)
Religious and social organizations	**7,840**	7,426	**10,507**	10,022	**—**	—
Consumer durables and apparel	**4,820**	5,142	**9,117**	9,318	**(170)**	(475)
Technology hardware and equipment	**3,279**	3,116	**8,046**	7,171	**(38)**	(402)
Telecommunication services	**3,513**	3,520	**7,929**	9,193	**(1,104)**	(1,205)
Pharmaceuticals and biotechnology	**2,530**	1,675	**6,289**	4,906	**(181)**	(470)
Software and services	**2,757**	2,573	**6,206**	5,708	**(126)**	(299)
Automobiles and components	**1,529**	1,602	**5,098**	5,878	**(483)**	(679)
Food and staples retailing	**2,153**	2,258	**4,222**	4,241	**(116)**	(324)
Household and personal products	**720**	536	**2,205**	1,669	**50**	75
Semiconductors and semiconductor equipment	**802**	536	**1,364**	1,119	**(18)**	(54)
Other	**6,396**	2,503	**6,825**	2,926	**302 [4]**	1,677 [4]
Total	**$340,377**	$310,751	**$617,909**	$564,080	**$(8,260)**	$(14,693)

(1) December 31, 2005 industry balances have been reclassified to reflect the realignment of industry codes utilizing Standard & Poor's industry classifications and internal industry management.
(2) Net notional credit default protection purchased is shown as negative amounts and the net notional credit protection sold is shown as positive amounts.
(3) 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.
(4) Represents net credit default swaps index positions, including tranched index exposure, which were principally investment grade. Indices are comprised of corporate credit derivatives that trade as an aggregate index value. Generally, they are grouped into portfolios based on specific ratings of credit quality or global geographic location. As of December 31, 2006 and 2005, credit default swap index positions were sold to reflect our view of the credit markets.

Tables 21 and 22 present the maturity profiles and the credit exposure debt ratings of the net credit default protection portfolio at December 31, 2006 and 2005.

Table 21
Net Credit Default Protection by Maturity Profile

	December 31			
	2006		2005	
Less than or equal to one year	**7**	**%**	—	%
Greater than one year and less than or equal to five years	**46**		65	
Greater than five years	**47**		35	
Total	**100**	**%**	100	%

Table 22
Net Credit Default Protection by Credit Exposure Debt Rating[1]

(Dollars in millions)	December 31, 2006		December 31, 2005	
Ratings	**Net Notional**	**Percent**	Net Notional	Percent
AAA	**$ (23)**	**0.3 %**	$ (22)	0.2 %
AA	**(237)**	**2.9**	(523)	3.6
A	**(2,598)**	**31.5**	(4,861)	33.1
BBB	**(3,968)**	**48.0**	(8,572)	58.2
BB	**(1,341)**	**16.2**	(1,792)	12.2
B	**(334)**	**4.0**	(424)	2.9
CCC and below	**(50)**	**0.6**	(149)	1.0
NR [2]	**291**	**(3.5)**	1,650	(11.2)
Total	**$ (8,260)**	**100.0 %**	$(14,693)	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 negative amounts and the net notional credit protection sold is shown as positive amounts.
(2)In addition to unrated names, "NR" includes $302 million and $1.7 billion in net credit default swaps index positions at December 31, 2006 and 2005. 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 23 presents total foreign exposure broken out by region at December 31, 2006 and 2005. Total foreign exposure includes credit exposure net of local liabilities, securities, and other investments domiciled in countries other than the United States. Credit card exposure is reported on a funded basis. Total 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. In regulatory reports under Federal Financial Institutions Examination Council (FFIEC) guidelines, cross-border resale agreements are presented based on the domicile of the issuer of the securities that are held as collateral. However, for the purpose of the following tables, resale agreements are generally presented based on the domicile of the counterparty because the counterparty has the legal obligation for repayment.

Table 23
Regional Foreign Exposure[1,2]

(Dollars in millions)	December 31	
	2006	2005
Europe	**$ 85,279**	$ 55,068
Asia Pacific [3]	**27,403**	13,938
Latin America [4]	**8,998**	10,551
Middle East	**811**	616
Africa	**317**	86
Other [5]	**7,131**	4,550
Total	**$129,939**	$ 84,809

(1)Generally, cross-border resale agreements are presented based on the domicile of the counterparty because the counterparty has the legal obligation for repayment except where the underlying securities are U.S. Treasuries, in which case the domicile is the U.S., and are therefore excluded from this presentation. For regulatory reporting under FFIEC guidelines, cross-border resale agreements are presented based on the domicile of the issuer of the securities that are held as collateral.
(2)Derivative assets are reported on a mark-to-market basis and have been reduced by the amount of cash collateral applied of $4.3 billion and $7.4 billion at December 31, 2006 and 2005.
(3)Includes Australia and New Zealand.
(4)Includes Bermuda and Cayman Islands.
(5)Other includes Canada and supranational entities.

Our total foreign exposure was $129.9 billion at December 31, 2006, an increase of $45.1 billion from December 31, 2005. The growth in our foreign exposure during 2006 was concentrated in Europe, which accounted for $85.3 billion, or 66 percent, of total foreign exposure. The European exposure was mostly in Western Europe and was distributed across a variety of industries with the largest concentration in the private sector which accounted for approximately 67 percent of the total exposure in Europe. The growth in Western Europe was due to the organic growth of $20.1 billion primarily driven by our *Global Corporate and Investment Banking* business, as well as the $10.0 billion addition of MBNA exposures in the United Kingdom, Ireland and Spain.

Asia Pacific was our second largest foreign exposure at $27.4 billion, or 21 percent, of total foreign exposure at December 31, 2006. The growth in Asia Pacific was driven by higher securities trading exposure primarily in Japan, South Korea and Australia. Loans and Leases, loan commitments, and other financing in Australia also contributed to the increase in Asia Pacific.

Latin America accounted for $9.0 billion, or seven percent of total foreign exposure at December 31, 2006, a decline of $1.6 billion, or 15 percent, from December 31, 2005. The decline in exposure in Latin America was primarily due to the sale of our Brazilian operations, partially offset by the equity in Banco Itaú received in exchange for the sale, and a decline in local country exposure in Chile. These decreases were partially offset by an increase in cross-border exposure in Mexico.

For more information on our Asia Pacific and Latin America exposure, see discussion on foreign exposure to selected countries defined as emerging markets on page 67.

As presented in Table 24, at December 31, 2006 and 2005, the United Kingdom had total cross-border exposure of $17.3 billion and $21.2 billion, representing 1.18 percent and 1.64 percent of Total Assets. At December 31, 2006 and 2005, the United Kingdom was the only country whose total cross-border outstandings exceeded one percent of our total assets. At December 31, 2006, the largest concentration of the cross-border exposure to the United Kingdom was in the banking sector. At December 31, 2006 and 2005, Germany was the only country whose total cross-border outstandings of $12.6 billion and $10.0 billion were between 0.75 percent and one percent of total assets.

Table 24

Total Cross-border Exposure Exceeding One Percent of Total Assets[1,2]

(Dollars in millions)	December 31	Public Sector	Banks	Private Sector	Cross-border Exposure	Exposure as a Percentage of Total Assets
United Kingdom	**2006**	**$ 53**	**$9,172**	**$ 8,059**	**$17,284**	**1.18 %**
	2005	298	7,272	13,616	21,186	1.64
	2004	74	1,585	8,481	10,140	0.91

(1) Exposure includes cross-border claims by our foreign offices as follows: loans, accrued interest receivable, acceptances, time deposits placed, trading account assets, securities, derivative assets, other interest-earning investments and other monetary assets. Amounts also include unused commitments, SBLCs, commercial letters of credit and formal guarantees. Sector definitions are based on the FFIEC instructions for preparing the Country Exposure Report.

(2) Derivative assets are reported on a mark-to-market basis and have been reduced by the amount of cash collateral applied of $1.2 billion, $1.8 billion, and $1.8 billion at December 31, 2006, 2005, and 2004, respectively.

As presented in Table 25, foreign exposure to borrowers or counterparties in emerging markets increased $3.0 billion to $20.9 billion at December 31, 2006, compared to $17.9 billion at December 31, 2005. The increase was primarily due to higher sovereign and corporate securities trading exposures in Asia Pacific. Foreign exposure to borrowers or counterparties in emerging markets represented 16 percent and 21 percent of total foreign exposure at December 31, 2006 and 2005.

Table 25

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 Foreign Exposure December 31 2006**	Increase/ (Decrease) From December 31 2005
Region/Country								
Asia Pacific								
China	$ 236	$ 48	$ 88	$ 3,193	$ 3,565	$ 49	**$ 3,614**	$ 210
South Korea	254	546	84	2,493	3,377	—	**3,377**	2,222
India	560	423	313	739	2,035	—	**2,035**	444
Singapore	226	9	116	521	872	—	**872**	402
Hong Kong	345	36	56	427	864	—	**864**	305
Taiwan	305	52	52	40	449	293	**742**	(176)
Other Asia Pacific	77	22	10	482	591	—	**591**	(4)
Total Asia Pacific	2,003	1,136	719	7,895	11,753	342	**12,095**	3,403
Latin America								
Mexico	924	195	204	2,608	3,931	—	**3,931**	607
Brazil	153	84	26	1,986	2,249	402	**2,651**	(820)
Chile	221	13	—	9	243	83	**326**	(654)
Argentina	32	17	—	76	125	127	**252**	58
Other Latin America	108	131	10	18	267	15	**282**	(77)
Total Latin America	1,438	440	240	4,697	6,815	627	**7,442**	(886)
Middle East and Africa	484	261	140	231	1,116	—	**1,116**	414
Central and Eastern Europe	—	68	21	126	215	—	**215**	73
Total	$ 3,925	$ 1,905	$ 1,120	$ 12,949	$ 19,899	$ 969	**$ 20,868**	$ 3,004

(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.

(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 $9 million and $80 million at December 31, 2006 and 2005. There are less than $1 million of other marketable securities collateralizing derivative assets as of December 31, 2006. Derivative Assets were collateralized by $4 million of other marketable securities at December 31, 2005.

(4) Generally, cross-border resale agreements are presented based on the domicile of the counterparty because the counterparty has the legal obligation for repayment except where the underlying securities are U.S. Treasuries, in which case the domicile is the U.S., and are therefore excluded from this presentation. For regulatory reporting under FFIEC guidelines, cross-border resale agreements are presented based on the domicile of the issuer of the securities that are held as collateral.

(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 December 31, 2006 was $20.7 billion compared to $24.2 billion at December 31, 2005. Local liabilities at December 31, 2006 in Asia Pacific and Latin America were $14.1 billion and $6.6 billion of which $6.6 billion were in Singapore, $3.6 billion in Hong Kong, $2.5 billion in Chile, $1.9 billion in Argentina, $1.4 billion in Mexico, $1.2 billion in South Korea, $829 million in India, $784 million in Uruguay, and $669 million in China. There were no other countries with available local liabilities funding local country exposure greater than $500 million.

At December 31, 2006, 58 percent of the emerging markets exposure was in Asia Pacific, compared to 49 percent at December 31, 2005. Asia Pacific emerging markets exposure increased by $3.4 billion. Growth was driven by higher cross-border sovereign and corporate securities trading exposure, primarily in South Korea, India and Singapore, as well as higher other financing exposure in India. Our exposure in China was primarily related to our investment in CCB at both December 31, 2006 and 2005.

In December 2006, the Corporation completed the sale of its Asia Commercial Banking business to CCB. Our corporate banking and wholesale franchises are not impacted by this sale.

At December 31, 2006, 36 percent of the emerging markets exposure was in Latin America compared to 47 percent at December 31, 2005. Lower exposures in Brazil and Chile were partially offset by an increase in Mexico. The decline in Brazil was related to the sale of our Brazilian operations in September 2006 in exchange principally for equity in Banco Itaú. As of December 31, 2006, our investment in Banco Itaú accounted for $1.9 billion of exposure in Brazil. The decline in Chile was due to higher local liabilities which reduced our local exposure.

In August 2006, we announced a definitive agreement to sell our operations in Chile and Uruguay for equity in Banco Itaú. These transactions are expected to close in early 2007. Subsequent to the sale of our Brazilian operations and the closing of the Chile and Uruguay transactions, the Corporation will hold approximately seven percent of the equity of Banco Itaú through voting and non-voting shares.

The increased exposures in Mexico were attributable to higher cross-border corporate securities trading exposure. Our 24.9 percent investment in Santander accounted for $2.3 billion and $2.1 billion of exposure in Mexico at December 31, 2006 and 2005.

In December 2005, we announced a definitive agreement with a consortium led by Johannesburg-based Standard Bank Group Limited for the sale of our assets and the assumption of our liabilities in Argentina. This transaction is expected to close in early 2007.

Provision for Credit Losses

The Provision for Credit Losses was $5.0 billion, a $996 million, or 25 percent, increase over 2005.

The consumer portion of the Provision for Credit Losses increased $367 million to $4.8 billion compared to 2005. This increase was primarily driven by the addition of MBNA, partially offset by lower bankruptcy-related costs on the domestic consumer credit card portfolio. On the domestic consumer credit card portfolio, lower bankruptcy charge-offs resulting from bankruptcy reform and the absence of the $210 million provision recorded in 2005 to establish reserves for changes in credit card minimum payment requirements were partially offset by portfolio seasoning. Consumer provision expense increased throughout the year as most products trended toward more normalized credit cost levels due to portfolio seasoning and an upward trend in bankruptcy-related charge-offs from the unusually low levels experienced post bankruptcy reform. Credit costs in Europe increased throughout the year due to seasoning of the credit card portfolio and higher personal insolvencies in the United Kingdom. For discussions of the impact of SOP 03-3, see Consumer Portfolio Credit Risk Management beginning on page 53.

The commercial portion of the Provision for Credit Losses for 2006 was $243 million compared to negative $370 million in 2005. The increase was driven by the absence in 2006 in *Global Corporate and Investment Banking* of benefits from the release of reserves in 2005 related to an improved risk profile in Latin America and reduced uncertainties associated with the FleetBoston credit integration. Also contributing to the increase were both the addition of MBNA and seasoning of the business card and small business portfolios in *Global Consumer and Small Business Banking,* as well as lower recoveries in 2006 in *Global Corporate and Investment Banking.* Partially offsetting these increases were reductions in *Global Corporate and Investment Banking* commercial reserves in 2006 as a stable economic environment throughout 2006 drove sustained favorable commercial credit market conditions.

The Provision for Credit Losses related to unfunded lending commitments was $9 million in 2006 compared to negative $7 million in 2005.

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 first component of the Allowance for Loan and Lease Losses covers those commercial loans 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, 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 December 31, 2006, 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 December 31, 2006, quarterly updating of the loss forecast models increased the Allowance for Loan and Lease Losses due to portfolio seasoning and the trend toward more normalized loss levels. Included within this second 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. During 2006, commercial reserves were released as a stable economic environment throughout 2006 drove sustained favorable commercial credit market conditions.

We monitor differences between estimated and actual incurred loan and lease losses. This monitoring process includes periodic assessments by senior 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 27 was $5.6 billion at December 31, 2006, an increase of $1.0 billion from December 31, 2005. This increase was primarily attributable to the addition of MBNA.

The allowance for commercial loan and lease losses was $3.5 billion at December 31, 2006, a $74 million decrease from December 31, 2005. Commercial – foreign allowance levels decreased due to the sale of our Brazilian operations. The increase in commercial – domestic allowance levels was primarily attributable to the addition of MBNA partially offset by the above mentioned reductions in commercial reserves in 2006.

Within the individual consumer and commercial product categories, credit card – domestic allowance levels include reductions throughout 2006 from new securitizations and reductions as reserves established in 2005 for changes in minimum payment requirements were utilized to absorb associated net charge-offs. Direct/indirect consumer allowance levels increased as the Corporation discontinued new sales of receivables into the *Card Services* unsecured lending securitization trusts. Commercial – domestic allowance levels also increased as reserves were established for new advances on business card accounts for which previous loan balances were sold to the securitization trusts.

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, such as letters of credit and financial guarantees, and binding unfunded loan commitments. 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 senior management of credit portfolios and the models used to estimate incurred losses in those portfolios.

Changes to the reserve for unfunded lending commitments are made through the Provision for Credit Losses. The reserve for unfunded lending commitments at December 31, 2006 was $397 million, relatively flat with December 31, 2005.

Table 26 presents a rollforward of the allowance for credit losses for 2006 and 2005.

Table 26
Allowance for Credit Losses

(Dollars in millions)	2006	2005
Allowance for loan and lease losses, January 1	**$ 8,045**	$ 8,626
MBNA balance, January 1, 2006	**577**	—
Loans and leases charged off		
Residential mortgage	**(74)**	(58)
Credit card—domestic	**(3,546)**	(4,018)
Credit card—foreign	**(292)**	—
Home equity lines	**(67)**	(46)
Direct/Indirect consumer	**(748)**	(380)
Other consumer	**(436)**	(376)
Total consumer	**(5,163)**	(4,878)
Commercial—domestic	**(597)**	(535)
Commercial real estate	**(7)**	(5)
Commercial lease financing	**(28)**	(315)
Commercial—foreign	**(86)**	(61)
Total commercial	**(718)**	(916)
Total loans and leases charged off	**(5,881)**	(5,794)
Recoveries of loans and leases previously charged off		
Residential mortgage	**35**	31
Credit card—domestic	**452**	366
Credit card—foreign	**67**	—
Home equity lines	**16**	15
Direct/Indirect consumer	**224**	132
Other consumer	**133**	101
Total consumer	**927**	645
Commercial—domestic	**261**	365
Commercial real estate	**4**	5
Commercial lease financing	**56**	84
Commercial—foreign	**94**	133
Total commercial	**415**	587
Total recoveries of loans and leases previously charged off	**1,342**	1,232
Net charge-offs	**(4,539)**	(4,562)
Provision for loan and lease losses	**5,001**	4,021
Other	**(68)**	(40)
Allowance for loan and lease losses, December 31	**9,016**	8,045
Reserve for unfunded lending commitments, January 1	**395**	402
Provision for unfunded lending commitments	**9**	(7)
Other	**(7)**	—
Reserve for unfunded lending commitments, December 31	**397**	395
Total	**$ 9,413**	$ 8,440
Loans and leases outstanding at December 31	**$706,490**	$573,791
Allowance for loan and lease losses as a percentage of loans and leases outstanding at December 31	**1.28 %**	1.40 %
Consumer allowance for loan and lease losses as a percentage of consumer loans and leases outstanding at December 31	**1.19**	1.27
Commercial allowance for loan and lease losses as a percentage of commercial loans and leases outstanding at December 31	**1.44**	1.62
Average loans and leases outstanding during the year	**$652,417**	$537,218
Net charge-offs as a percentage of average loans and leases outstanding during the year [(1)]	**0.70 %**	0.85 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases at December 31	**505**	532
Ratio of the allowance for loan and lease losses at December 31 to net charge-offs [(1)]	**1.99**	1.76

(1)For 2006, the impact of SOP 03-3 decreased net charge-offs by $288 million. Excluding the impact of SOP 03-3, net charge-offs as a percentage of average loans and leases outstanding for 2006 was 0.74 percent, and the ratio of the Allowance for Loan and Lease Losses to net charge-offs was 1.87 at December 31, 2006.

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 27 presents our allocation by product type.

Table 27
Allocation of the Allowance for Credit Losses by Product Type

	December 31			
	2006		2005	
(Dollars in millions)	**Amount**	**Percent**	Amount	Percent
Allowance for loan and lease losses				
Residential mortgage	**$ 248**	**2.8 %**	$ 277	3.4 %
Credit card—domestic	**3,176**	**35.2**	3,301	41.0
Credit card—foreign	**336**	**3.7**	—	—
Home equity lines	**133**	**1.5**	136	1.7
Direct/Indirect consumer	**1,200**	**13.3**	421	5.2
Other consumer	**467**	**5.2**	380	4.8
Total consumer	**5,560**	**61.7**	4,515	56.1
Commercial—domestic	**2,162**	**24.0**	2,100	26.1
Commercial real estate	**588**	**6.5**	609	7.6
Commercial lease financing	**217**	**2.4**	232	2.9
Commercial—foreign	**489**	**5.4**	589	7.3
Total commercial [(1)]	**3,456**	**38.3**	3,530	43.9
Allowance for loan and lease losses	**9,016**	**100.0 %**	8,045	100.0 %
Reserve for unfunded lending commitments	**397**		395	
Total	**$9,413**		$8,440	

(1)Includes allowance for loan and lease losses of commercial impaired loans of $43 million and $55 million at December 31, 2006 and 2005.

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.

Our traditional banking loan and deposit products are nontrading positions and are reported at amortized cost for assets or the amount owed for liabilities (historical cost). The accounting rules require a historical cost view of traditional banking assets and liabilities. However, these positions are still subject to changes in economic value based on varying market conditions, primarily changes in the levels of interest rates. The risk of adverse changes in the economic value of our nontrading positions is managed through our ALM activities.

Trading positions are reported at estimated market value with changes reflected in income. Trading positions are subject to various risk factors, which include exposures to interest rates and foreign exchange rates, as well as equity, mortgage, commodity and issuer risk factors. We seek to mitigate these risk exposures by using techniques that encompass a variety of financial instruments in both the cash and derivatives markets. The following discusses the key risk components along with respective risk mitigation techniques.

Interest Rate Risk

Interest rate risk represents exposures to instruments whose values vary with the level or volatility of interest rates. These instruments include, but are not limited to, loans, debt securities, certain trading-related assets and liabilities, deposits, borrowings and derivative instruments. Hedging instruments used to mitigate these risks include related derivatives such as options, futures, forwards and swaps.

Foreign Exchange Risk

Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans, foreign currency-denominated securities, future cash flows in foreign currencies arising from foreign exchange transactions, foreign-currency denominated debt and various foreign exchange derivative instruments whose values fluctuate with changes in the level or volatility of currency exchange rates or foreign interest rates. Hedging instruments used to mitigate this risk include foreign exchange options, currency swaps, futures, forwards and deposits.

Mortgage Risk

Mortgage risk represents exposures to changes in the value of mortgage-related instruments. The values of these instruments are sensitive to prepayment rates, mortgage rates, default, other interest rates and interest rate volatility. Our exposure to these instruments takes several forms. First, we trade and engage in market-making activities in a variety of mortgage securities including whole loans, pass-through certificates, commercial mortgages, and collateralized mortgage obligations. Second, we originate a variety of mortgage-backed securities which involves the accumulation of mortgage-related loans in anticipation of eventual securitization. Third, we may hold positions in mortgage securities and residential mortgage loans as part of the ALM portfolio. Fourth, we create MSRs as part of our mortgage activities. See Notes 1 and 8 of the Consolidated Financial Statements for additional information on MSRs. Hedging instruments used to mitigate this risk include options, futures, forwards, swaps, swaptions and securities.

Equity Market Risk

Equity market risk represents exposures to securities that represent an ownership interest in a corporation in the form of domestic and foreign common stock or other equity-linked instruments. Instruments that would lead to this exposure include, but are not limited to, the following: common stock, exchange traded funds, American Depositary Receipts (ADRs), convertible bonds, listed equity options (puts and calls), over-the-counter equity options, equity total return swaps, equity index futures and other equity derivative products. Hedging instruments used to mitigate this risk include options, futures, swaps, convertible bonds and cash positions.

Commodity Risk

Commodity risk represents exposures to instruments traded in the petroleum, natural gas, power, and metals markets. These instruments consist primarily of futures, forwards, swaps and options. Hedging instruments used to mitigate this risk include options, futures and swaps in the same or similar commodity product, as well as cash positions.

Issuer Credit Risk

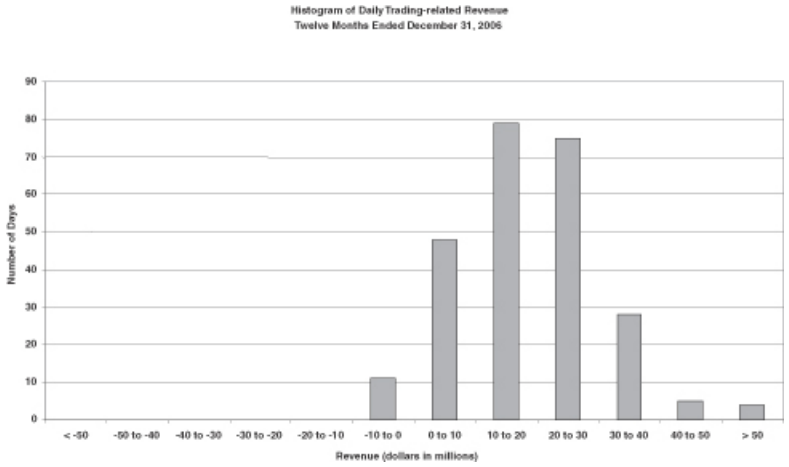
Issuer credit risk represents exposures to changes in the creditworthiness of individual issuers or groups of issuers. Our portfolio is exposed to issuer credit risk where the value of an asset may be adversely impacted by changes in the levels of credit spreads, by credit migration, or by defaults. Hedging instruments used to mitigate this risk include bonds, credit default swaps and other credit fixed income instruments.

Trading Risk Management

Trading-related revenues represent the amount earned from trading positions which are taken in a diverse range of financial instruments and markets. Trading account assets and liabilities and derivative positions are reported at fair value. For more information on fair value, see Complex Accounting Estimates beginning on page 81. Trading Account Profits represent the net amount earned from our trading positions and, as reported in the Consolidated Statement of Income, do not

include the Net Interest Income recognized on trading positions, or the related funding charge or benefit. Trading Account Profits can be volatile and are largely driven by general market conditions and customer demand. Trading Account Profits are dependent on the volume and type of transactions, the level of risk assumed, and the volatility of price and rate movements at any given time within the ever-changing market environment.

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 2006. Trading-related revenue encompasses proprietary trading and customer-related activities. During 2006, positive trading-related revenue was recorded for 96 percent of the trading days. Furthermore, there were no trading days with losses greater than $10 million and the largest loss was $10 million. This can be compared to 2005, where positive trading-related revenue was recorded for 86 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. Senior management reviews and evaluates the results of these limit excesses.

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 2006 and exceeded VAR twice in 2005.

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. Senior management reviews and evaluates the results of these tests.

The following graph shows daily trading-related revenue and VAR for 2006.

Table 28 presents average, high and low daily VAR for the twelve months ended December 31, 2006 and 2005.

Table 28
Trading Activities Market Risk

	Twelve Months Ended December 31					
	2006			2005		
		VAR			VAR	
(Dollars in millions)	Average	High [1]	Low [1]	Average	High [1]	Low [1]
Foreign exchange	**$ 8.2**	**$ 22.9**	**$ 3.1**	$ 5.6	$ 12.1	$ 2.6
Interest rate	**18.5**	**50.0**	**7.3**	24.7	58.2	10.8
Credit	**26.8**	**36.7**	**18.4**	22.7	33.4	14.4
Real estate/mortgage	**8.4**	**12.7**	**4.7**	11.4	20.7	6.5
Equities	**18.8**	**39.6**	**9.9**	18.1	35.1	9.6
Commodities	**6.1**	**9.9**	**3.4**	6.6	10.6	3.5
Portfolio diversification	**(45.5)**	**—**	**—**	(47.3)	—	—
Total market-based trading portfolio [2]	**$ 41.3**	**$ 59.8**	**$ 26.0**	$ 41.8	$ 67.0	$ 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 on page 57 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 senior management. During 2006, the largest losses among these scenarios ranged from $7 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.

Senior management reviews and evaluates results of these scenarios monthly. During 2006, the largest losses among these scenarios ranged from $441 million to $734 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.

The Balance Sheet Management group analyzes core net interest income – managed basis forecasts utilizing different rate scenarios, with the base case utilizing forward interest rates. The Balance Sheet Management group 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 baseline forecasts in order to assess interest rate sensitivity under varied conditions. The spot and 12-month forward monthly average rates used in our respective baseline forecasts at December 31, 2006 and 2005 were as follows:

Table 29
Forward Rates

	December 31			
	2006		2005	
	Federal Funds	**Ten-Year Swap**	Federal Funds	Ten-Year Swap
Spot rates	**5.25 %**	**5.18 %**	4.25 %	4.94 %
12-month forward average rates	**4.85**	**5.19**	4.75	4.97

The following table reflects the pre-tax dollar impact to forecasted core net interest income – managed basis over the next twelve months from December 31, 2006 and 2005, 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 24.

Table 30
Estimated Core Net Interest Income – Managed Basis at Risk

(Dollars in millions) Curve Change	Short Rate	Long Rate	December 31 2006	2005
+100 Parallel shift	+100	+100	**$(557)**	$(357)
-100 Parallel shift	-100	-100	**770**	244
Flatteners				
Short end	+100	—	**(687)**	(523)
Long end	—	-100	**(192)**	(298)
Steepeners				
Short end	-100	—	**971**	536
Long end	—	+100	**138**	168

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. See Note 9 of the Consolidated Financial Statements for additional information on Securitizations.

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, 2005. This exposure is primarily driven by the addition of MBNA. Conversely, 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.

Securities

The securities portfolio is an integral part of our ALM position. During the third quarter of 2006, we made a strategic shift in our balance sheet composition strategy to reduce the level of mortgage-backed securities and thereby reduce the level of investments in debt securities relative to loans. Accordingly, management targeted a reduction of mortgage-backed debt securities of approximately $100 billion over the next couple of years in order to achieve a balance sheet composition that would be consistent with management's revised risk-reward profile. Management expects the total targeted reduction will result from the third quarter sale of $43.7 billion in mortgage-backed securities combined with expected maturities and paydowns of mortgage-backed securities over the next couple of years. For those securities that are in an unrealized loss position we have the intent and ability to hold these securities to recovery.

The securities portfolio also includes investments to a lesser extent in corporate, municipal and other investment grade debt securities. The strategic shift in the balance sheet composition strategy did not impact these holdings. For those securities that are in an unrealized loss position we have the intent and ability to hold these securities to recovery.

During 2006 and 2005, we purchased AFS debt securities of $40.9 billion and $204.5 billion, sold $55.1 billion and $133.4 billion, and had maturities and received paydowns of $22.4 billion and $39.5 billion. We realized $(443) million and $1.1 billion in Gains (Losses) on Sales of Debt Securities during 2006 and 2005. The value of our Accumulated OCI related to AFS debt securities increased (improved) by $131 million (pre-tax) during 2006 which was driven by the realized loss on the securities sale partially offset by an increase in interest rates.

Accumulated OCI includes $2.9 billion in after-tax losses at December 31, 2006, related to after-tax unrealized losses associated with our AFS securities portfolio, including $3.1 billion of after-tax unrealized losses related to AFS debt securities and $249 million of after-tax unrealized gains related to AFS equity securities. Total market value of the AFS debt securities was $192.8 billion at December 31, 2006, with a weighted average duration of 4.1 years and primarily relates to our mortgage-backed securities portfolio.

Changes to the Accumulated OCI amounts for the AFS securities portfolio going forward will be driven by further interest rate or price fluctuations, the collection of cash flows including prepayment and maturity activity, and the passage of time.

Residential Mortgage Portfolio

During 2006 and 2005, we purchased $42.3 billion and $32.0 billion of residential mortgages related to ALM activities and sold $11.0 billion and $10.1 billion. We added $51.9 billion and $18.3 billion of originated residential mortgages to the balance sheet for 2006 and 2005. Additionally, we received paydowns of $24.7 billion and $35.8 billion for 2006 and 2005. The ending balance at December 31, 2006 was $241.2 billion, compared to $182.6 billion at December 31, 2005.

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 market values on our balance sheet due to interest rate and foreign exchange components. See Note 4 of the Consolidated Financial Statements for additional information on our hedging activities.

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 31 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 December 31, 2006 and 2005.

The changes in 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 cash and derivative positions. The notional amount of our net receive fixed swap position (including foreign exchange contracts) decreased $10.5 billion to $12.3 billion at December 31, 2006 compared to $22.8 billion at December 31, 2005. The decrease in the net receive fixed position is primarily due to terminations and maturities within the portfolio during the year. The notional amount of our foreign exchange basis swaps increased $14.1 billion to $31.9 billion at December 31, 2006 compared to $17.8 billion at December 31, 2005. The notional amount of our option position increased $186.0 billion to $243.3 billion at December 31, 2006, compared to December 31, 2005. The increase in the notional amount of options was due to the addition of caps used to reduce the sensitivity of Net Interest Income to changes in market interest rates. Futures and forward rate contracts are comprised primarily of $8.5 billion of forward purchase contracts of mortgage loans at December 31, 2006 and $35.0 billion of forward purchase contracts of mortgage-backed securities and mortgage loans at December 31, 2005. The forward purchase contracts outstanding at December 31, 2006, settled in January 2007 with an average yield of 5.67 percent. The forward purchase contracts outstanding at December 31, 2005, settled from January 2006 to April 2006, with an average yield of 5.46 percent.

The following table includes derivatives utilized in our ALM activities, including those designated as SFAS 133 accounting hedges and those used as economic hedges. The fair value of net ALM contracts increased from a loss of $386 million at December 31, 2005 to a gain of $1.5 billion at December 31, 2006. The increase was primarily attributable to gains from changes in the value of foreign exchange basis swaps of $2.6 billion and receive fixed and pay fixed interest rate swaps of $1.3 billion, partially offset by losses from changes in the values of foreign exchange contracts of $1.2 billion, and option products of $1.0 billion. The increase in the value of foreign exchange basis swaps was due to the strengthening of most foreign currencies against the dollar during 2006. The increases in the value of receive fixed interest rate swaps was due to terminations partially offset by losses as a result of increases in market interest rates. The increase in the value of pay fixed interest rate swaps was due to gains from increases in market interest rates partially offset by terminations. The decrease in the value of foreign exchange contracts was due primarily to increases in foreign interest rates during 2006. The decrease in the value of option products was primarily due to changes in the composition of the option portfolio.

Table 31
Asset and Liability Management Interest Rate and Foreign Exchange Contracts

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]	$ (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]	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]	(319)								
Notional amount [5]		20,319	(753)	1,588	1,901	3,850	1,104	12,629	
Futures and forward rate contracts [6]	(46)								
Notional amount [5]		8,480	8,480	—	—	—	—	—	
Net ALM contracts	$ 1,457								

December 31, 2005

(Dollars in millions, average estimated duration in years)	Fair Value	Expected Maturity							Average Estimated Duration
		Total	2006	2007	2008	2009	2010	Thereafter	
Receive fixed interest rate swaps [1]	$(1,390)								4.17
Notional amount		$108,985	$ 4,337	$13,080	$ 6,144	$39,107	$10,387	$ 35,930	
Weighted average fixed rate		4.62 %	4.75 %	4.66 %	4.02 %	4.51 %	4.43 %	4.77 %	
Pay fixed interest rate swaps [1]	(408)								3.85
Notional amount		$102,281	$ 5,100	$55,925	$10,152	$ —	$ —	$ 31,104	
Weighted average fixed rate		4.61 %	3.23 %	4.46 %	4.24 %	— %	— %	5.21 %	
Foreign exchange basis swaps [2]	(644)								
Notional amount		$ 17,806	$ 514	$ 174	$ 884	$ 2,839	$ 3,094	$ 10,301	
Option products [3]	1,349								
Notional amount		57,246	—	—	57,246	—	—	—	
Foreign exchange contracts [4]	909								
Notional amount [5]		16,061	1,335	51	1,436	1,826	3,485	7,928	
Futures and forward rate contracts	(202)								
Notional amount [5]		34,716	34,716	—	—	—	—	—	
Net ALM contracts	$ (386)								

(1) At December 31, 2006, $4.2 billion of the receive fixed 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. At December 31, 2005, $46.6 billion of the receive fixed swap notional and $41.9 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 $225.1 billion in caps and $18.2 billion in swaptions at December 31, 2006. Amounts at December 31, 2005 totaled $5.0 billion in caps and $52.2 billion in swaptions.
(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 at December 31, 2006 was comprised of $21.0 billion in foreign-denominated and cross currency receive fixed swaps and $697 million in foreign currency forward rate contracts. At December 31, 2005, the notional balance consisted entirely of $16.1 billion in foreign-denominated and cross-currency fixed swaps.
(5) Reflects the net of long and short positions.
(6) At December 31, 2006, the position was comprised of $8.5 billion in forward purchase contracts that settled in January 2007.

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 at December 31, 2006 was $3.7 billion. These net losses are expected to be 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 December 31, 2006, 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, 83 percent within 10 years, with the remaining 17 percent thereafter. For more information on derivatives designated as cash flow hedges, see Note 4 of the Consolidated Financial Statements.

The amount included in Accumulated OCI for terminated derivative contracts were losses of $3.2 billion and $2.5 billion, net-of-tax, at December 31, 2006 and 2005. The increase in losses can be attributable primarily to losses in the value of interest rate derivatives that were terminated during the year. 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

Interest rate lock commitments (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 either as an economic hedge of IRLCs and residential first mortgage loans held-for-sale, or designated as a cash flow hedge of residential first mortgage loans held-for-sale, in which case their net-of-tax unrealized gains and losses are included in Accumulated OCI. At December 31, 2006, the notional amount of derivatives economically hedging the IRLCs and residential first mortgage loans held-for-sale was $15.0 billion.

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 December 31, 2006, the amount of MSRs identified as being hedged by derivatives was approximately $2.9 billion. The notional amount of the derivative contracts designated as economic hedges of MSRs at December 31, 2006 was $44.9 billion. The changes in the fair values of the derivative contracts are substantially offset by changes in the values of the MSRs that are hedged by these derivative contracts. During 2006, the increase in value attributed to economically hedged MSRs was $414 million offset by derivative hedge losses of $200 million.

The Corporation adopted SFAS No. 156 “Accounting for Servicing of Financial Assets” and accounts for consumer-related MSRs using the fair value measurement method on January 1, 2006. See Note 1 of the Consolidated Financial Statements for additional information as it relates to this accounting standard. See Note 8 of the Consolidated Financial Statements for additional information on MSRs.

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 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 issued or proposed accounting pronouncements.

Complex Accounting Estimates

Our significant accounting principles, as described in Note 1 of the Consolidated Financial Statements, 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.

The more judgmental estimates are summarized below. We have identified and described the development of the variables most important in the estimation process that, with the exception of accrued taxes, involve mathematical models to derive the estimates. In many cases, there are numerous alternative judgments that could be used in the process of determining the inputs to the model. Where alternatives exist, we have used the factors that we believe represent the most reasonable value in developing the inputs. Actual performance that differs from our estimates of the key variables could impact Net Income. Separate from the possible future impact to Net Income from input and model variables, the value of our lending portfolio and market sensitive assets and liabilities may change subsequent to the balance sheet measurement, often significantly, due to the nature and magnitude of future credit and market conditions. Such credit and market conditions may change quickly and in unforeseen ways and the resulting volatility could have a significant, negative effect on future operating results. These fluctuations would not be indicative of deficiencies in our models or inputs.

Allowance for Credit Losses

The allowance for credit losses is our estimate of probable losses in the loans and leases portfolio and within our unfunded lending commitments. Changes to the allowance for credit losses are reported in the Consolidated Statement of Income in the Provision for Credit Losses. Our process for determining the allowance for credit losses is discussed in the Credit Risk Management section beginning on page 53 and Note 1 of the Consolidated Financial Statements. Due to the variability in the drivers of the assumptions made in this process, estimates of the portfolio's inherent risks and overall collectibility change with changes in the economy, individual industries, countries and individual borrowers' or counterparties' ability and willingness to repay their obligations. The degree to which any particular assumption affects the allowance for credit losses depends on the severity of the change and its relationship to the other assumptions.

Key judgments used in determining the allowance for credit losses include: (i) risk ratings for pools of commercial loans and leases, (ii) market and collateral values and discount rates for individually evaluated loans, (iii) product type classifications for consumer and commercial loans and leases, (iv) loss rates used for consumer and commercial loans and leases, (v) adjustments made to assess current events and conditions, (vi) considerations regarding domestic and global economic uncertainty, and (vii) overall credit conditions.

Our Allowance for Loan and Lease Losses is sensitive to the risk rating assigned to commercial loans and leases. Assuming a downgrade of one level in the internal risk rating for commercial loans and leases rated under the internal risk rating scale, except loans and leases already risk rated Doubtful as defined by regulatory authorities, the Allowance for Loan and Lease Losses would increase by approximately $830 million at December 31, 2006. The Allowance for Loan and Lease Losses as a percentage of loan and lease outstandings at December 31, 2006 was 1.28 percent and this hypothetical increase in the allowance would raise the ratio to approximately 1.39 percent. Our Allowance for Loan and Lease Losses is also sensitive to the loss rates used for the consumer and commercial portfolios. A 10 percent increase in the loss rates used on the consumer and commercial loan and lease portfolios would increase the Allowance for Loan and Lease Losses at December 31, 2006 by approximately $610 million, of which $515 million would relate to consumer and $95 million to commercial.

These sensitivity analyses do not represent management's expectations of the deterioration in risk ratings or the increases in loss rates but are provided as hypothetical scenarios to assess the sensitivity of the Allowance for Loan and Lease Losses to changes in key inputs. We believe the risk ratings and loss severities currently in use are appropriate and that the probability of a downgrade of one level of the internal risk ratings for commercial loans and leases within a short period of time is remote.

The process of determining the level of the allowance for credit losses requires a high degree of judgment. It is possible that others, given the same information, may at any point in time reach different reasonable conclusions.

Fair Value of Financial Instruments

Trading Account Assets and Liabilities are recorded at fair value, which is primarily based on actively traded markets where prices are based on either direct market quotes or observed transactions. Liquidity is a significant factor in the determination of the fair value of Trading Account Assets or Liabilities. Market price quotes may not be readily available for some positions, or positions within a market sector where trading activity has slowed significantly or ceased. Situations of illiquidity generally are triggered by the market's perception of credit uncertainty regarding a single company or a specific market sector. In these instances, fair value is determined based on limited available market information and other factors, principally from reviewing the issuer's financial statements and changes in credit ratings made by one or more rating agencies. At December 31, 2006, $8.4 billion, or six percent, of Trading Account Assets were fair valued using these alternative approaches. An immaterial amount of Trading Account Liabilities were fair valued using these alternative approaches at December 31, 2006.

The fair values of Derivative Assets and Liabilities include adjustments for market liquidity, counterparty credit quality, future servicing costs and other deal specific factors, where appropriate. To ensure the prudent application of estimates and management judgment in determining the fair value of Derivative Assets and Liabilities, various processes and controls have been adopted, which include: a Model Validation Policy that requires a review and approval of quantitative models used for deal pricing, financial statement fair value determination and risk quantification; a Trading Product Valuation Policy that requires verification of all traded product valuations; and a periodic review and substantiation of daily profit and loss reporting for all traded products. These processes and controls are performed independently of the business segments.

The fair values of Derivative Assets and Liabilities traded in the over-the-counter market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices, and indices to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third- party pricing services. Estimation risk is greater for derivative asset and liability positions that are either option-based or have longer maturity dates where observable market inputs are less readily available or are unobservable, in which case quantitative based extrapolations of rate, price or index scenarios are used in determining fair values. At December 31, 2006,

the fair values of Derivative Assets and Liabilities determined by these quantitative models were $29.0 billion and $27.7 billion. These amounts reflect the full fair value of the derivatives and do not isolate the discrete value associated with the subjective valuation variable. Further, they represent 12.3 percent and 12.2 percent of Derivative Assets and Liabilities, before the impact of legally enforceable master netting agreements. For the year ended December 31, 2006, there were no changes to the quantitative models, or uses of such models, that resulted in a material adjustment to the Consolidated Statement of Income.

Trading Account Profits, which represent the net amount earned from our trading positions, can be volatile and are largely driven by general market conditions and customer demand. Trading Account Profits are dependent on the volume and type of transactions, the level of risk assumed, and the volatility of price and rate movements at any given time within the ever-changing market environment. 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 trading limits, stress testing and tools such as VAR modeling, which estimates a potential daily loss which is not expected to be exceeded with a specified confidence level, to measure and manage market risk. At December 31, 2006, the amount of our VAR was $48 million based on a 99 percent confidence level. For more information on VAR, see Trading Risk Management beginning on page 73.

The Corporation recognizes gains and losses at inception of a derivative contract only if the fair value of the contract is evidenced by a quoted market price in an active market, an observable price or other market transaction, or other observable data supporting a valuation model in accordance with 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). For those gains and losses not evidenced by the above mentioned market data, the transaction price is used as the fair value of the derivative contract. Any difference between the transaction price and the model fair value is considered an unrecognized gain or loss at inception of the contract. These unrecognized gains and losses are recorded in income using the straight line method of amortization over the contractual life of the derivative contract. Earlier recognition of the full unrecognized gain or loss is permitted if the trade is terminated early, subsequent market activity is observed which supports the model fair value of the contract, or significant inputs used in the valuation model become observable in the market. As of December 31, 2006, the balance of the above unrecognized gains and losses was not material. SFAS No. 157, “Fair Value Measurements” which defines fair value, establishes a framework for measuring fair value under GAAP and enhances disclosures about fair value measurements, will nullify certain guidance in EITF 02-3 when adopted and as a result, a portion of the above unrecognized gains and losses will be accounted for as a cumulative-effect adjustment to the opening balance of Retained Earnings.

AFS Securities are recorded at fair value, which is generally based on direct market quotes from actively traded markets.

Principal Investing

Principal Investing is included within *Equity Investments* included in *All Other* and is discussed in more detail beginning on page 41. 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. Some of these companies may need access to additional cash to support their long-term business models. Market conditions and company performance may impact whether funding is available from private investors or the capital markets.

Investments with active market quotes are carried at estimated fair value; however, the majority of our investments do not have publicly available price quotations. At December 31, 2006, we had nonpublic investments of $5.1 billion, or approximately 95 percent of the total portfolio. Valuation of these investments requires significant management judgment. Management determines values of the underlying investments based on multiple methodologies including in-depth semi-annual reviews of the investee’s financial statements and financial condition, discounted cash flows, the prospects of the investee’s industry and current overall market conditions for similar investments. In addition, on a quarterly basis as events occur or information comes to the attention of management that indicates a change in the value of an investment is warranted, investments are adjusted from their original invested amount to estimated fair values at the balance sheet date with changes being recorded in Equity Investment Gains in the Consolidated Statement of Income. Investments are not adjusted above the original amount invested unless there is clear evidence of a fair value in excess of the original invested

amount. As part of the valuation process, senior management reviews the portfolio and determines when an impairment needs to be recorded. The Principal Investing portfolio is not material to our Consolidated Balance Sheet, but the impact of the valuation adjustments may be material to our operating results for any particular quarter.

Accrued Income Taxes

As more fully described in Notes 1 and 18 of the Consolidated Financial Statements, we account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes" (SFAS 109). Accrued income taxes, reported as a component of Accrued Expenses and Other Liabilities on our Consolidated Balance Sheet, represents the net amount of current income taxes we expect to pay to or receive from various taxing jurisdictions attributable to our operations to date. We currently file income tax returns in more than 100 jurisdictions and consider many factors—including statutory, judicial and regulatory guidance—in estimating the appropriate accrued income taxes for each jurisdiction.

In applying the principles of SFAS 109, we monitor relevant tax authorities and change our estimate of accrued income taxes due to changes in income tax laws and their interpretation by the courts and regulatory authorities. These revisions of our estimate of accrued income taxes, which also may result from our own income tax planning and from the resolution of income tax controversies, may be material to our operating results for any given quarter.

Goodwill and Intangibles Assets

The nature of and accounting for Goodwill and Intangible Assets is discussed in detail in Notes 1 and 10 of the Consolidated Financial Statements. Goodwill is reviewed for potential impairment at the reporting unit level on an annual basis, or in interim periods if events or circumstances indicate a potential impairment. The reporting units utilized for this test were those that are one level below the business segments identified on page 25. The impairment test is performed in two steps. The first step of the Goodwill impairment test compares the fair value of the reporting unit with its carrying amount, including Goodwill. If the fair value of the reporting unit exceeds its carrying amount, Goodwill of the reporting unit is considered not impaired; however, if the carrying amount of the reporting unit exceeds its fair value, the second step must be performed. The second step compares the implied fair value of the reporting unit's Goodwill, as defined in SFAS No. 142, "Goodwill and Other Intangible Assets", with the carrying amount of that Goodwill. An impairment loss is recorded to the extent that the carrying amount of Goodwill exceeds its implied fair value.

For Intangible Assets subject to amortization, impairment exists when the carrying amount of the Intangible Asset exceeds its fair value. An impairment loss will be recognized only if the carrying amount of the Intangible Asset is not recoverable and exceeds its fair value. The carrying amount of the Intangible Asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from it. An Intangible Asset subject to amortization shall be tested for recoverability whenever events or changes in circumstances, such as a significant or adverse change in the business climate that could affect the value of the Intangible Asset, indicate that its carrying amount may not be recoverable. An impairment loss is recorded to the extent the carrying amount of the Intangible Asset exceeds its fair value.

The fair values of the reporting units were determined using a combination of valuation techniques consistent with the income approach and the market approach and the fair values of the Intangible Assets were determined using the income approach. For purposes of the income approach, discounted cash flows were calculated by taking the net present value of estimated cash flows using a combination of historical results, estimated future cash flows and an appropriate price to earnings multiple. We use our internal forecasts to estimate future cash flows and actual results may differ from forecasted results. However, these differences have not been material and we believe that this methodology provides a reasonable means to determine fair values. Cash flows were discounted using a discount rate based on expected equity return rates, which was 11 percent for 2006. Expected rates of equity returns were estimated based on historical market returns and risk/return rates for similar industries of the reporting unit. For purposes of the market approach, valuations of reporting units were based on actual comparable market transactions and market earnings multiples for similar industries of the reporting unit.

Our evaluations for the year ended December 31, 2006 indicated there was no impairment of Goodwill or Intangible Assets.

2005 Compared to 2004

The following discussion and analysis provides a comparison of our results of operations for 2005 and 2004. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes. Tables 5 and 6 contain financial data to supplement this discussion.

Overview

Net Income

Net Income totaled $16.5 billion, or $4.04 per diluted common share, in 2005 compared to $13.9 billion, or $3.64 per diluted common share, in 2004. The return on average common shareholders' equity was 16.51 percent in 2005 compared to 16.47 percent in 2004. These earnings provided sufficient cash flow to allow us to return $10.6 billion and $9.0 billion in 2005 and 2004, in capital to shareholders in the form of dividends and share repurchases, net of employee stock options exercised.

Net Interest Income

Net Interest Income on a FTE basis increased $2.9 billion to $31.6 billion in 2005 compared to 2004. The primary drivers of the increase were the impact of FleetBoston, organic growth in consumer (primarily credit card and home equity) and commercial loans, higher domestic deposit levels and a larger ALM portfolio (primarily securities). Partially offsetting these increases was the adverse impact of spread compression due to the flattening of the yield curve, which contributed to lower Net Interest Income. The net interest yield on a FTE basis declined 33 bps to 2.84 percent in 2005, primarily due to the adverse impact of an increase in lower-yielding, trading-related balances and spread compression, which was partially offset by growth in core deposit and consumer loans.

Noninterest Income

Noninterest Income increased $4.3 billion to $25.4 billion in 2005, due primarily to increases in Card Income of $1.2 billion, Equity Investment Gains of $1.2 billion, Trading Account Profits of $750 million, Service Charges of $715 million, Investment and Brokerage Services of $570 million and Mortgage Banking Income of $391 million. Card Income increased due to increased interchange income and merchant discount fees driven by growth in debit and credit purchase volumes and the acquisition of National Processing, Inc. (NPC). Equity Investment Gains increased as liquidity in the private equity markets increased. Trading Account Profits increased due to increased customer activity and the absence of a writedown of the Excess Spread Certificates that occurred in 2004. Service Charges grew driven by organic account growth. Investment and Brokerage Services increased due to higher asset management fees and mutual fund fees. Mortgage Banking Income grew due to lower MSR impairment charges, partially offset by lower production income. Offsetting these increases was lower Other Income of $396 million primarily related to losses on derivative instruments designated as economic hedges in ALM activities that did not qualify for SFAS 133 hedge accounting treatment.

Provision for Credit Losses

The Provision for Credit Losses increased $1.2 billion to $4.0 billion in 2005. Domestic consumer credit card drove the increase, the result of higher bankruptcy related credit costs resulting from bankruptcy reform, portfolio seasoning, the impact of the FleetBoston portfolio and new advances on accounts for which previous loan balances were sold to the securitization trusts. The provision also increased as the rate of credit quality improvement slowed in the commercial portfolio and a reserve was established for estimated losses associated with Hurricane Katrina. Partially offsetting these increases were reductions in the reserves due to an improved risk profile in Latin America as well as reduced uncertainties associated with the FleetBoston credit integration.

Gains on Sales of Debt Securities

Gains on Sales of Debt Securities in 2005 and 2004, were $1.1 billion and $1.7 billion. The decrease was primarily due to lower gains realized on mortgage-backed securities and corporate bonds.

Noninterest Expense

Noninterest Expense increased $1.7 billion in 2005 from 2004, primarily due to the impact of FleetBoston and increases in personnel-related costs.

Income Tax Expense

Income Tax Expense was $8.0 billion in 2005 compared to $7.0 billion in 2004, resulting in an effective tax rate of 32.7 percent in 2005 and 33.3 percent in 2004. The difference in the effective tax rate between years resulted primarily from a tax benefit of $70 million related to the special one-time deduction associated with the repatriation of certain foreign earnings under the American Jobs Creation Act of 2004.

Business Segment Operations

Global Consumer and Small Business Banking

Net Income increased $1.3 billion, or 22 percent, to $7.0 billion in 2005 compared to 2004. Total Revenue rose $3.6 billion, or 15 percent, in 2005 compared to 2004, driven by increases in Net Interest Income and Noninterest Income. Growth in Average Deposits and Average Loans and Leases contributed to the $1.1 billion, or seven percent, increase in Net Interest Income. Increases in Card Income of $1.0 billion, Service Charges of $665 million and Mortgage Banking Income of $423 million drove the $2.5 billion, or 28 percent, increase in Noninterest Income. These increases were offset by increases in the Provision for Credit Losses and Noninterest Expense. The Provision for Credit Losses increased $912 million to $4.2 billion in 2005 mainly due to higher credit card net charge-offs driven by an increase in bankruptcy-related net charge-offs. In addition, the provision was impacted by new advances on accounts for which previous loan balances were sold to the securitization trusts. Noninterest Expense increased $680 million, or five percent, primarily due to the impact of FleetBoston and NPC.

Global Corporate and Investment Banking

Net Income increased $468 million, or eight percent, to $6.4 billion in 2005 compared to 2004. Total Revenue increased $1.9 billion, or 10 percent, in 2005 compared to 2004, driven by increases in Net Interest Income and Noninterest Income. Net Interest Income rose $486 million, or five percent, due to growth in Average Loans and Leases and Average Deposits, wider spreads on the deposit portfolio due to higher short-term interest rates, and the impact of FleetBoston earning assets offset by spread compression and a flattening yield curve in 2005. Noninterest Income increased $1.5 billion, or 18 percent, resulting from higher other noninterest income, Trading Account Profits and Investment and Brokerage Services. Net Income was also impacted by higher Gains on Sales of Debt Securities. These increases were partially offset by an increase in Noninterest Expense and a reduced benefit from Provision for Credit Losses. The Provision for Credit Losses increased $595 million to negative $291 million in 2005. The negative provision reflected continued improvement in commercial credit quality although at a slower pace than experienced in 2004. An improved risk profile in Latin America and reduced uncertainties resulting from the completion of credit-related integration activities for FleetBoston also contributed to the negative provision. Noninterest Expense increased by $832 million, or eight percent, driven by higher performance-based incentive compensation, processing costs and the impact of FleetBoston, partially offset by nonrecurring charges recognized in 2004 for the segment’s share of the mutual fund settlement and other litigation expenses.

Global Wealth and Investment Management

Net Income increased $684 million, or 42 percent, to $2.3 billion in 2005 compared to 2004. Total Revenue increased $1.3 billion, or 22 percent, in 2005. Net Interest Income increased $899 million, or 31 percent, driven by the addition of the FleetBoston portfolio and organic growth in deposits and loans in *PB&I* and *The Private Bank. Global Wealth and Investment Management* also benefited from the migration of deposits from *Global Consumer and Small Business Banking.* The total cumulative average impact of migrated balances was $39.3 billion in 2005 compared to $11.1 billion in 2004. Noninterest Income increased $417 million, or 14 percent, driven by increased Investment and Brokerage Services revenue primarily due to the impact of FleetBoston. These increases were offset by higher Noninterest Expense. Noninterest Expense increased $252 million, or seven percent, related to higher Personnel expense driven by *PB&I* growth in the Northeast and the impact of FleetBoston, partially offset by nonrecurring charges recognized in 2004 for the segment's share of the mutual fund settlement and other litigation expenses.

All Other

Net Income increased $112 million, or 18 percent, to $744 million in 2005 compared to 2004. In 2005 compared to 2004, Total Revenue rose $379 million to $684 million, primarily driven by an increase in Equity Investment Gains in 2005. Offsetting this increase was a decline in the fair value of derivative instruments which were used as economic hedges of interest and foreign exchange rates as part of our ALM activities. Provision for Credit Losses decreased $277 million to $69 million in 2005, resulting from changes to components of the formula and other factors effective in 2004, and reduced credit costs in 2005 associated with previously exited businesses. These decreases were offset in part by the establishment of a $50 million reserve for estimated losses associated with Hurricane Katrina. Gains on Sales of Debt Securities decreased $794 million to $823 million primarily due to lower gains realized in 2005 on mortgage-backed securities and corporate bonds than in 2004. Merger and Restructuring Charges decreased $206 million as the FleetBoston integration was nearing completion and the infrastructure initiative was completed in the first quarter of 2005. Income Tax Expense decreased $155 million in 2005, driven by an increase in tax benefits for low-income housing credits.

Statistical Tables

Table I
Year-to-date Average Balances and Interest Rates – FTE Basis

(Dollars in millions)	2006 Average Balance	2006 Interest Income/ Expense	2006 Yield/ Rate	2005 Average Balance	2005 Interest Income/ Expense	2005 Yield/ Rate	2004 Average Balance	2004 Interest Income/ Expense	2004 Yield/ Rate
Earning assets									
Time deposits placed and other short-term investments	**$ 15,611**	**$ 646**	**4.14 %**	$ 14,286	$ 472	3.30 %	$ 14,254	$ 362	2.54 %
Federal funds sold and securities purchased under agreements to resell	**175,334**	**7,823**	**4.46**	169,132	5,012	2.96	128,981	1,940	1.50
Trading account assets	**145,321**	**7,552**	**5.20**	133,502	5,883	4.41	104,616	4,092	3.91
Debt securities [1]	**225,219**	**11,845**	**5.26**	219,843	11,047	5.03	150,171	7,320	4.88
Loans and leases [2]:									
Residential mortgage	**207,879**	**11,608**	**5.58**	173,773	9,424	5.42	167,270	9,056	5.42
Credit card – domestic	**63,838**	**8,638**	**13.53**	53,997	6,253	11.58	43,435	4,653	10.71
Credit card – foreign	**9,141**	**1,147**	**12.55**	—	—	—	—	—	—
Home equity lines	**68,696**	**5,105**	**7.43**	56,289	3,412	6.06	39,400	1,835	4.66
Direct/Indirect consumer [3]	**59,597**	**4,552**	**7.64**	44,981	2,589	5.75	38,078	2,093	5.50
Other consumer [4]	**10,713**	**1,089**	**10.17**	6,908	667	9.67	7,717	594	7.70
Total consumer	**419,864**	**32,139**	**7.65**	335,948	22,345	6.65	295,900	18,231	6.16
Commercial – domestic	**151,231**	**10,897**	**7.21**	128,034	8,266	6.46	114,644	6,978	6.09
Commercial real estate [5]	**36,939**	**2,740**	**7.42**	34,304	2,046	5.97	28,085	1,263	4.50
Commercial lease financing	**20,862**	**995**	**4.77**	20,441	992	4.85	17,483	819	4.68
Commercial – foreign	**23,521**	**1,674**	**7.12**	18,491	1,292	6.99	16,505	850	5.15
Total commercial	**232,553**	**16,306**	**7.01**	201,270	12,596	6.26	176,717	9,910	5.61
Total loans and leases	**652,417**	**48,445**	**7.43**	537,218	34,941	6.50	472,617	28,141	5.95
Other earning assets	**55,242**	**3,498**	**6.33**	38,013	2,103	5.53	34,634	1,815	5.24
Total earning assets [6]	**1,269,144**	**79,809**	**6.29**	1,111,994	59,458	5.35	905,273	43,670	4.82
Cash and cash equivalents	**34,052**			33,199			28,511		
Other assets, less allowance for loan and lease losses	**163,485**			124,699			110,847		
Total assets	**$ 1,466,681**			$ 1,269,892			$1,044,631		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	**$ 34,608**	**$ 269**	**0.78 %**	$ 36,602	$ 211	0.58 %	$ 33,959	$ 119	0.35 %
NOW and money market deposit accounts	**218,077**	**3,923**	**1.80**	227,722	2,839	1.25	214,542	1,921	0.90
Consumer CDs and IRAs	**144,738**	**6,022**	**4.16**	124,385	4,091	3.29	94,770	2,540	2.68
Negotiable CDs, public funds and other time deposits	**12,195**	**483**	**3.97**	6,865	250	3.65	5,977	290	4.85
Total domestic interest-bearing deposits	**409,618**	**10,697**	**2.61**	395,574	7,391	1.87	349,248	4,870	1.39
Foreign interest-bearing deposits:									
Banks located in foreign countries	**34,985**	**1,982**	**5.67**	22,945	1,202	5.24	18,426	679	3.68
Governments and official institutions	**12,674**	**586**	**4.63**	7,418	238	3.21	5,327	97	1.82
Time, savings and other	**38,544**	**1,215**	**3.15**	31,603	661	2.09	27,739	275	0.99
Total foreign interest-bearing deposits	**86,203**	**3,783**	**4.39**	61,966	2,101	3.39	51,492	1,051	2.04
Total interest-bearing deposits	**495,821**	**14,480**	**2.92**	457,540	9,492	2.08	400,740	5,921	1.48
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**411,132**	**19,840**	**4.83**	326,408	11,615	3.56	227,565	4,072	1.79
Trading account liabilities	**64,689**	**2,640**	**4.08**	57,689	2,364	4.10	35,326	1,317	3.73
Long-term debt	**130,124**	**7,034**	**5.41**	97,709	4,418	4.52	92,303	3,683	3.99
Total interest-bearing liabilities [6]	**1,101,766**	**43,994**	**3.99**	939,346	27,889	2.97	755,934	14,993	1.98
Noninterest-bearing sources:									
Noninterest-bearing deposits	**177,174**			174,892			150,819		
Other liabilities	**57,278**			55,793			53,063		
Shareholders' equity	**130,463**			99,861			84,815		
Total liabilities and shareholders' equity	**$ 1,466,681**			$ 1,269,892			$1,044,631		
Net interest spread			**2.30 %**			2.38 %			2.84 %
Impact of noninterest-bearing sources			**0.52**			0.46			0.33
Net interest income/yield on earning assets [7]		**$ 35,815**	**2.82 %**		$ 31,569	2.84 %		$ 28,677	3.17 %

(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 $9.6 billion, $7.6 billion and $5.6 billion in 2006, 2005 and 2004, respectively.
(4) Includes consumer finance loans of $2.9 billion, $3.1 billion and $3.7 billion in 2006, 2005 and 2004, respectively; and foreign consumer loans of $7.8 billion, $3.6 billion and $3.0 billion in 2006, 2005 and 2004, respectively.
(5) Includes domestic commercial real estate loans of $36.2 billion, $33.8 billion and $27.7 billion in 2006, 2005 and 2004, respectively.
(6) Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on the underlying assets $(372) million, $704 million and $2.1 billion in 2006, 2005 and 2004, respectively. Interest expense includes the impact of interest rate risk management contracts, which increased interest expense on the underlying liabilities $106 million, $1.3 billion and $1.5 billion in 2006, 2005 and 2004, respectively. For further information on interest rate contracts, see "Interest Rate Risk Management for Nontrading Activities" beginning on page 76.
(7) Interest income (FTE basis) in 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 2 bps, respectively, in 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.

Table II
Analysis of Changes in Net Interest Income—FTE Basis

(Dollars in millions)	From 2005 to 2006 Due to Change in [1] Volume	Rate	Net Change	From 2004 to 2005 Due to Change in [1] Volume	Rate	Net Change
Increase (decrease) in interest income						
Time deposits placed and other short-term investments	**$ 43**	**$ 131**	**$ 174**	$ 1	$ 109	$ 110
Federal funds sold and securities purchased under agreements to resell	**178**	**2,633**	**2,811**	597	2,475	3,072
Trading account assets	**526**	**1,143**	**1,669**	1,128	663	1,791
Debt securities	**282**	**516**	**798**	3,408	319	3,727
Loans and leases:						
Residential mortgage	**1,843**	**341**	**2,184**	362	6	368
Credit card—domestic	**1,139**	**1,246**	**2,385**	1,130	470	1,600
Credit card—foreign	**1,147**	**—**	**1,147**	—	—	—
Home equity lines	**751**	**942**	**1,693**	788	789	1,577
Direct/Indirect consumer	**838**	**1,125**	**1,963**	381	115	496
Other consumer	**369**	**53**	**422**	(62)	135	73
Total consumer			**9,794**			4,114
Commercial—domestic	**1,504**	**1,127**	**2,631**	819	469	1,288
Commercial real estate	**159**	**535**	**694**	281	502	783
Commercial lease financing	**20**	**(17)**	**3**	138	35	173
Commercial—foreign	**352**	**30**	**382**	102	340	442
Total commercial			**3,710**			2,686
Total loans and leases			**13,504**			6,800
Other earning assets	**952**	**443**	**1,395**	177	111	288
Total interest income			**$20,351**			$15,788
Increase (decrease) in interest expense						
Domestic interest-bearing deposits:						
Savings	**$ (10)**	**$ 68**	**$ 58**	$ 9	$ 83	$ 92
NOW and money market deposit accounts	**(113)**	**1,197**	**1,084**	128	790	918
Consumer CDs and IRAs	**671**	**1,260**	**1,931**	781	770	1,551
Negotiable CDs, public funds and other time deposits	**195**	**38**	**233**	43	(83)	(40)
Total domestic interest-bearing deposits			**3,306**			2,521
Foreign interest-bearing deposits:						
Banks located in foreign countries	**631**	**149**	**780**	165	358	523
Governments and official institutions	**169**	**179**	**348**	38	103	141
Time, savings and other	**145**	**409**	**554**	38	348	386
Total foreign interest-bearing deposits			**1,682**			1,050
Total interest-bearing deposits			**4,988**			3,571
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**3,021**	**5,204**	**8,225**	1,771	5,772	7,543
Trading account liabilities	**288**	**(12)**	**276**	835	212	1,047
Long-term debt	**1,464**	**1,152**	**2,616**	216	519	735
Total interest expense			**16,105**			12,896
Net increase in net interest income [2]			**$ 4,246**			$ 2,892

(1)The changes for each category of interest income and expense are divided between the portion of change attributable to the variance in volume and the portion of change attributable to the variance in rate for that category. The unallocated change in rate or volume variance has been allocated between the rate and volume variances.
(2)Interest income (FTE basis) in 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 of this retroactive tax adjustment is a reduction of $270 million from 2005 to 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.

Table III
Outstanding Loans and Leases

(Dollars in millions)	December 31 2006	2005	2004	2003	2002
Consumer					
Residential mortgage	**$241,181**	$182,596	$178,079	$140,483	$108,332
Credit card—domestic	**61,195**	58,548	51,726	34,814	24,729
Credit card—foreign	**10,999**	—	—	—	—
Home equity lines	**74,888**	62,098	50,126	23,859	23,236
Direct/Indirect consumer [1]	**68,224**	45,490	40,513	33,415	31,068
Other consumer [2]	**9,218**	6,725	7,439	7,558	10,355
Total consumer	**465,705**	355,457	327,883	240,129	197,720
Commercial					
Commercial—domestic	**161,982**	140,533	122,095	91,491	99,151
Commercial real estate [3]	**36,258**	35,766	32,319	19,367	20,205
Commercial lease financing	**21,864**	20,705	21,115	9,692	10,386
Commercial—foreign	**20,681**	21,330	18,401	10,754	15,428
Total commercial	**240,785**	218,334	193,930	131,304	145,170
Total loans and leases	**$706,490**	$573,791	$521,813	$371,433	$342,890

(1)Includes home equity loans of $12.8 billion, $8.1 billion, $7.3 billion, $7.3 billion, and $3.6 billion at December 31, 2006, 2005, 2004, 2003, and 2002, respectively.
(2)Includes foreign consumer loans of $6.2 billion, $3.8 billion, $3.6 billion, $2.0 billion, and $2.0 billion at December 31, 2006, 2005, 2004, 2003, and 2002, respectively; consumer finance loans of $2.8 billion, $2.8 billion, $3.4 billion, $3.9 billion, and $4.4 billion at December 31, 2006, 2005, 2004, 2003, and 2002, respectively; and consumer lease financing of $481 million, $1.7 billion, and $3.9 billion at December 31, 2004, 2003, and 2002, respectively.
(3)Includes domestic commercial real estate loans of $35.7 billion, $35.2 billion, $31.9 billion, $19.0 billion, and $19.9 billion at December 31, 2006, 2005, 2004, 2003, and 2002, respectively; and foreign commercial real estate loans of $578 million, $585 million, $440 million, $324 million, and $295 million at December 31, 2006, 2005, 2004, 2003, and 2002, respectively.

Table IV
Nonperforming Assets

(Dollars in millions)	December 31 2006	2005	2004	2003	2002
Consumer					
Residential mortgage	**$ 660**	$ 570	$ 554	$ 531	$ 612
Home equity lines	**249**	117	66	43	66
Direct/Indirect consumer	**44**	37	33	28	30
Other consumer	**77**	61	85	36	25
Total consumer [1]	**1,030**	785	738	638	733
Commercial					
Commercial—domestic	**584**	581	855	1,388	2,621
Commercial real estate	**118**	49	87	142	164
Commercial lease financing	**42**	62	266	127	160
Commercial—foreign	**13**	34	267	578	1,359
Total commercial [2]	**757**	726	1,475	2,235	4,304
Total nonperforming loans and leases	**1,787**	1,511	2,213	2,873	5,037
Foreclosed properties	**69**	92	102	148	225
Nonperforming securities [3]	**—**	—	140	—	—
Total nonperforming assets [4]	**$1,856**	$ 1,603	$ 2,455	$ 3,021	$ 5,262

(1)In 2006, $69 million in Interest Income was estimated to be contractually due on nonperforming consumer loans and leases classified as nonperforming at December 31, 2006 provided that these loans and leases had been paid according to their terms and conditions. Of this amount, approximately $17 million was received and included in Net Income for 2006.
(2)In 2006, $85 million in Interest Income was estimated to be contractually due on nonperforming commercial loans and leases classified as nonperforming at December 31, 2006, including troubled debt restructured loans of which $2 million were performing at December 31, 2006 and not included in the table above. Approximately $38 million of the estimated $85 million in contractual interest was received and included in net income for 2006.
(3)Primarily related to international securities held in the AFS portfolio.
(4)Balances do not include $30 million, $24 million, $28 million, $16 million, and $41 million of nonperforming consumer loans held-for-sale, included in Other Assets at December 31, 2006, 2005, 2004, 2003, and 2002, respectively, and $50 million, $45 million, $123 million, $186 million, and $73 million of nonperforming commercial loans held-for-sale, included in Other Assets at December 31, 2006, 2005, 2004, 2003, and 2002, respectively.

Table V
Accruing Loans and Leases Past Due 90 Days or More

(Dollars in millions)	December 31 2006	2005	2004	2003	2002
Consumer					
Residential mortgage [1]	**$ 118**	$ —	$ —	$ —	$ —
Credit card—domestic	**1,991**	1,197	1,075	616	424
Credit card—foreign	**184**	—	—	—	—
Direct/Indirect consumer	**347**	75	58	47	56
Other consumer	**38**	15	23	35	61
Total consumer	**2,678**	1,287	1,156	698	541
Commercial					
Commercial—domestic	**265**	117	121	110	132
Commercial real estate	**78**	4	1	23	91
Commercial lease financing	**26**	15	14	n/a	n/a
Commercial—foreign	**9**	32	2	29	—
Total commercial	**378**	168	138	162	223
Total accruing loans and leases past due 90 days or more	**$3,056**	$1,455	$1,294	$860	$ 764

(1)Balance at December 31, 2006 is related to repurchases pursuant to our servicing agreements with GNMA mortgage pools, which were included in loans held-for-sale in previous years.

n/a= not available

Table VI
Allowance for Credit Losses

(Dollars in millions)	2006	2005	2004	2003	2002
Allowance for loan and lease losses, January 1	**$ 8,045**	$ 8,626	$ 6,163	$ 6,358	$ 6,278
FleetBoston balance, April 1, 2004	**—**	—	2,763	—	—
MBNA balance, January 1, 2006	**577**	—	—	—	—
Loans and leases charged off					
Residential mortgage	**(74)**	(58)	(62)	(64)	(56)
Credit card—domestic	**(3,546)**	(4,018)	(2,536)	(1,657)	(1,210)
Credit card—foreign	**(292)**	—	—	—	—
Home equity lines	**(67)**	(46)	(38)	(38)	(40)
Direct/Indirect consumer	**(748)**	(380)	(344)	(322)	(355)
Other consumer	**(436)**	(376)	(295)	(343)	(395)
Total consumer	**(5,163)**	(4,878)	(3,275)	(2,424)	(2,056)
Commercial—domestic	**(597)**	(535)	(504)	(857)	(1,625)
Commercial real estate	**(7)**	(5)	(12)	(46)	(45)
Commercial lease financing	**(28)**	(315)	(39)	(132)	(168)
Commercial—foreign	**(86)**	(61)	(262)	(408)	(566)
Total commercial	**(718)**	(916)	(817)	(1,443)	(2,404)
Total loans and leases charged off	**(5,881)**	(5,794)	(4,092)	(3,867)	(4,460)
Recoveries of loans and leases previously charged off					
Residential mortgage	**35**	31	26	24	14
Credit card—domestic	**452**	366	231	143	116
Credit card—foreign	**67**	—	—	—	—
Home equity lines	**16**	15	23	26	14
Direct/Indirect consumer	**224**	132	136	141	145
Other consumer	**133**	101	102	88	99
Total consumer	**927**	645	518	422	388
Commercial—domestic	**261**	365	327	224	314
Commercial real estate	**4**	5	15	5	7
Commercial lease financing	**56**	84	30	8	9
Commercial—foreign	**94**	133	89	102	45
Total commercial	**415**	587	461	339	375
Total recoveries of loans and leases previously charged off	**1,342**	1,232	979	761	763
Net charge-offs	**(4,539)**	(4,562)	(3,113)	(3,106)	(3,697)
Provision for loan and lease losses	**5,001**	4,021	2,868	2,916	3,801
Other	**(68)**	(40)	(55)	(5)	(24)
Allowance for loan and lease losses, December 31	**9,016**	8,045	8,626	6,163	6,358
Reserve for unfunded lending commitments, January 1	**395**	402	416	493	597
FleetBoston balance, April 1, 2004	**—**	—	85	—	—
Provision for unfunded lending commitments	**9**	(7)	(99)	(77)	(104)
Other	**(7)**	—	—	—	—
Reserve for unfunded lending commitments, December 31	**397**	395	402	416	493
Total	**$ 9,413**	$ 8,440	$ 9,028	$ 6,579	$ 6,851
Loans and leases outstanding at December 31	**$706,490**	$573,791	$521,813	$371,433	$342,890
Allowance for loan and lease losses as a percentage of loans and leases outstanding at December 31	**1.28%**	1.40%	1.65%	1.66%	1.85%
Consumer allowance for loan and lease losses as a percentage of consumer loans and leases outstanding at December 31	**1.19**	1.27	1.34	1.25	0.95
Commercial allowance for loan and lease losses as a percentage of commercial loans and leases outstanding at December 31	**1.44**	1.62	2.19	2.40	2.43
Average loans and leases outstanding during the year	**$652,417**	$537,218	$472,617	$356,220	$336,820
Net charge-offs as a percentage of average loans and leases outstanding during the year [(1)]	**0.70%**	0.85%	0.66%	0.87%	1.10%
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases at December 31	**505**	532	390	215	126
Ratio of the allowance for loan and lease losses at December 31 to net charge-offs [(1)]	**1.99**	1.76	2.77	1.98	1.72

(1)For 2006, the impact of SOP 03-3 decreased net charge-offs by $288 million. Excluding the impact of SOP 03-3, net charge-offs as a percentage of average loans and leases outstanding for 2006 was 0.74 percent, and the ratio of the Allowance for Loan and Lease Losses to net charge-offs was 1.87 at December 31, 2006.

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

(Dollars in millions)	December 31 2006 Amount	2006 Percent		2005 Amount	2005 Percent		2004 Amount	2004 Percent		2003 Amount	2003 Percent		2002 Amount	2002 Percent	
Allowance for loan and lease losses															
Residential mortgage	**$ 248**	**2.8**	**%**	$ 277	3.4	%	$ 240	2.8	%	$ 185	3.0	%	$ 108	1.7	%
Credit card—domestic	**3,176**	**35.2**		3,301	41.0		3,148	36.5		1,947	31.6		1,031	16.2	
Credit card—foreign	**336**	**3.7**		—	—		—	—		—	—		—	—	
Home equity lines	**133**	**1.5**		136	1.7		115	1.3		72	1.2		49	0.8	
Direct/Indirect consumer	**1,200**	**13.3**		421	5.2		375	4.3		347	5.6		361	5.7	
Other consumer	**467**	**5.2**		380	4.8		500	5.9		456	7.4		332	5.2	
Total consumer	**5,560**	**61.7**		4,515	56.1		4,378	50.8		3,007	48.8		1,881	29.6	
Commercial—domestic	**2,162**	**24.0**		2,100	26.1		2,101	24.3		1,756	28.5		2,231	35.1	
Commercial real estate	**588**	**6.5**		609	7.6		644	7.5		484	7.9		439	6.9	
Commercial lease financing	**217**	**2.4**		232	2.9		442	5.1		235	3.8		n/a	n/a	
Commercial—foreign	**489**	**5.4**		589	7.3		1,061	12.3		681	11.0		855	13.4	
Total commercial [1]	**3,456**	**38.3**		3,530	43.9		4,248	49.2		3,156	51.2		3,525	55.4	
General [2]	**—**	**—**		—	—		—	—		—	—		952	15.0	
Allowance for loan and lease losses	**9,016**	**100.0**	**%**	8,045	100.0	%	8,626	100.0	%	6,163	100.0	%	6,358	100.0	%
Reserve for unfunded lending commitments	**397**			395			402			416			493		
Total	**$9,413**			$8,440			$9,028			$6,579			$6,851		

(1)Includes allowance for loan and lease losses of commercial impaired loans of $43 million, $55 million, $202 million, $391 million, and $919 million at December 31, 2006, 2005, 2004, 2003, and 2002, respectively.
(2)At December 31, 2005, general reserves were assigned to individual product types to better reflect our view of risk in these portfolios. Information was not available to assign general reserves by product types prior to 2003.

n/a= Not available; included in commercial – domestic at December 31, 2002.

Table VIII
Selected Loan Maturity Data [1]

(Dollars in millions)	December 31, 2006 Due in One Year or Less	Due After One Year Through Five Years	Due After Five Years	Total
Commercial—domestic	$ 57,067	$ 66,351	$ 38,564	$161,982
Commercial real estate—domestic	14,562	17,774	3,344	35,680
Foreign and other [2]	22,509	4,432	496	27,437
Total selected loans	$ 94,138	$ 88,557	$ 42,404	$225,099
Percent of total	41.8 %	39.3 %	18.9 %	100.0 %
Sensitivity of selected loans to changes in interest rates for loans due after one year:				
Fixed interest rates		$ 8,588	$ 19,793	
Floating or adjustable interest rates		79,969	22,611	
Total		$ 88,557	$ 42,404	

(1)Loan maturities are based on the remaining maturities under contractual terms.
(2)Loan maturities include other consumer, commercial – foreign and commercial real estate loans.

Table IX
Short-term Borrowings

(Dollars in millions)	2006 Amount	2006 Rate	2005 Amount	2005 Rate	2004 Amount	2004 Rate
Federal funds purchased						
At December 31	**$ 12,232**	**5.35 %**	$ 2,715	4.06 %	$ 3,108	2.23 %
Average during year	**5,292**	**5.11**	3,670	3.09	3,724	1.31
Maximum month-end balance during year	**12,232**	**—**	5,964	—	7,852	—
Securities sold under agreements to repurchase						
At December 31	**205,295**	**4.94**	237,940	4.26	116,633	2.23
Average during year	**281,611**	**4.66**	227,081	3.62	161,494	1.86
Maximum month-end balance during year	**312,955**	**—**	273,544	—	191,899	—
Commercial paper						
At December 31	**41,223**	**5.34**	24,968	4.21	25,379	2.09
Average during year	**33,942**	**5.15**	26,335	3.22	21,178	1.45
Maximum month-end balance during year	**42,511**	**—**	31,380	—	26,486	—
Other short-term borrowings						
At December 31	**100,077**	**5.43**	91,301	4.58	53,219	2.48
Average during year	**90,287**	**5.21**	69,322	3.51	41,169	1.73
Maximum month-end balance during year	**104,555**	**—**	91,301	—	53,756	—

Table X
Non-exchange Traded Commodity Contracts

(Dollars in millions)	Asset Positions	Liability Positions
Net fair value of contracts outstanding, January 1, 2006	$ 3,021	$ 2,279
Effects of legally enforceable master netting agreements	5,636	5,636
Gross fair value of contracts outstanding, January 1, 2006	8,657	7,915
Contracts realized or otherwise settled	(2,797)	(2,792)
Fair value of new contracts	1,182	1,127
Other changes in fair value	(3,431)	(2,781)
Gross fair value of contracts outstanding, December 31, 2006	3,611	3,469
Effects of legally enforceable master netting agreements	(2,339)	(2,339)
Net fair value of contracts outstanding, December 31, 2006	**$ 1,272**	**$ 1,130**

Table XI
Non-exchange Traded Commodity Contract Maturities

	December 31, 2006	
(Dollars in millions)	Asset Positions	Liability Positions
Maturity of less than 1 year	$ 1,244	$ 1,165
Maturity of 1-3 years	1,963	1,878
Maturity of 4-5 years	321	346
Maturity in excess of 5 years	83	80
Gross fair value of contracts	3,611	3,469
Effects of legally enforceable master netting agreements	(2,339)	(2,339)
Net fair value of contracts outstanding	**$ 1,272**	**$ 1,130**

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Table XII
Selected Quarterly Financial Data

(Dollars in millions, except per share information)	2006 Quarters				2005 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Income statement								
Net interest income	**$ 8,599**	$ 8,586	$ 8,630	$ 8,776	$ 7,859	$ 7,735	$ 7,637	$ 7,506
Noninterest income	**9,866**	10,067	9,598	8,901	5,951	6,416	6,955	6,032
Total revenue	**18,465**	18,653	18,228	17,677	13,810	14,151	14,592	13,538
Provision for credit losses	**1,570**	1,165	1,005	1,270	1,400	1,159	875	580
Gains (losses) on sales of debt securities	**21**	(469)	(9)	14	71	29	325	659
Noninterest expense	**9,093**	8,863	8,717	8,924	7,320	7,285	7,019	7,057
Income before income taxes	**7,823**	8,156	8,497	7,497	5,161	5,736	7,023	6,560
Income tax expense	**2,567**	2,740	3,022	2,511	1,587	1,895	2,366	2,167
Net income	**5,256**	5,416	5,475	4,986	3,574	3,841	4,657	4,393
Average common shares issued and outstanding (in thousands)	**4,464,110**	4,499,704	4,534,627	4,609,481	3,996,024	4,000,573	4,005,356	4,032,550
Average diluted common shares issued and outstanding (in thousands)	**4,536,696**	4,570,558	4,601,169	4,666,405	4,053,859	4,054,659	4,065,355	4,099,062
Performance ratios								
Return on average assets	**1.39 %**	1.43 %	1.51 %	1.43 %	1.09 %	1.18 %	1.46 %	1.49 %
Return on average common shareholders' equity	**15.76**	16.64	17.26	15.44	14.21	15.09	18.93	17.97
Total ending equity to total ending assets	**9.27**	9.22	8.85	9.41	7.86	8.12	8.13	8.16
Total average equity to total average assets	**8.97**	8.63	8.75	9.26	7.66	7.82	7.74	8.28
Dividend payout	**47.49**	46.82	41.76	46.75	56.24	52.60	38.90	41.71
Per common share data								
Earnings	**$ 1.17**	$ 1.20	$ 1.21	$ 1.08	$ 0.89	$ 0.96	$ 1.16	$ 1.09
Diluted earnings	**1.16**	1.18	1.19	1.07	0.88	0.95	1.14	1.07
Dividends paid	**0.56**	0.56	0.50	0.50	0.50	0.50	0.45	0.45
Book value	**29.70**	29.52	28.17	28.19	25.32	25.28	25.16	24.45
Average balance sheet								
Total loans and leases	**$ 683,598**	$ 673,477	$ 635,649	$ 615,968	$ 563,589	$ 539,497	$ 520,415	$ 524,921
Total assets	**1,495,150**	1,497,987	1,456,004	1,416,373	1,305,057	1,294,754	1,277,478	1,200,859
Total deposits	**680,245**	676,851	674,796	659,821	628,922	632,771	640,593	627,420
Long-term debt	**140,756**	136,769	125,620	117,018	99,601	98,326	96,697	96,167
Common shareholders' equity	**132,004**	129,098	127,102	130,881	99,677	100,974	98,558	99,130
Total shareholders' equity	**134,047**	129,262	127,373	131,153	99,948	101,246	98,829	99,401
Asset Quality								
Allowance for credit losses	**$ 9,413**	$ 9,260	$ 9,475	$ 9,462	$ 8,440	$ 8,716	$ 8,702	$ 8,707
Nonperforming assets	**1,856**	1,656	1,641	1,680	1,603	1,597	1,895	2,338
Allowance for loan and lease losses as a percentage of total loans and leases outstanding	**1.28 %**	1.33 %	1.36 %	1.46 %	1.40 %	1.50 %	1.57 %	1.57 %
Allowance for loan and lease losses as a percentage of total nonperforming loans and leases	**505**	562	579	572	532	556	470	401
Net charge-offs	**$ 1,417**	$ 1,277	$ 1,023	$ 822	$ 1,648	$ 1,145	$ 880	$ 889
Annualized Net charge-offs as a percentage of average loans and leases	**0.82 %**	0.75 %	0.65 %	0.54 %	1.16 %	0.84 %	0.68 %	0.69 %
Nonperforming loans and leases as a percentage of total loans and leases outstanding	**0.25**	0.24	0.23	0.26	0.26	0.27	0.33	0.39
Nonperforming assets as a percentage of total loans, leases, and foreclosed properties	**0.26**	0.25	0.25	0.27	0.28	0.29	0.36	0.44
Ratio of the allowance for loan and lease losses at period end to annualized net charge-offs	**1.60**	1.75	2.21	2.72	1.23	1.83	2.36	2.30
Capital ratios (period end)								
Risk-based capital:								
Tier 1	**8.64 %**	8.48 %	8.33 %	8.45 %	8.25 %	8.27 %	8.16 %	8.26 %
Total	**11.88**	11.46	11.25	11.32	11.08	11.19	11.23	11.52
Tier 1 Leverage	**6.36**	6.16	6.13	6.18	5.91	5.90	5.66	5.86
Market capitalization	**$ 238,021**	$ 240,966	$ 217,794	$ 208,633	$ 184,586	$ 168,950	$ 183,202	$ 177,958
Market price per share of common stock								
Closing	**$ 53.39**	$ 53.57	$ 48.10	$ 45.54	$ 46.15	$ 42.10	$ 45.61	$ 44.10
High closing	**54.90**	53.57	50.47	47.08	46.99	45.98	47.08	47.08
Low closing	**51.66**	47.98	45.48	43.09	41.57	41.60	44.01	43.66

Table XIII
Quarterly Average Balances and Interest Rates - FTE Basis

(Dollars in millions)	Fourth Quarter 2006 Average Balance	Fourth Quarter 2006 Interest Income/ Expense	Fourth Quarter 2006 Yield/ Rate	Third Quarter 2006 Average Balance	Third Quarter 2006 Interest Income/ Expense	Third Quarter 2006 Yield/ Rate
Earning assets						
Time deposits placed and other short-term investments	**$ 15,760**	**$ 166**	**4.19 %**	$ 15,629	$ 173	4.39 %
Federal funds sold and securities purchased under agreements to resell	**174,167**	**2,068**	**4.73**	173,381	2,146	4.94
Trading account assets	**167,163**	**2,289**	**5.46**	146,817	1,928	5.24
Debt securities (1)	**193,601**	**2,504**	**5.17**	236,033	3,136	5.31
Loans and leases (2):						
Residential mortgage	**225,985**	**3,202**	**5.66**	222,889	3,151	5.65
Credit card—domestic	**59,802**	**2,101**	**13.94**	62,508	2,189	13.90
Credit card—foreign	**10,375**	**305**	**11.66**	9,455	286	12.02
Home equity lines	**73,218**	**1,411**	**7.65**	70,075	1,351	7.65
Direct/Indirect consumer (3)	**65,158**	**1,316**	**8.00**	61,361	1,193	7.74
Other consumer (4)	**10,606**	**225**	**8.47**	11,075	298	10.66
Total consumer	**445,144**	**8,560**	**7.65**	437,363	8,468	7.71
Commercial—domestic	**158,604**	**2,907**	**7.27**	153,007	2,805	7.28
Commercial real estate (5)	**36,851**	**704**	**7.58**	37,471	724	7.67
Commercial lease financing	**21,159**	**254**	**4.80**	20,875	232	4.46
Commercial—foreign	**21,840**	**337**	**6.12**	24,761	454	7.27
Total commercial	**238,454**	**4,202**	**7.00**	236,114	4,215	7.09
Total loans and leases	**683,598**	**12,762**	**7.42**	673,477	12,683	7.49
Other earning assets	**65,172**	**1,058**	**6.46**	57,029	914	6.38
Total earning assets (6)	**1,299,461**	**20,847**	**6.39**	1,302,366	20,980	6.41
Cash and cash equivalents	**32,816**			33,495		
Other assets, less allowance for loan and lease losses	**162,873**			162,126		
Total assets	**$ 1,495,150**			$ 1,497,987		
Interest-bearing liabilities						
Domestic interest-bearing deposits:						
Savings	**$ 32,965**	**$ 48**	**0.58 %**	$ 34,268	$ 69	0.81 %
NOW and money market deposit accounts	**211,055**	**966**	**1.81**	212,690	1,053	1.96
Consumer CDs and IRAs	**154,621**	**1,794**	**4.60**	147,607	1,658	4.46
Negotiable CDs, public funds and other time deposits	**13,052**	**140**	**4.30**	14,105	150	4.19
Total domestic interest-bearing deposits	**411,693**	**2,948**	**2.84**	408,670	2,930	2.84
Foreign interest-bearing deposits:						
Banks located in foreign countries	**38,648**	**507**	**5.21**	38,588	562	5.78
Governments and official institutions	**14,220**	**168**	**4.70**	12,801	156	4.83
Time, savings and other	**41,328**	**366**	**3.50**	40,444	328	3.22
Total foreign interest-bearing deposits	**94,196**	**1,041**	**4.38**	91,833	1,046	4.52
Total interest-bearing deposits	**505,889**	**3,989**	**3.13**	500,503	3,976	3.15
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	**405,748**	**5,222**	**5.11**	429,882	5,467	5.05
Trading account liabilities	**75,261**	**800**	**4.21**	69,462	727	4.15
Long-term debt	**140,756**	**1,881**	**5.34**	136,769	1,916	5.60
Total interest-bearing liabilities (6)	**1,127,654**	**11,892**	**4.19**	1,136,616	12,086	4.23
Noninterest-bearing sources:						
Noninterest-bearing deposits	**174,356**			176,348		
Other liabilities	**59,093**			55,761		
Shareholders' equity	**134,047**			129,262		
Total liabilities and shareholders' equity	**$ 1,495,150**			$ 1,497,987		
Net interest spread			**2.20**			2.18
Impact of noninterest-bearing sources			**0.55**			0.55
Net interest income/yield on earning assets (7)		**$ 8,955**	**2.75 %**		$ 8,894	2.73 %

(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 $11.7 billion, $9.9 billion, $8.7 billion and $8.2 billion in the fourth, third, second and first quarters of 2006, respectively, and $8.0 billion in the fourth quarter of 2005.
(4) Includes consumer finance loans of $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 $2.9 billion in the fourth quarter of 2005; and foreign consumer loans of $7.8 billion, $8.1 billion, $7.8 billion and $7.3 billion in the fourth, third, second and first quarters of 2006, respectively, and $3.7 billion in the fourth quarter of 2005.
(5) Includes domestic commercial real estate loans of $36.1 billion, $36.7 billion, $36.0 billion and $36.0 billion in the fourth, third, second and first quarters of 2006, respectively, and $35.4 billion in the fourth quarter of 2005.
(6) Interest income includes the impact of interest rate risk management contracts, which increased (decreased) interest income on the underlying assets $(198) million, $(128) million, $(54) million and $8 million in the fourth, third, second and first quarters of 2006, respectively, and $29 million in the fourth quarter of 2005. Interest expense includes the impact of interest rate risk management contracts, which increased (decreased) interest expense on the underlying liabilities $(69) million, $(48) million, $87 million and $136 million in the fourth, third, second and first quarters of 2006, respectively, and $254 million in the fourth quarter of 2005. For further information on interest rate contracts, see "Interest Rate Risk Management for Nontrading Activities" beginning on page 76.
(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.

(Dollars in millions)	Second Quarter 2006 Average Balance	Second Quarter 2006 Interest Income/ Expense	Second Quarter 2006 Yield/ Rate	First Quarter 2006 Average Balance	First Quarter 2006 Interest Income/ Expense	First Quarter 2006 Yield/ Rate	Fourth Quarter 2005 Average Balance	Fourth Quarter 2005 Interest Income/ Expense	Fourth Quarter 2005 Yield/ Rate
Earning assets									
Time deposits placed and other short-term investments	$ 16,691	$ 168	4.05 %	$ 14,347	$ 139	3.92 %	$ 14,619	$ 133	3.59 %
Federal funds sold and securities purchased under agreements to resell	179,104	1,900	4.25	174,711	1,709	3.94	165,908	1,477	3.55
Trading account assets	133,556	1,712	5.13	133,361	1,623	4.89	139,441	1,648	4.72
Debt securities [1]	236,967	3,162	5.34	234,606	3,043	5.19	221,411	2,842	5.13
Loans and leases [2]:									
Residential mortgage	197,228	2,731	5.54	184,796	2,524	5.48	178,764	2,427	5.42
Credit card—domestic	64,980	2,168	13.38	68,169	2,180	12.97	56,858	1,748	12.19
Credit card—foreign	8,305	269	12.97	8,403	287	13.86	—	—	—
Home equity lines	67,182	1,231	7.35	64,198	1,112	7.02	60,571	1,011	6.63
Direct/Indirect consumer [3]	56,715	1,057	7.46	55,025	986	7.24	47,181	703	5.91
Other consumer [4]	10,804	294	10.95	10,357	272	10.59	6,653	182	11.01
Total consumer	405,214	7,750	7.66	390,948	7,361	7.60	350,027	6,071	6.90
Commercial—domestic	148,445	2,695	7.28	144,693	2,490	6.97	137,224	2,279	6.59
Commercial real estate [5]	36,749	680	7.41	36,676	632	6.99	36,017	597	6.58
Commercial lease financing	20,896	262	5.01	20,512	247	4.82	20,178	241	4.79
Commercial—foreign	24,345	456	7.52	23,139	427	7.48	20,143	379	7.45
Total commercial	230,435	4,093	7.12	225,020	3,796	6.83	213,562	3,496	6.50
Total loans and leases	635,649	11,843	7.47	615,968	11,157	7.32	563,589	9,567	6.75
Other earning assets	51,928	808	6.24	46,618	718	6.22	40,582	594	5.83
Total earning assets [6]	1,253,895	19,593	6.26	1,219,611	18,389	6.08	1,145,550	16,261	5.65
Cash and cash equivalents	35,070			34,857			33,693		
Other assets, less allowance for loan and lease losses	167,039			161,905			125,814		
Total assets	$ 1,456,004			$ 1,416,373			$ 1,305,057		
Interest-bearing liabilities									
Domestic interest-bearing deposits:									
Savings	$ 35,681	$ 76	0.84 %	$ 35,550	$ 76	0.87 %	$ 35,535	$ 68	0.76 %
NOW and money market deposit accounts	221,198	996	1.81	227,606	908	1.62	224,122	721	1.28
Consumer CDs and IRAs	141,408	1,393	3.95	135,068	1,177	3.53	120,321	1,028	3.39
Negotiable CDs, public funds and other time deposits	13,005	123	3.80	8,551	70	3.30	5,085	27	2.13
Total domestic interest-bearing deposits	411,292	2,588	2.52	406,775	2,231	2.22	385,063	1,844	1.90
Foreign interest-bearing deposits:									
Banks located in foreign countries	32,456	489	6.05	30,116	424	5.71	24,451	356	5.77
Governments and official institutions	13,428	155	4.63	10,200	107	4.25	7,579	74	3.84
Time, savings and other	37,178	276	2.98	35,136	245	2.83	32,624	202	2.46
Total foreign interest-bearing deposits	83,062	920	4.44	75,452	776	4.17	64,654	632	3.87
Total interest-bearing deposits	494,354	3,508	2.85	482,227	3,007	2.53	449,717	2,476	2.18
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	408,734	4,842	4.75	399,896	4,309	4.37	364,140	3,855	4.20
Trading account liabilities	61,263	596	3.90	52,466	517	3.99	56,880	619	4.32
Long-term debt	125,620	1,721	5.48	117,018	1,516	5.18	99,601	1,209	4.85
Total interest-bearing liabilities [6]	1,089,971	10,667	3.92	1,051,607	9,349	3.60	970,338	8,159	3.34
Noninterest-bearing sources:									
Noninterest-bearing deposits	180,442			177,594			179,205		
Other liabilities	58,218			56,019			55,566		
Shareholders' equity	127,373			131,153			99,948		
Total liabilities and shareholders' equity	$ 1,456,004			$ 1,416,373			$ 1,305,057		
Net interest spread			2.34			2.48			2.31
Impact of noninterest-bearing sources			0.51			0.50			0.51
Net interest income/yield on earning assets [7]		$ 8,926	2.85 %		$ 9,040	2.98		$ 8,102	2.82 %

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 securitized loans have not been sold and present the results of the securitized loans in the same manner as the Corporation's held loans. Managed credit impact represents the Corporation's held Provision for Credit Losses combined with credit losses associated with the securitized loan portfolio.

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.

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

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.

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) — 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.

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 share
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit and Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
FRB	Board of Governors of the Federal Reserve System
FSP	Financial Accounting Standards Board Staff Position
FTE	Fully taxable-equivalent
GAAP	Generally accepted accounting principles in the United States
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
SPE	Special Purpose Entity

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Market Risk Management" in the MD&A beginning on page 72 which is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Management on Internal Control Over Financial Reporting

The management of Bank of America Corporation is responsible for establishing and maintaining adequate internal control over financial reporting.

The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Corporation's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2006, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Based on that assessment, management concluded that, as of December 31, 2006, the Corporation's internal control over financial reporting is effective based on the criteria established in Internal Control – Integrated Framework.

Management's assessment of the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2006, has been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm.

Kenneth D. Lewis
Chairman, Chief Executive Officer and President

Joe L. Price
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Bank of America Corporation:

We have completed integrated audits of Bank of America Corporation's Consolidated Financial Statements and of its internal control over financial reporting as of December 31, 2006, in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated Financial Statements

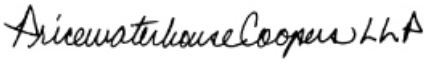
In our opinion, the accompanying Consolidated Balance Sheet and the related Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows present fairly, in all material respects, the financial position of Bank of America Corporation and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006in conformity with accounting principles generally accepted in the United States of America. These Consolidated Financial Statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits. We conducted our audits of these Consolidated Financial Statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the Report of Management on Internal Control Over Financial Reporting, that the Corporation maintained effective internal control over financial reporting as of December 31, 2006 based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control—Integrated Framework* issued by the COSO. The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Corporation's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Charlotte, North Carolina
February 22, 2007

Bank of America Corporation and Subsidiaries
Consolidated Statement of Income

(Dollars in millions, except per share information)	Year Ended December 31 2006	2005	2004
Interest income			
Interest and fees on loans and leases	**$ 48,274**	$ 34,843	$ 28,051
Interest and dividends on securities	**11,655**	10,937	7,256
Federal funds sold and securities purchased under agreements to resell	**7,823**	5,012	1,940
Trading account assets	**7,232**	5,743	4,016
Other interest income	**3,601**	2,091	1,690
Total interest income	**78,585**	58,626	42,953
Interest expense			
Deposits	**14,480**	9,492	5,921
Short-term borrowings	**19,840**	11,615	4,072
Trading account liabilities	**2,640**	2,364	1,317
Long-term debt	**7,034**	4,418	3,683
Total interest expense	**43,994**	27,889	14,993
Net interest income	**34,591**	30,737	27,960
Noninterest income			
Card income	**14,293**	5,753	4,592
Service charges	**8,224**	7,704	6,989
Investment and brokerage services	**4,456**	4,184	3,614
Investment banking income	**2,317**	1,856	1,886
Equity investment gains	**3,189**	2,212	1,024
Trading account profits	**3,166**	1,763	1,013
Mortgage banking income	**541**	805	414
Other income	**2,246**	1,077	1,473
Total noninterest income	**38,432**	25,354	21,005
Total revenue	**73,023**	56,091	48,965
Provision for credit losses	**5,010**	4,014	2,769
Gains (losses) on sales of debt securities	**(443)**	1,084	1,724
Noninterest expense			
Personnel	**18,211**	15,054	13,435
Occupancy	**2,826**	2,588	2,379
Equipment	**1,329**	1,199	1,214
Marketing	**2,336**	1,255	1,349
Professional fees	**1,078**	930	836
Amortization of intangibles	**1,755**	809	664
Data processing	**1,732**	1,487	1,330
Telecommunications	**945**	827	730
Other general operating	**4,580**	4,120	4,457
Merger and restructuring charges	**805**	412	618
Total noninterest expense	**35,597**	28,681	27,012
Income before income taxes	**31,973**	24,480	20,908
Income tax expense	**10,840**	8,015	6,961
Net income	**$ 21,133**	$ 16,465	$ 13,947
Net income available to common shareholders	**$ 21,111**	$ 16,447	$ 13,931
Per common share information			
Earnings	**$ 4.66**	$ 4.10	$ 3.71
Diluted earnings	**$ 4.59**	$ 4.04	$ 3.64
Dividends paid	**$ 2.12**	$ 1.90	$ 1.70
Average common shares issued and outstanding (in thousands)	**4,526,637**	4,008,688	3,758,507
Average diluted common shares issued and outstanding (in thousands)	**4,595,896**	4,068,140	3,823,943

See accompanying Notes to Consolidated Financial Statements.

Bank of America Corporation and Subsidiaries
Consolidated Balance Sheet

(Dollars in millions)	December 31 2006	2005
Assets		
Cash and cash equivalents	**$ 36,429**	$ 36,999
Time deposits placed and other short-term investments	**13,952**	12,800
Federal funds sold and securities purchased under agreements to resell (includes **$135,409** and $148,299 pledged as collateral)	**135,478**	149,785
Trading account assets (includes **$92,274** and $68,223 pledged as collateral)	**153,052**	131,707
Derivative assets	**23,439**	23,712
Debt Securities:		
Available-for-sale (includes **$83,785** and $116,659 pledged as collateral)	**192,806**	221,556
Held-to-maturity, at cost (market value—**$40** and $47)	**40**	47
Total debt securities	**192,846**	221,603
Loans and leases	**706,490**	573,791
Allowance for loan and lease losses	**(9,016)**	(8,045)
Loans and leases, net of allowance	**697,474**	565,746
Premises and equipment, net	**9,255**	7,786
Mortgage servicing rights (includes **$2,869** measured at fair value at December 31, 2006)	**3,045**	2,806
Goodwill	**65,662**	45,354
Intangible assets	**9,422**	3,194
Other assets	**119,683**	90,311
Total assets	**$ 1,459,737**	$ 1,291,803
Liabilities		
Deposits in domestic offices:		
Noninterest-bearing	**$ 180,231**	$ 179,571
Interest-bearing	**418,100**	384,155
Deposits in foreign offices:		
Noninterest-bearing	**4,577**	7,165
Interest-bearing	**90,589**	63,779
Total deposits	**693,497**	634,670
Federal funds purchased and securities sold under agreements to repurchase	**217,527**	240,655
Trading account liabilities	**67,670**	50,890
Derivative liabilities	**16,339**	15,000
Commercial paper and other short-term borrowings	**141,300**	116,269
Accrued expenses and other liabilities (includes **$397** and $395 of reserve for unfunded lending commitments)	**42,132**	31,938
Long-term debt	**146,000**	100,848
Total liabilities	**1,324,465**	1,190,270
Commitments and contingencies (Notes 9 and 13)		
Shareholders' equity		
Preferred stock, $0.01 par value; authorized—100,000,000 shares; issued and outstanding—**121,739** and 1,090,189 shares	**2,851**	271
Common stock and additional paid-in capital, $0.01 par value; authorized—7,500,000,000 shares; issued and outstanding—**4,458,151,391** and 3,999,688,491 shares	**61,574**	41,693
Retained earnings	**79,024**	67,552
Accumulated other comprehensive income (loss)	**(7,711)**	(7,556)
Other	**(466)**	(427)
Total shareholders' equity	**135,272**	101,533
Total liabilities and shareholders' equity	**$ 1,459,737**	$ 1,291,803

See accompanying Notes to Consolidated Financial Statements.

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: Shares	Common Stock and Additional Paid-in Capital: Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)[1]	Other	Total Shareholders' Equity	Comprehensive Income
Balance, December 31, 2003	$ 54	2,882,288	$ 29	$ 51,162	$ (2,434)	$ (154)	$ 48,657	
Net income				13,947			13,947	$ 13,947
Net unrealized losses on available-for-sale debt and marketable equity securities					(127)		(127)	(127)
Net unrealized gains on foreign currency translation adjustments					13		13	13
Net losses on derivatives					(185)		(185)	(185)
Cash dividends paid:								
Common				(6,452)			(6,452)	
Preferred				(16)			(16)	
Common stock issued under employee plans and related tax benefits		121,149	4,066			(127)	3,939	
Stock issued in acquisition [2]	271	1,186,728	46,480				46,751	
Common stock repurchased		(147,859)	(6,375)	89			(6,286)	
Conversion of preferred stock	(54)	4,240	54					
Other			(18)	43	(31)		(6)	(31)
Balance, December 31, 2004	271	4,046,546	44,236	58,773	(2,764)	(281)	100,235	13,617
Net income				16,465			16,465	16,465
Net unrealized losses on available-for-sale debt and marketable equity securities					(2,781)		(2,781)	(2,781)
Net unrealized gains on foreign currency translation adjustments					32		32	32
Net losses on derivatives					(2,059)		(2,059)	(2,059)
Cash dividends paid:								
Common				(7,665)			(7,665)	
Preferred				(18)			(18)	
Common stock issued under employee plans and related tax benefits		79,579	3,222			(145)	3,077	
Common stock repurchased		(126,437)	(5,765)				(5,765)	
Other				(3)	16	(1)	12	16
Balance, December 31, 2005	271	3,999,688	41,693	67,552	(7,556)	(427)	101,533	11,673
Net income				**21,133**			**21,133**	**21,133**
Net unrealized gains on available-for-sale debt and marketable equity securities					**245**		**245**	**245**
Net unrealized gains on foreign currency translation adjustments					**269**		**269**	**269**
Net gains on derivatives					**641**		**641**	**641**
Adjustment to initially apply FASB Statement No. 158 [3]					**(1,308)**		**(1,308)**	
Cash dividends paid:								
Common				**(9,639)**			**(9,639)**	
Preferred				**(22)**			**(22)**	
Issuance of preferred stock	**2,850**						**2,850**	
Redemption of preferred stock	**(270)**						**(270)**	
Common stock issued under employee plans and related tax benefits		**118,418**	**4,863**			**(39)**	**4,824**	
Stock issued in acquisition [4]		**631,145**	**29,377**				**29,377**	
Common stock repurchased		**(291,100)**	**(14,359)**				**(14,359)**	
Other					**(2)**		**(2)**	**(2)**
Balance, December 31, 2006	**$ 2,851**	**4,458,151**	**$ 61,574**	**$ 79,024**	**$ (7,711)**	**$ (466)**	**$ 135,272**	**$ 22,286**

(1) At December 31, 2006, Accumulated Other Comprehensive Income (Loss) (OCI), net of tax, includes Net Gains (Losses) on Derivatives of $(3,697) million, Net Unrealized Gains (Losses) on Available-for-sale (AFS) Debt and Marketable Equity Securities of $(2,733) million, the accumulated adjustment to apply FASB Statement No. 158 of $(1,428) million, and Net Unrealized Gains (Losses) on Foreign Currency Translation Adjustments of $147 million. For additional information on Accumulated OCI, see Note 14 of the Consolidated Financial Statements.
(2) Includes adjustment for the fair value of outstanding FleetBoston Financial Corporation (FleetBoston) stock options of $862 million.
(3) Includes accumulated adjustment to apply FASB Statement No. 158 of $(1,428) million, net of tax, and the reversal of the additional minimum liability adjustment of $120 million, net of tax.
(4) Includes adjustment for the fair value of outstanding MBNA Corporation (MBNA) stock options of $435 million.

See accompanying Notes to Consolidated Financial Statements.

Bank of America Corporation and Subsidiaries
Consolidated Statement of Cash Flows

(Dollars in millions)	Year Ended December 31 2006	2005	2004
Operating activities			
Net income	**$ 21,133**	$ 16,465	$ 13,947
Reconciliation of net income to net cash provided by (used in) operating activities:			
Provision for credit losses	**5,010**	4,014	2,769
(Gains) losses on sales of debt securities	**443**	(1,084)	(1,724)
Depreciation and premises improvements amortization	**1,114**	959	972
Amortization of intangibles	**1,755**	809	664
Deferred income tax expense (benefit)	**1,850**	1,695	(519)
Net increase in trading and derivative instruments	**(3,870)**	(18,911)	(13,944)
Net increase in other assets	**(17,070)**	(104)	(11,928)
Net increase (decrease) in accrued expenses and other liabilities	**4,517**	(8,205)	4,594
Other operating activities, net	**(373)**	(7,861)	1,647
Net cash provided by (used in) operating activities	**14,509**	(12,223)	(3,522)
Investing activities			
Net increase in time deposits placed and other short-term investments	**(3,053)**	(439)	(1,147)
Net (increase) decrease in federal funds sold and securities purchased under agreements to resell	**13,020**	(58,425)	(3,880)
Proceeds from sales of available-for-sale securities	**53,446**	134,490	117,672
Proceeds from paydowns and maturities of available-for-sale securities	**22,417**	39,519	26,973
Purchases of available-for-sale securities	**(40,905)**	(204,476)	(243,573)
Proceeds from maturities of held-to-maturity securities	**7**	283	153
Proceeds from sales of loans and leases	**37,812**	14,458	4,416
Other changes in loans and leases, net	**(145,779)**	(71,078)	(32,350)
Net purchases of premises and equipment	**(748)**	(1,228)	(863)
Proceeds from sales of foreclosed properties	**93**	132	198
Investment in China Construction Bank	**—**	(3,000)	—
(Acquisition) divestiture of business activities, net	**(2,388)**	(49)	4,936
Other investing activities, net	**(2,226)**	(632)	(89)
Net cash used in investing activities	**(68,304)**	(150,445)	(127,554)
Financing activities			
Net increase in deposits	**38,340**	16,100	64,423
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	**(22,454)**	120,914	35,752
Net increase in commercial paper and other short-term borrowings	**23,709**	37,671	37,437
Proceeds from issuance of long-term debt	**49,464**	21,958	21,289
Retirement of long-term debt	**(17,768)**	(15,107)	(16,904)
Proceeds from issuance of preferred stock	**2,850**	—	—
Redemption of preferred stock	**(270)**	—	—
Proceeds from issuance of common stock	**3,117**	2,846	3,712
Common stock repurchased	**(14,359)**	(5,765)	(6,286)
Cash dividends paid	**(9,661)**	(7,683)	(6,468)
Excess tax benefits of share-based payments	**477**	—	—
Other financing activities, net	**(312)**	(117)	(91)
Net cash provided by financing activities	**53,133**	170,817	132,864
Effect of exchange rate changes on cash and cash equivalents	**92**	(86)	64
Net increase (decrease) in cash and cash equivalents	**(570)**	8,063	1,852
Cash and cash equivalents at January 1	**36,999**	28,936	27,084
Cash and cash equivalents at December 31	**$ 36,429**	$ 36,999	$ 28,936
Supplemental cash flow disclosures			
Cash paid for interest	**$ 42,355**	$ 26,239	$ 13,765
Cash paid for income taxes	**7,210**	7,049	6,088

The fair values of noncash assets acquired and liabilities assumed in the MBNA merger were $83.3 billion and $50.4 billion.

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

Net transfers of Loans and Leases to loans held-for-sale (included in Other Assets) from the loan portfolio for Asset and Liability Management purposes amounted to $73 million in 2005.

Net transfers of Loans and Leases from loans held-for-sale to the loan portfolio for Asset and Liability Management purposes amounted to $1.1 billion in 2004.

In 2004, the fair values of noncash assets acquired and liabilities assumed in the merger with FleetBoston were $224.5 billion and $182.9 billion.

In 2004, approximately 1.2 billion shares of common stock, valued at approximately $45.6 billion, were issued in connection with the merger with FleetBoston.

See accompanying Notes to Consolidated Financial Statements.

Bank of America Corporation and Subsidiaries
Notes to Consolidated Financial Statements

On January 1, 2006, Bank of America Corporation and its subsidiaries (the Corporation) acquired 100 percent of the outstanding stock of MBNA Corporation (MBNA). On April 1, 2004, the Corporation acquired all of the outstanding stock of FleetBoston Financial Corporation (FleetBoston). Both mergers were accounted for under the purchase method of accounting. Consequently, both MBNA and FleetBoston's results of operations were included in the Corporation's results from their dates of acquisition.

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 December 31, 2006, 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. Bank of America, N.A. was the surviving entity after the merger of Fleet National Bank on June 13, 2005. Effective June 10, 2006, MBNA America Bank N.A. was renamed FIA Card Services, N.A., and on October 20, 2006, Bank of America, N.A. (USA) merged into FIA Card Services, N.A. These mergers had no impact on the Consolidated Financial Statements of the Corporation.

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. Results of operations of companies purchased are included from the dates of acquisition. Assets held in an agency or fiduciary capacity are not included in the Consolidated Financial Statements. The Corporation accounts for investments in companies in which it owns a voting interest of 20 percent to 50 percent and for which it has the ability to exercise significant influence over operating and financing decisions using the equity method of accounting. These investments are included in Other Assets and the Corporation's proportionate share of income or loss is included in Equity Investment Gains.

The preparation of the Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates and assumptions. Certain prior period amounts have been reclassified to conform to current period presentation.

Recently Issued or Proposed Accounting Pronouncements

On February 15, 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159), which 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. Subsequent changes in fair value of these financial assets and liabilities would be recognized in earnings when they occur. SFAS 159 further establishes certain additional disclosure requirements. SFAS 159 is effective for the Corporation's financial statements for the year beginning on January 1, 2008, with earlier adoption permitted. Management is currently evaluating the impact and timing of the adoption of SFAS 159 on the Corporation's financial condition and results of operations.

On September 29, 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)" (SFAS 158), which requires the recognition of a plan's over-funded or under-funded status as an asset or liability with an offsetting adjustment to Accumulated Other Comprehensive Income (OCI). SFAS 158 further requires the determination of the fair values of a plan's assets at a company's year-end and recognition of actuarial gains and losses, prior service costs or credits, and transition assets or obligations as a component of Accumulated OCI. This statement was effective as of December 31, 2006. The adoption of SFAS 158 reduced Accumulated OCI by approximately $1.3 billion after tax in 2006.

On September 15, 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value under GAAP and enhances disclosures about fair value measurements. 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 is effective for the Corporation's financial statements issued for the year beginning on January 1, 2008, with earlier adoption permitted. Management is currently evaluating the impact and timing of the adoption of SFAS 157 on the Corporation's financial condition and results of operations.

On September 13, 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 108 "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 expresses the SEC Staff's views regarding the process of quantifying financial statement misstatements. SAB 108 states that in evaluating the materiality of financial statement misstatements, a corporation must quantify the impact of correcting misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. SAB 108 is effective for the year ended December 31, 2006. The application of SAB 108 did not have an impact on the Corporation's financial condition and results of operations.

On July 13, 2006, the FASB issued 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. FSP 13-2 is effective as of January 1, 2007 and requires that the cumulative effect of adoption be reflected as an adjustment to the beginning balance of Retained Earnings with a corresponding offset decreasing the net investment in leveraged leases. The adoption of FSP 13-2 is expected to reduce Retained Earnings by approximately $1.4 billion after-tax in the first quarter of 2007. This estimate reflects new information that changed management's previously disclosed assumption of the projected timing and classification of future income tax cash flows related to certain leveraged leases.

On July 13, 2006, the FASB released 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 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 Corporation will adopt FIN 48 in the first quarter of 2007. The adoption of FIN 48 is not expected to have a material impact on the Corporation's financial condition and results of operations.

On March 17, 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140" (SFAS 156), which permits, but does not require, an entity to account for one or more classes of servicing rights (i.e., mortgage servicing rights, or MSRs) at fair value, with the changes in fair value recorded in the Consolidated Statement of Income. The Corporation elected to early adopt the standard and to account for consumer-related MSRs using the fair value measurement method on January 1, 2006. Commercial-related MSRs continue to be accounted for using the amortization method (i.e., lower of cost or market). The adoption of this standard did not have a material impact on the Corporation's financial condition and results of operations. For additional information on MSRs, see Note 8 of the Consolidated Financial Statements.

On February 16, 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Instruments, an amendment of FASB Statements No. 133 and 140" (SFAS 155), which permits, but does not require, fair value accounting for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation in accordance with SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities, as amended" (SFAS 133). The statement also subjects beneficial interests issued by securitization vehicles to the requirements of SFAS 133. The Corporation will adopt SFAS 155 in the first quarter of 2007. The adoption of SFAS 155 is not expected to have a material impact on the Corporation's financial condition and results of operations.

On January 1, 2006, the Corporation adopted SFAS No. 123 (revised 2004), "Share-based Payment" (SFAS 123R). Prior to January 1, 2006, the Corporation accounted for its stock-based compensation plans under a fair value-based method of accounting. The adoption of SFAS 123R impacted the recognition of stock compensation for any awards granted to retirement-eligible employees and the presentation of cash flows resulting from the tax benefits due to tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) in the Consolidated Statement of Cash Flows. For additional information, see Note 17 of the Consolidated Financial Statements.

Cash and Cash Equivalents

Cash on hand, cash items in the process of collection, and amounts due from correspondent banks and the Federal Reserve Bank are included in Cash and Cash Equivalents.

Securities Purchased Under Agreements to Resell and Securities Sold under Agreements to Repurchase

Securities Purchased under Agreements to Resell and Securities Sold under Agreements to Repurchase are treated as collateralized financing transactions and are recorded at the amounts at which the securities were acquired or sold plus accrued interest. The Corporation's policy is to obtain the use of Securities Purchased under Agreements to Resell. The market value of the underlying securities, which collateralize the related receivable on agreements to resell, is monitored, including accrued interest. The Corporation may require counterparties to deposit additional collateral or return collateral pledged, when appropriate.

Collateral

The Corporation has accepted collateral that it is permitted by contract or custom to sell or repledge. At December 31, 2006, the fair value of this collateral was approximately $186.6 billion of which $113.0 billion was sold or repledged. At December 31, 2005, the fair value of this collateral was approximately $179.1 billion of which $112.5 billion was sold or repledged. The primary source of this collateral is reverse repurchase agreements. The Corporation also pledges securities as collateral in transactions that consist of repurchase agreements, public and trust deposits, Treasury tax and loan notes, and other short-term borrowings. This collateral can be sold or repledged by the counterparties to the transactions.

In addition, the Corporation obtains collateral in connection with its derivative activities. Required collateral levels vary depending on the credit risk rating and the type of counterparty. Generally, the Corporation accepts collateral in the form of cash, U.S. Treasury securities and other marketable securities. Based on provisions contained in legal netting agreements, the Corporation has netted cash collateral against the applicable derivative mark-to-market exposures. Accordingly, the Corporation offsets its obligation to return or its right to reclaim cash collateral against the fair value of the derivatives being collateralized. The Corporation also pledges collateral on its own derivative positions which can be applied against Derivative Liabilities.

Trading Instruments

Financial instruments utilized in trading activities are stated at fair value. Fair value is generally based on quoted market prices. If quoted market prices are not available, fair values are estimated based on dealer quotes, pricing models or quoted prices for instruments with similar characteristics. Realized and unrealized gains and losses are recognized in Trading Account Profits.

Derivatives and Hedging Activities

The Corporation designates a derivative as held for trading, an economic hedge not designated as a SFAS 133 hedge, or a qualifying SFAS 133 hedge when it enters into the derivative contract. The designation may change based upon management's reassessment or changing circumstances. 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 time in the future. Option agreements can be transacted on organized exchanges or directly between parties. The Corporation also provides credit derivatives to customers who wish to increase or decrease credit exposures. In addition, the Corporation utilizes credit derivatives to manage the credit risk associated with the loan portfolio.

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 recognizes gains and losses at inception of a derivative contract only if the fair value of the contract is evidenced by a quoted market price in an active market, an observable price or other market transaction, or other observable data supporting a valuation model in accordance with 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). For those gains and losses not evidenced by the above mentioned market data, the transaction price is used as the fair value of the derivative contract. Any difference between the transaction price and the model fair value is considered an unrecognized gain or loss at inception of the contract. These unrecognized gains and losses are recorded in income using the straight line method of amortization over the contractual life of the derivative contract. Earlier recognition of the full unrecognized gain or loss is permitted if the trade is terminated early, subsequent market activity is observed which supports the model fair value of the contract, or significant inputs used in the valuation model become observable in the market. As of December 31, 2006, the balance of the above unrecognized gains and losses was not material. SFAS 157, when adopted, will nullify certain guidance in EITF 02-3 and, as a result, a portion of the above unrecognized gains and losses will be accounted for as a cumulative-effect adjustment to the opening balance of Retained Earnings.

Trading Derivatives and Economic Hedges

The Corporation designates at inception whether the derivative contract is considered hedging or non-hedging for 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.

Derivatives used as economic hedges but not designated in a hedging relationship for accounting purposes are also included in Derivative Assets or Derivative Liabilities. Changes in the fair value of derivatives that serve as economic hedges of MSRs are recorded in Mortgage Banking Income. Changes in the fair value of derivatives that serve as asset and liability management (ALM) economic hedges, which do not qualify or were not designated as accounting hedges, are recorded in Other Income. Credit derivatives used by the Corporation do not qualify for hedge accounting under SFAS 133 despite being effective economic hedges with changes in the fair value of these derivatives included in Other Income.

Derivatives Used For SFAS 133 Hedge Accounting Purposes

For SFAS 133 hedges, the Corporation formally documents at inception all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various accounting hedges. Additionally, the Corporation uses dollar offset or regression analysis at the hedge's inception and for each reporting period thereafter to assess whether the derivative used in its hedging transaction is expected to be and has been highly effective in offsetting changes in the fair value or cash flows of the hedged items. The Corporation discontinues hedge accounting when it is determined that a derivative is not expected to be or has ceased to be highly effective as a hedge, and then reflects changes in fair value in earnings after termination of the hedge relationship.

The Corporation uses its derivatives designated as hedging for accounting purposes as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. The Corporation manages interest rate and foreign currency exchange rate sensitivity predominantly through the use of derivatives. Fair value hedges are used to protect against changes in the fair value of the Corporation's assets and liabilities that are due to interest rate or foreign exchange volatility. Cash flow hedges are used to minimize the variability in cash flows of assets or liabilities, or forecasted transactions caused by interest rate or foreign exchange fluctuation. For cash flow hedges, the maximum length of time over which forecasted transactions are hedged is 29 years, with a substantial portion of the hedged transactions being less than 10 years. Changes in the fair value of derivatives designated as fair value hedges are recorded in earnings, together with changes in the fair value of the related hedged item. Changes in the fair value of derivatives designated as cash flow hedges are recorded in Accumulated OCI and are reclassified into the line item in the Consolidated Statement of Income in which the hedged item is recorded in the same period the hedged item affects earnings. Hedge ineffectiveness and gains and losses on the excluded component of a derivative in assessing hedge effectiveness are recorded in earnings in the same income statement caption

that is used to record hedge effectiveness. SFAS 133 retains certain concepts under SFAS No. 52, "Foreign Currency Translation," (SFAS 52) for foreign currency exchange hedging. Consistent with SFAS 52, the Corporation records changes in the fair value of derivatives used as hedges of the net investment in foreign operations, to the extent effective, as a component of Accumulated OCI.

If a derivative instrument in a fair value hedge is terminated or the hedge designation removed, the previous adjustments to the carrying amount of the hedged asset or liability are subsequently accounted for in the same manner as other components of the carrying amount of that asset or liability. For interest-earning assets and interest-bearing liabilities, such adjustments are amortized to earnings over the remaining life of the respective asset or liability. If a derivative instrument in a cash flow hedge is terminated or the hedge designation is removed, related amounts in Accumulated OCI are reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. If it is probable that a forecasted transaction will not occur, any related amounts in Accumulated OCI are reclassified into earnings in that period.

Interest Rate Lock Commitments

The Corporation enters into interest rate lock commitments (IRLCs) in connection with its mortgage banking activities to fund residential mortgage loans at specified times in the future. IRLCs that relate to the origination of mortgage loans that will be held for sale are considered derivative instruments under SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." As such, these IRLCs are recorded at fair value with changes in fair value recorded in Mortgage Banking Income.

Consistent with SEC SAB No. 105, "Application of Accounting Principles to Loan Commitments," the Corporation does not record any unrealized gain or loss at the inception of the loan commitment, which is the time the commitment is issued to the borrower. The Corporation records unrealized gains or losses based upon subsequent changes in the value from the inception of the loan commitment. In estimating the fair value of an IRLC, the Corporation assigns a probability to the loan commitment based on an expectation that it will be exercised and the loan will be funded. The fair value of the commitments is derived from the fair value of related mortgage loans which is based on observable market data. Changes to the fair value of IRLCs are recognized based on interest rate changes, changes in the probability that the commitment will be exercised and the passage of time. Changes from the expected future cash flows related to the customer relationship or loan servicing are excluded from the valuation of the IRLCs.

Outstanding IRLCs expose the Corporation to the risk that the price of the loans underlying the commitments might decline from inception of the rate lock to funding of the loan. To protect against this risk, the Corporation utilizes forward loan sales commitments and other derivative instruments, including interest rate swaps and options, to economically hedge the risk of potential changes in the value of the loans that would result from the commitments. The changes in the fair value of these derivatives are recorded in Mortgage Banking Income.

Securities

Debt Securities are classified based on management's intention on the date of purchase and recorded on the Consolidated Balance Sheet as Debt Securities as of the trade date. Debt Securities which management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Debt Securities that are bought and held principally for the purpose of resale in the near term are classified as Trading Account Assets and are stated at fair value with unrealized gains and losses included in Trading Account Profits. All other Debt Securities that management has the intent and ability to hold to recovery unless there is a significant deterioration in credit quality in any individual security are classified as available-for-sale (AFS) and carried at fair value with net unrealized gains and losses included in Accumulated OCI on an after-tax basis.

Interest on Debt Securities, including amortization of premiums and accretion of discounts, is included in Interest Income. Realized gains and losses from the sales of Debt Securities, which are included in Gains (Losses) on Sales of Debt Securities, are determined using the specific identification method.

Marketable equity securities are classified based on management's intention on the date of purchase and recorded on the Consolidated Balance Sheet as of the trade date. Marketable equity securities that are bought and held principally for the purpose of resale in the near term are classified as Trading Account Assets and are stated at fair value with unrealized gains and losses included in Trading Account Profits. Other marketable equity securities are accounted for as AFS and classified in Other Assets. All AFS marketable equity securities in which management has the intent and ability to hold to recovery are carried at fair value with net unrealized gains and losses included in Accumulated OCI on an after-tax basis. Dividend income on all AFS marketable equity securities is included in Equity Investment Gains. Realized gains and losses on the sale of all AFS marketable equity securities, which are recorded in Equity Investment Gains, are determined using the specific identification method.

Investments in equity securities without readily determinable market values are recorded in Other Assets, are accounted for using the cost method and are subject to impairment testing as applicable.

Equity investments held by Principal Investing, a diversified equity investor in companies at all stages of their life cycle from startup to buyout, are reported at fair value pursuant to American Institute of Certified Public Accountants (AICPA) Investment Company Audit Guide and recorded in Other Assets. These investments are made either directly in a company or held through a fund. Equity investments for which there are active market quotes are carried at estimated fair value based on market prices. Nonpublic and other equity investments for which representative market quotes are not readily available are initially valued at cost. Subsequently, these investments are reviewed semi-annually or on a quarterly basis, where appropriate, and adjusted to reflect changes in value as a result of initial public offerings, market liquidity, the investees' financial results, sales restrictions, or other than temporary declines in value. Gains and losses on these equity investments, both unrealized and realized, are recorded in Equity Investment Gains.

Loans and Leases

Loans are reported at their outstanding principal balances net of any unearned income, charge-offs, unamortized deferred fees and costs on originated loans, and premiums or discounts on purchased loans. Loan origination fees and certain direct origination costs are deferred and recognized as adjustments to income over the lives of the related loans. Unearned income, discounts and premiums are amortized to income using methods that approximate the interest method.

The Corporation purchases loans with and without evidence of credit quality deterioration since origination. Those loans with evidence of credit quality deterioration for which it is probable at purchase that we will be unable to collect all contractually required payments are accounted for under AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer" (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. Under SOP 03-3, the excess of cash flows expected at purchase over the purchase price is recorded as interest income over the life of the loan. For those loans not within the scope of SOP 03-3 any difference between the purchase price and the par value of the loan is reflected in interest income over the life of the loan.

The Corporation provides equipment financing to its customers through a variety of lease arrangements. Direct financing leases are carried at the aggregate of lease payments receivable plus estimated residual value of the leased property less unearned income. Leveraged leases, which are a form of financing leases, are carried net of nonrecourse debt. Unearned income on leveraged and direct financing leases is accreted to earnings over the lease terms by methods that approximate the interest method.

Allowance for Credit Losses

The allowance for credit losses which includes the Allowance for Loan and Lease Losses and the reserve for unfunded lending commitments, represents management's estimate of probable losses inherent in the Corporation's lending activities. The Allowance for Loan and Lease Losses represents the estimated probable credit losses in funded consumer and commercial loans and leases while the reserve for unfunded lending commitments, including standby letters of credit (SBLCs) and binding unfunded loan commitments, represents estimated probable credit losses on these unfunded credit instruments based on utilization assumptions. Credit exposures, excluding Derivative Assets and Trading Account Assets, deemed to be uncollectible are charged against these accounts. Cash recovered on previously charged off amounts are recorded as recoveries to these accounts.

The Corporation performs periodic and systematic detailed reviews of its lending portfolios to identify credit risks and to assess the overall collectibility of those portfolios. The allowance on certain homogeneous loan portfolios, which generally consist of consumer and certain commercial loans such as the business card and small business portfolio, is based on aggregated portfolio segment evaluations generally by product type. Loss forecast models are utilized for these segments which consider a variety of factors including, but not limited to, historical loss experience, estimated defaults or foreclosures based on portfolio trends, delinquencies, economic conditions and credit scores. These models are updated on a quarterly basis in order to incorporate information reflective of the current economic environment. The remaining commercial portfolios are reviewed on an individual loan basis. Loans subject to individual reviews are analyzed and segregated by risk according to the Corporation's internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, current economic conditions, industry performance trends, geographic or obligor concentrations within each portfolio segment, and any other pertinent information (including individual valuations on nonperforming loans in accordance with SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," (SFAS 114)) result in the estimation of the allowance for credit losses. The historical loss experience is updated quarterly to incorporate the most recent data reflective of the current economic environment.

If necessary, a specific Allowance for Loan and Lease Losses is established for individual impaired commercial loans. A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due, including principal and interest, according to the contractual terms of the agreement. Once a loan has been identified as individually impaired, management measures impairment in accordance with SFAS 114. Individually impaired loans are measured based on the present value of payments expected to be received, observable market prices, or for loans that are solely dependent on the collateral for repayment, the estimated fair value of the collateral. If the recorded investment in impaired loans exceeds the present value of payments expected to be received, a specific allowance is established as a component of the Allowance for Loan and Lease Losses.

The Allowance for Loan and Lease Losses includes two components which are allocated to cover the estimated probable losses in each loan and lease category based on the results of the Corporation's detailed review process described above. The first component covers those commercial loans that are either nonperforming or impaired. The second component covers consumer loans and leases, and performing commercial loans and leases. Included within this second 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 the Corporation's estimate of probable losses including the imprecision inherent in the forecasting methodologies, as well as domestic and global economic uncertainty and large single name defaults or event risk. Management evaluates the adequacy of the Allowance for Loan and Lease Losses based on the combined total of these two components.

In addition to the Allowance for Loan and Lease Losses, the Corporation also estimates probable losses related to unfunded lending commitments, such as letters of credit and financial guarantees, and binding unfunded loan commitments. Unfunded lending commitments are subject to individual reviews and are analyzed and segregated by risk according to the Corporation's internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, utilization assumptions, current economic conditions, performance trends within specific portfolio segments and any other pertinent information, result in the estimation of the reserve for unfunded lending commitments.

The allowance for credit losses related to the loan and lease portfolio is reported on the Consolidated Balance Sheet in the Allowance for Loan and Lease Losses. The allowance for credit losses related to the reserve for unfunded lending commitments is reported on the Consolidated Balance Sheet in Accrued Expenses and Other Liabilities. Provision for Credit

Losses related to the loan and lease portfolio and unfunded lending commitments is reported in the Consolidated Statement of Income in the Provision for Credit Losses.

Nonperforming Loans and Leases, Charge-offs, and Delinquencies

In accordance with the Corporation's policies, non-bankrupt credit card loans, open-end unsecured consumer loans, and real estate secured loans are charged off no later than the end of the month in which the account becomes 180 days past due. Personal property secured loans are charged off no later than the end of the month in which the account becomes 120 days past due. Accounts in bankruptcy are written down to collateral value either 60 days after bankruptcy notification (credit card and certain open-end unsecured accounts) or no later than the end of the month in which the account becomes 60 days past due. Only real estate secured accounts are generally placed into non accrual status and classified as nonperforming at 90 days past due. These loans can be returned to performing status when principal or interest is less than 90 days past due.

Commercial loans and leases, excluding business card loans, that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, including loans that are individually identified as being impaired, are generally classified as nonperforming unless well-secured and in the process of collection. Loans whose contractual terms have been restructured in a manner which grants a concession to a borrower experiencing financial difficulties, without compensation on restructured loans, are classified as nonperforming until the loan is performing for an adequate period of time under the restructured agreement. In situations where the Corporation does not receive adequate compensation, the restructuring is considered a troubled debt restructuring. Interest accrued but not collected is reversed when a commercial loan is classified as nonperforming. Interest collections on commercial nonperforming loans and leases for which the ultimate collectibility of principal is uncertain are applied as principal reductions; otherwise, such collections are credited to income when received. 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. Business card loans are charged off no later than the end of the month in which the account becomes 180 days past due or in which 60 days has elapsed since receipt of notification of bankruptcy filing, whichever comes first, and are not classified as nonperforming.

The entire balance of an account is contractually delinquent if the minimum payment is not received by the specified due date on the customer's billing statement. Interest and fees continue to accrue on past due loans until the date the loan goes into nonaccrual status, if applicable. Delinquency is reported on accruing loans that are 30 days or more past due.

Loans Held-for-Sale

Loans held-for-sale include residential mortgage, loan syndications, and to a lesser degree, commercial real estate, consumer finance and other loans, and are carried at the lower of aggregate cost or market value. Loans held-for-sale are included in Other Assets.

Premises and Equipment

Premises and Equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets. Estimated lives range up to 40 years for buildings, up to 12 years for furniture and equipment, and the shorter of lease term or estimated useful life for leasehold improvements.

Mortgage Servicing Rights

Effective January 1, 2006, the Corporation early adopted SFAS 156 and began accounting for consumer-related MSRs at fair value with changes in fair value recorded in Mortgage Banking Income, while commercial-related MSRs continue to be accounted for using the amortization method (i.e., lower of cost or market) with impairment recognized as a reduction to Mortgage Banking Income. Certain derivatives are used as economic hedges of the MSRs, but are not designated as hedges under SFAS 133. These derivatives are marked to market and recognized through Mortgage Banking Income.

Prior to January 1, 2006, the Corporation applied SFAS 133 hedge accounting for derivative financial instruments that had been designated to hedge MSRs. The loans underlying the MSRs being hedged were stratified into pools that possessed similar interest rate and prepayment risk exposures. The Corporation had designated the hedged risk as the change in the overall fair value of these stratified pools within a daily hedge period. The Corporation performed both prospective and retrospective hedge effectiveness evaluations, using regression analyses. A prospective test was performed to determine whether the hedge was expected to be highly effective at the inception of the hedge. A retrospective test was performed at the end of the daily hedge period to determine whether the hedge was actually effective. Debt Securities were also used as economic hedges of MSRs and were accounted for as AFS Securities with realized gains recorded in Gains (Losses) on Sales of Debt Securities and unrealized gains or losses recorded in Accumulated OCI in Shareholders' Equity. For additional information on MSRs, see Note 8 of the Consolidated Financial Statements.

Goodwill and Intangible Assets

Net assets of companies acquired in purchase transactions are recorded at fair value at the date of acquisition. Identified intangibles are amortized on an accelerated or straight-line basis over the estimated period of benefit. Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or when events or circumstances indicate a potential impairment, at the reporting unit level. The impairment test is performed in two phases. The first step of the Goodwill impairment test compares the fair value of the reporting unit with its carrying amount, including Goodwill. If the fair value of the reporting unit exceeds its carrying amount, Goodwill of the reporting unit is considered not impaired; however, if the carrying amount of the reporting unit exceeds its fair value, an additional step has to be performed. This additional step compares the implied fair value of the reporting unit's Goodwill (as defined in SFAS No. 142, "Goodwill and Other Intangible Assets") with the carrying amount of that Goodwill. An impairment loss is recorded to the extent that the carrying amount of Goodwill exceeds its implied fair value. In 2006, 2005, and 2004, Goodwill was tested for impairment and it was determined that Goodwill was not impaired at any of these dates.

Intangible Assets subject to amortization are evaluated for impairment in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." An impairment loss will be recognized if the carrying amount of the Intangible Asset is not recoverable and exceeds fair value. The carrying amount of the intangible is considered not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. At December 31, 2006, Intangible Assets included on the Consolidated Balance Sheet consist of purchased credit card relationship intangibles, core deposit intangibles, affinity relationships, and other intangibles that are amortized on an accelerated or straight-line basis over anticipated periods of benefit of up to 15 years. There were no events or changes in circumstances in 2006, 2005, and 2004 that indicated the carrying amounts of our intangibles may not be recoverable.

Special Purpose Financing Entities

In the ordinary course of business, the Corporation supports its customers' financing needs by facilitating the customers' access to different funding sources, assets and risks. In addition, the Corporation utilizes certain financing arrangements to meet its balance sheet management, funding, liquidity, and market or credit risk management needs. These financing entities may be in the form of corporations, partnerships, limited liability companies or trusts, and are generally not consolidated on the Corporation's Consolidated Balance Sheet. The majority of these activities are basic term or revolving securitization vehicles for mortgages, credit cards or other types of loans which are generally funded through term-amortizing debt structures. Other special purpose entities finance their activities by issuing short-term commercial paper. The securities issued from both types of vehicles are designed to be paid off from the underlying cash flows of the vehicles' assets or the reissuance of commercial paper.

Securitizations

The Corporation securitizes, sells and services interests in residential mortgage loans and credit card loans, and from time to time, automobile, consumer finance and commercial loans. The accounting for these activities is governed by SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125" (SFAS 140). The securitization vehicles are Qualified Special Purpose Entities (QSPEs) which, in accordance with SFAS 140, are legally isolated, bankruptcy remote and beyond the control of the seller. QSPEs are not

included in the consolidated financial statements of the seller. When the Corporation securitizes assets, it may retain interest- only strips, one or more subordinated tranches, subordinated interests in accrued interest and fees on the securitized receivables and, in some cases, cash reserve accounts which are generally considered residual interests in the securitized assets. The Corporation may also retain senior tranches in these securitizations. Gains and losses upon sale of the assets are based on an allocation of the previous carrying amount of the assets to the retained interests. Carrying amounts of assets transferred are allocated in proportion to the relative fair values of the assets sold and interests retained.

Quoted market prices are used to obtain fair values of senior retained interests. Generally, quoted market prices for retained residual interests are not available; therefore, the Corporation estimates fair values based upon the present value of the associated expected future cash flows. This may require management to estimate credit losses, prepayment speeds, forward interest yield curves, discount rates and other factors that impact the value of retained interests. See Note 9 of the Consolidated Financial Statements for further discussion.

Interest-only strips retained in connection with credit card securitizations are classified in Other Assets and carried at fair value, with changes in fair value recorded in Card Income. Other retained interests are primarily classified in Other Assets or AFS Securities and carried at fair value or amounts that approximate fair value with changes in fair value recorded in Accumulated OCI. The excess cash flows expected to be received over the amortized cost of these retained interests is recognized as Interest Income using the effective yield method. If the fair value of such retained interests has declined below its carrying amount and there has been an adverse change in estimated contractual cash flows of the underlying assets, then such decline is determined to be other-than-temporary and the retained interest is written down to fair value with a corresponding adjustment to earnings.

Other Special Purpose Financing Entities

Other special purpose financing entities are generally funded with short-term commercial paper. These financing entities are usually contractually limited to a narrow range of activities that facilitate the transfer of or access to various types of assets or financial instruments and provide the investors in the transaction protection from creditors of the Corporation in the event of bankruptcy or receivership of the Corporation. In certain situations, the Corporation provides liquidity commitments and/or loss protection agreements.

The Corporation determines whether these entities should be consolidated by evaluating the degree to which it maintains control over the financing entity and will receive the risks and rewards of the assets in the financing entity. In making this determination, the Corporation considers whether the entity is a QSPE, which is generally not required to be consolidated by the seller or investors in the entity. For non-QSPE structures or VIEs, the Corporation assesses whether it is the primary beneficiary of the entity. In accordance with FASB Interpretation No. 46 (Revised December 2003), “Consolidation of Variable Interest Entities, an interpretation of ARB No. 51” (FIN 46R), the primary beneficiary is the party that consolidates a VIE based on its assessment that it will absorb a majority of the expected losses or expected residual returns of the entity, or both. For additional information on other special purpose financing entities, see Note 9 of the Consolidated Financial Statements.

Income Taxes

The Corporation accounts for income taxes in accordance with SFAS No. 109, “Accounting for Income Taxes” (SFAS 109), resulting in two components of Income Tax Expense: current and deferred. Current income tax expense approximates taxes to be paid or refunded for the current period. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. These gross deferred tax assets and liabilities represent decreases or increases in taxes expected to be paid in the future because of future reversals of temporary differences in the bases of assets and liabilities as measured by tax laws and their bases as reported in the financial statements. Deferred tax assets have also been recognized for net operating loss carryforwards and tax credit carryforwards. Valuation allowances are then recorded to reduce deferred tax assets to the amounts management concludes are more likely than not to be realized. For additional information on income taxes, see Note 18 of the Consolidated Financial Statements.

Retirement Benefits

The Corporation has established qualified retirement plans covering substantially all full-time and certain part-time employees. Pension expense under these plans is charged to current operations and consists of several components of net pension cost based on various actuarial assumptions regarding future experience under the plans.

In addition, the Corporation has established unfunded supplemental benefit plans and supplemental executive retirement plans for selected officers of the Corporation and its subsidiaries (SERPS) that provide benefits that cannot be paid from a qualified retirement plan due to Internal Revenue Code restrictions. The SERPS are frozen and the executive offices do not accrue any additional benefits. These plans are nonqualified under the Internal Revenue Code and assets used to fund benefit payments are not segregated from other assets of the Corporation; therefore, in general, a participant's or beneficiary's claim to benefits under these plans is as a general creditor. In addition, the Corporation has established several postretirement healthcare and life insurance benefit plans.

The Corporation accounts for its retirement benefit plans in accordance with SFAS No. 87, "Employers' Accounting for Pensions" (SFAS 87), SFAS No. 88, "Employers' Accounting for Settlements and Curtailment of Defined Benefit Pension Plans and for Termination Benefits," and SFAS No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions," as applicable.

On December 31, 2006, the Corporation adopted SFAS 158 which requires the recognition of a plan's over-funded or under-funded status as an asset or liability with an offsetting adjustment to Accumulated OCI. SFAS 158 requires the determination of the fair values of a plan's assets at a company's year-end and recognition of actuarial gains and losses, prior service costs or credits, and transition assets or obligations as a component of Accumulated OCI. These amounts were previously netted against the plans' funded status in the Corporation's Consolidated Balance Sheet. These amounts will be subsequently recognized as components of net periodic benefit costs. Further, actuarial gains and losses that arise in subsequent periods that are not initially recognized as a component of net periodic benefit cost will be recognized as a component of Accumulated OCI. Those amounts will subsequently be recorded as a component of net periodic benefit cost as they are amortized during future periods.

Accumulated Other Comprehensive Income

The Corporation records gains and losses on cash flow hedges, unrealized gains and losses on AFS Securities, unrecognized actuarial gains and losses, transition obligation and prior service costs on Pension and Postretirement plans, foreign currency translation adjustments, and related hedges of net investments in foreign operations in Accumulated OCI, net of tax. Accumulated OCI also includes fair value adjustments on certain retained interests in the Corporation's securitization transactions. Gains or losses on derivatives accounted for as cash flow hedges are reclassified to Net Income when the hedged transaction affects earnings. Gains and losses on AFS Securities are reclassified to Net Income as the gains or losses are realized upon sale of the securities. Other-than-temporary impairment charges are reclassified to Net Income at the time of the charge. Translation gains or losses on foreign currency translation adjustments are reclassified to Net Income upon the substantial sale or liquidation of investments in foreign operations.

Earnings Per Common Share

Earnings per Common Share is computed by dividing Net Income Available to Common Shareholders by the weighted average common shares issued and outstanding. For Diluted Earnings per Common Share, Net Income Available to Common Shareholders can be affected by the conversion of the registrant's convertible preferred stock. Where the effect of this conversion would have been dilutive, Net Income Available to Common Shareholders is adjusted by the associated preferred dividends. This adjusted Net Income is divided by the weighted average number of common shares issued and outstanding for each period plus amounts representing the dilutive effect of stock options outstanding, restricted stock, restricted stock units and the dilution resulting from the conversion of the registrant's convertible preferred stock, if applicable. The effects of convertible preferred stock, restricted stock, restricted stock units and stock options are excluded from the computation of diluted earnings per common share in periods in which the effect would be antidilutive. Dilutive potential common shares are calculated using the treasury stock method.

Foreign Currency Translation

Assets, liabilities and operations of foreign branches and subsidiaries are recorded based on the functional currency of each entity. For certain of the foreign operations, the functional currency is the local currency, in which case the assets, liabilities and operations are translated, for consolidation purposes, at period-end rates from the local currency to the reporting currency, the U.S. dollar. The resulting unrealized gains or losses are reported as a component of Accumulated OCI on an after-tax basis. When the foreign entity's functional currency is determined to be the U.S. dollar, the resulting remeasurement currency gains or losses on foreign denominated assets or liabilities are included in Net Income.

Credit Card Arrangements

Endorsing organization agreements

The Corporation contracts with other organizations to obtain their endorsement of the Corporation's loan products. This endorsement may provide the Corporation exclusive rights to market to the organization's members or to customers on behalf of the Corporation. These organizations endorse the Corporation's loan products and provide the Corporation with their mailing lists and marketing activities. These agreements generally have terms that range from five to seven years. The Corporation typically pays royalties in exchange for their endorsement. These compensation costs to the Corporation are recorded as contra-revenue against Card Income.

Cardholder reward agreements

The Corporation offers reward programs that allow its cardholders to earn points that can be redeemed for a broad range of rewards including cash, travel and discounted products. The Corporation establishes a rewards liability based upon the points earned which are expected to be redeemed and the average cost per point redemption. The points to be redeemed are estimated based on past redemption behavior, card product type, account transaction activity and other historical card performance. The liability is reduced as the points are redeemed. The estimated cost of the rewards programs is recorded as contra-revenue against Card Income.

Stock-based Compensation

On January 1, 2006, the Corporation adopted SFAS 123R under the modified-prospective application. The Corporation had previously adopted the fair value-based method of accounting for stock-based employee compensation under SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure – an amendment of FASB Statement No. 123," (SFAS 148) prospectively, on January 1, 2003. Had the Corporation adopted SFAS 148 retrospectively, the impact in 2005 and 2004 would not have been material. For additional information on stock-based employee compensation, see Note 17 of the Consolidated Financial Statements.

NOTE 2 – MBNA Merger and Restructuring Activity

The Corporation acquired 100 percent of the outstanding stock of MBNA on January 1, 2006, for $34.6 billion. In connection therewith 1,260 million shares of MBNA common stock were exchanged for 631 million shares of the Corporation's common stock. Prior to the MBNA merger, this represented approximately 16 percent of the Corporation's outstanding common stock. MBNA shareholders also received cash of $5.2 billion. The MBNA merger was a tax-free merger for the Corporation. The acquisition expands the Corporation's customer base and its opportunity to deepen customer relationships across the full breadth of the Corporation by delivering innovative deposit, lending and investment products and services to MBNA's customer base. Additionally, the acquisition allows the Corporation to significantly increase its affinity relationships through MBNA's credit card operations and sell these credit cards through our delivery channels (including the retail branch network). MBNA's results of operations were included in the Corporation's results beginning January 1, 2006.

The MBNA merger was accounted for under the purchase method of accounting in accordance with SFAS No. 141, "Business Combinations." The purchase price has been allocated to the assets acquired and the liabilities assumed based on their fair values at the MBNA merger date as summarized in the following table.

MBNA Purchase Price Allocation (In millions, except per share amounts)

Purchase price		
Purchase price per share of the Corporation's common stock[1]	$45.856	
Exchange ratio	0.5009	
Purchase price per share of the Corporation's common stock exchanged	$22.969	
Cash portion of the MBNA merger consideration	4.125	
Implied value of one share of MBNA common stock	27.094	
MBNA common stock exchanged	1,260	
Total value of the Corporation's common stock and cash exchanged		$34,139
Fair value of outstanding stock options and direct acquisition costs		467
Total purchase price		**$34,606**
Allocation of the purchase price		
MBNA stockholders' equity		$13,410
MBNA goodwill and other intangible assets		(3,564)
Adjustments to reflect assets acquired and liabilities assumed at fair value:		
Loans and leases		(292)
Premises and equipment		(563)
Identified intangibles [2]		7,881
Other assets		(683)
Deposits		(97)
Exit and termination liabilities		(269)
Other personnel-related liabilities		(634)
Other liabilities and deferred income taxes		(564)
Long-term debt		(409)
Fair value of net assets acquired		14,216
Goodwill resulting from the MBNA merger[3]		**$20,390**

(1) The value of the shares of common stock exchanged with MBNA shareholders was based upon the average of the closing prices of the Corporation's common stock for the period commencing two trading days before, and ending two trading days after, June 30, 2005, the date of the MBNA merger announcement.

(2) Includes purchased credit card relationships of $5,698 million, affinity relationships of $1,641 million, core deposit intangibles of $214 million, and other intangibles, including trademarks, of $328 million. The amortization life for core deposit intangibles is 10 years, purchased credit card relationships and affinity relationships are 15 years, and other intangibles over periods not exceeding 10 years. These intangibles are primarily amortized on an accelerated basis.

(3) No Goodwill is expected to be deductible for tax purposes. Substantially all Goodwill was allocated to *Global Consumer and Small Business Banking* .

As a result of the MBNA merger, the Corporation acquired certain loans for which there was, at the time of the merger, evidence of deterioration of credit quality since origination and for which it was probable that all contractually required payments would not be collected. These loans were accounted for in accordance with SOP 03-3 which requires that purchased impaired loans be recorded at fair value as of the merger date. The purchase accounting adjustment to reduce impaired loans to fair value resulted in an increase in Goodwill. In addition, an adjustment was made to the Allowance for Loan and Lease Losses for those impaired loans resulting in a decrease in Goodwill. The outstanding balance and fair value of such loans was approximately $1.3 billion and $940 million as of the merger date. At December 31, 2006, there were no outstanding balances for such loans.

Unaudited Pro Forma Condensed Combined Financial Information

The following unaudited pro forma condensed combined financial information presents the results of operations of the Corporation had the MBNA merger taken place at January 1, 2005 and 2004. Included in the 2004 pro forma amounts are FleetBoston results for the three months ended March 31, 2004.

	Pro Forma	
(Dollars in millions)	2005	2004
Net interest income	$ 34,029	$ 32,831
Noninterest income	32,647	30,523
Total revenue	66,676	63,354
Provision for credit losses	5,082	3,983
Gains on sales of debt securities	1,084	1,775
Merger and restructuring charges	1,179	624
Other noninterest expense	34,411	34,373
Income before income taxes	27,088	26,149
Net income	18,157	17,300

Merger and Restructuring Charges in the above table include a nonrecurring restructuring charge related to legacy MBNA of $767 million for 2005. Pro forma Earnings per Common Share and Diluted Earnings per Common Share were $3.90 and $3.86 for 2005, and $3.68 and $3.62 for 2004.

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. Merger and Restructuring Charges for 2005 and 2004 were $412 million and $618 million and primarily related to the FleetBoston merger.

(Dollars in millions)	2006
Severance and employee-related charges	$ 85
Systems integrations and related charges	552
Other	168
Total merger and restructuring charges	**$805**

Exit Costs and Restructuring Reserves

On January 1, 2006, the Corporation initially recorded liabilities of $468 million for MBNA's exit and termination costs as purchase accounting adjustments resulting in an increase in Goodwill. Included in the $468 million were $409 million for severance, relocation and other employee-related expenses and $59 million for contract terminations. During 2006, the Corporation revised certain of its initial estimates due to lower severance costs and updated integration plans including site consolidations that resulted in the reduction of exit cost reserves of $199 million. This reduction in reserves consisted of $177 million related to severance, relocation and other employee-related expenses and $22 million related to contract termination estimates. Cash payments of $144 million in 2006 consisted of $111 million of severance, relocation and other employee-related costs, and $33 million of contract terminations. The impact of these items reduced the balance in the liability to $125 million at December 31, 2006.

Restructuring reserves were also established for legacy Bank of America associate severance, other employee-related expenses and contract terminations. During 2006, $160 million was recorded to the restructuring reserves. Of these amounts, $80 million was related to associate severance and other employee-related expenses, and another $80 million to contract terminations. During 2006, cash payments of $22 million for severance and other employee-related costs and $71 million for contract termination have reduced this liability. The net impact of these items resulted in a balance of $67 million at December 31, 2006.

Payments under exit costs and restructuring reserves associated with the MBNA merger are expected to be substantially completed in 2007. The following table presents the changes in Exit Costs and Restructuring Reserves for the year ended December 31, 2006.

(Dollars in millions)	Exit Cost Reserves [1]	Restructuring Reserves [2]
Balance, January 1, 2006	$ —	$ —
MBNA exit costs	269	—
Restructuring charges	—	160
Cash payments	(144)	(93)
Balance, December 31, 2006	**$ 125**	**$ 67**

(1)Exit costs 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.

NOTE 3 – Trading Account Assets and Liabilities

The following table presents the fair values of the components of Trading Account Assets and Liabilities at December 31, 2006 and 2005.

	December 31	
(Dollars in millions)	**2006**	2005
Trading account assets		
Corporate securities, trading loans and other	**$ 53,923**	$ 46,554
U.S. government and agency securities [1]	**36,656**	31,091
Equity securities	**27,103**	31,029
Mortgage trading loans and asset-backed securities	**15,449**	12,290
Foreign sovereign debt	**19,921**	10,743
Total	**$153,052**	$131,707
Trading account liabilities		
U.S. government and agency securities [2]	**$ 26,760**	$ 23,179
Equity securities	**23,908**	11,371
Foreign sovereign debt	**9,261**	8,915
Corporate securities and other	**7,741**	7,425
Total	**$ 67,670**	$ 50,890

(1)Includes $22.7 billion and $20.9 billion at December 31, 2006 and 2005 of government-sponsored enterprise obligations that are not backed by the full faith and credit of the U.S. government.
(2)Includes $2.2 billion and $1.4 billion at December 31, 2006 and 2005 of government-sponsored enterprise obligations that are not backed by the full faith and credit of the U.S. government.

NOTE 4 – Derivatives

The Corporation designates derivatives as trading derivatives, economic hedges, or as derivatives used for SFAS 133 accounting purposes. For additional information on our derivatives and hedging activities, see Note 1 of the Consolidated Financial Statements.

Credit Risk Associated with Derivative Activities

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. In managing derivative credit risk, both the current exposure, which is the replacement cost of contracts on the measurement date, as well as an estimate of the potential change in value of contracts over their remaining lives are considered. The Corporation's derivative activities are primarily with financial institutions and corporations. To minimize credit risk, the Corporation enters

into legally enforceable master netting agreements which reduce risk by permitting the closeout and netting of transactions with the same counterparty upon occurrence of certain events. In addition, the Corporation reduces credit risk by obtaining collateral from counterparties. The determination of the need for and the levels of collateral will vary based on an assessment of the credit risk of the counterparty. Generally, the Corporation accepts collateral in the form of cash, U.S. Treasury securities and other marketable securities. The Corporation held $24.2 billion of collateral on derivative positions, of which $14.9 billion could be applied against credit risk at December 31, 2006.

A portion of the derivative activity involves exchange-traded instruments. Exchange-traded instruments conform to standard terms and are subject to policies set by the exchange involved, including margin and security deposit requirements. Management believes the credit risk associated with these types of instruments is minimal. The average fair value of Derivative Assets, less cash collateral, for 2006 and 2005 was $24.2 billion and $25.9 billion. The average fair value of Derivative Liabilities for 2006 and 2005 was $16.6 billion and $16.8 billion.

The following table presents the contract/notional amounts and credit risk amounts at December 31, 2006 and 2005 of all the Corporation's derivative positions. These derivative positions are primarily executed in the over-the-counter market. 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 December 31, 2006 and 2005, the cash collateral applied against Derivative Assets on the Consolidated Balance Sheet was $7.3 billion and $9.3 billion. In addition, at December 31, 2006 and 2005, the cash collateral placed against Derivative Liabilities was $6.5 billion and $7.6 billion.

	December 31, 2006		December 31, 2005	
(Dollars in millions)	**Contract/ Notional**	**Credit Risk**	Contract/ Notional	Credit Risk
Interest rate contracts				
Swaps	**$ 18,185,655**	**$ 9,601**	$ 14,401,577	$ 11,085
Futures and forwards	**2,283,579**	**103**	2,113,717	—
Written options	**1,043,933**	**—**	900,036	—
Purchased options	**1,308,888**	**2,212**	869,471	3,345
Foreign exchange contracts				
Swaps	**451,462**	**4,241**	333,487	3,735
Spot, futures and forwards	**1,234,009**	**2,995**	944,321	2,481
Written options	**464,420**	**—**	214,668	—
Purchased options	**414,004**	**1,391**	229,049	1,214
Equity contracts				
Swaps	**32,247**	**577**	28,287	548
Futures and forwards	**19,947**	**24**	6,479	44
Written options	**102,902**	**—**	69,048	—
Purchased options	**104,958**	**7,513**	57,693	6,729
Commodity contracts				
Swaps	**4,868**	**1,129**	8,809	2,475
Futures and forwards	**13,513**	**2**	5,533	—
Written options	**9,947**	**—**	7,854	—
Purchased options	**6,796**	**184**	3,673	546
Credit derivatives [1]	**1,497,869**	**756**	722,190	766
Credit risk before cash collateral		**30,728**		32,968
Less: Cash collateral applied		**7,289**		9,256
Total derivative assets		**$ 23,439**		$ 23,712

(1)The December 31, 2005 notional amount has been reclassified to conform with new regulatory guidance, which defined the notional as the contractual loss protection for structured basket transactions.

ALM Activities

Interest rate contracts and foreign exchange contracts are utilized in the Corporation's ALM activities. The Corporation maintains an overall interest rate risk management strategy that incorporates the use of interest rate contracts to minimize significant 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. As a result of interest rate fluctuations, hedged fixed-rate assets and liabilities appreciate or depreciate in market 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 Income and Interest Expense on hedged variable-rate assets and liabilities increase or decrease as a result of interest rate fluctuations. Gains and losses on the derivative instruments that are linked to these hedged assets and liabilities are expected to substantially offset this variability in earnings.

Interest rate contracts, which are generally non-leveraged generic interest rate and basis swaps, options and futures, allow the Corporation to manage its interest rate risk position. Non-leveraged generic interest rate swaps involve the exchange of fixed-rate and variable-rate interest payments based on the contractual underlying notional amount. Basis swaps involve the exchange of interest payments based on the contractual underlying notional amounts, where both the pay rate and the receive rate are floating rates based on different indices. Option products primarily consist of caps, floors and swaptions. Futures contracts used for the Corporation's ALM activities are primarily index futures providing for cash payments based upon the movements of an underlying rate index.

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 equity investments in foreign 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.

Fair Value and Cash Flow Hedges

The Corporation uses various types of interest rate and foreign currency exchange rate 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).

For cash flow hedges, gains and losses on derivative contracts reclassified from Accumulated OCI to current period earnings are included in the line item in the Consolidated Statement of Income in which the hedged item is recorded and in the same period the hedged item affects earnings. During the next 12 months, net losses on derivative instruments included in Accumulated OCI of approximately $1.0 billion ($658 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.

The following table summarizes certain information related to the Corporation's derivative hedges accounted for under SFAS 133 for 2006 and 2005:

(Dollars in millions)	**2006**	2005
Fair value hedges		
Hedge ineffectiveness recognized in earnings [1]	**$ 23**	$166
Net gain (loss) excluded from assessment of effectiveness [2]	**—**	(13)
Cash flow hedges		
Hedge ineffectiveness recognized in earnings [3]	**18**	(31)
Net investment hedges		
Gains (losses) included in foreign currency translation adjustments within Accumulated OCI[4]	**(475)**	66

(1)Hedge ineffectiveness was recognized primarily within Net Interest Income and Mortgage Banking Income in the Consolidated Statement of Income for 2006 and 2005, respectively.
(2)Net gain (loss) excluded from assessment of effectiveness was recorded primarily within Mortgage Banking Income in the Consolidated Statement of Income for 2005.
(3)Hedge ineffectiveness was recognized primarily within Net Interest Income in the Consolidated Statement of Income for 2006 and 2005.
(4)Amount for 2006 primarily represents net investment hedges of certain foreign subsidiaries acquired in connection with the MBNA merger.

NOTE 5 – Securities

The amortized cost, gross unrealized gains and losses, and fair value of AFS debt and marketable equity securities at December 31, 2006 and 2005 were:

Available-for-sale securities

(Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
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**
Other taxable securities [1]	**16,776**	**10**	**(134)**	**16,652**
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**
2005				
U.S. Treasury securities and agency debentures	$ 730	$ —	$ (13)	$ 717
Mortgage-backed securities	197,101	198	(5,268)	192,031
Foreign securities	10,944	1	(54)	10,891
Other taxable securities [1]	13,198	126	(99)	13,225
Total taxable securities	221,973	325	(5,434)	216,864
Tax-exempt securities	4,693	31	(32)	4,692
Total available-for-sale debt securities	$226,666	$ 356	$ (5,466)	$221,556
Available-for-sale marketable equity securities [2]	$ 575	$ 305	$ (18)	$ 862

(1)Includes corporate debt and asset-backed securities.
(2)Represents those AFS marketable equity securities that are recorded in Other Assets on the Consolidated Balance Sheet.

At December 31, 2006, the amortized cost and fair value of both taxable and tax-exempt Held-to-maturity Securities was $40 million. At December 31, 2005, the amortized cost and fair value of both taxable and tax-exempt Held-to-maturity Securities was $47 million.

At December 31, 2006, accumulated net unrealized losses on AFS debt and marketable equity securities included in Accumulated OCI were $2.9 billion, net of the related income tax benefit of $1.7 billion. At December 31, 2005, accumulated net unrealized losses on these securities were $3.0 billion, net of the related income tax benefit of $1.8 billion.

The following table presents the current fair value and the associated gross unrealized losses only on investments in securities with gross unrealized losses at December 31, 2006 and 2005. The table also discloses whether these securities have had gross unrealized losses for less than twelve months, or for twelve months or longer.

	December 31, 2006					
	Less than twelve months		Twelve months or longer		Total	
(Dollars in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
U.S. Treasury securities and agency debentures	**$ 387**	**$ (9)**	**$ —**	**$ —**	**$ 387**	**$ (9)**
Mortgage-backed securities	**4,684**	**(128)**	**151,092**	**(4,676)**	**155,776**	**(4,804)**
Foreign securities	**45**	**(1)**	**6,908**	**(77)**	**6,953**	**(78)**
Other taxable securities	**5,452**	**(125)**	**287**	**(9)**	**5,739**	**(134)**
Total taxable securities	**10,568**	**(263)**	**158,287**	**(4,762)**	**168,855**	**(5,025)**
Tax-exempt securities	**811**	**(4)**	**1,271**	**(30)**	**2,082**	**(34)**
Total temporarily-impaired available-for-sale debt securities	**11,379**	**(267)**	**159,558**	**(4,792)**	**170,937**	**(5,059)**
Temporarily-impaired marketable equity securities	**244**	**(10)**	**—**	**—**	**244**	**(10)**
Total temporarily-impaired securities	**$ 11,623**	**$ (277)**	**$ 159,558**	**$ (4,792)**	**$171,181**	**$ (5,069)**

	December 31, 2005					
	Less than twelve months		Twelve months or longer		Total	
(Dollars in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
U.S. Treasury securities and agency debentures	$ 251	$ (9)	$ 163	$ (4)	$ 414	$ (13)
Mortgage-backed securities	149,979	(3,766)	40,236	(1,502)	190,215	(5,268)
Foreign securities	3,455	(41)	852	(13)	4,307	(54)
Other taxable securities	3,882	(79)	469	(20)	4,351	(99)
Total taxable securities	157,567	(3,895)	41,720	(1,539)	199,287	(5,434)
Tax-exempt securities	2,308	(27)	156	(5)	2,464	(32)
Total temporarily-impaired available-for-sale debt securities	159,875	(3,922)	41,876	(1,544)	201,751	(5,466)
Temporarily-impaired marketable equity securities	146	(18)	—	—	146	(18)
Total temporarily-impaired securities	$ 160,021	$ (3,940)	$ 41,876	$ (1,544)	$ 201,897	$ (5,484)

Management evaluates securities for other-than-temporary impairment on a quarterly basis, and more frequently when conditions warrant such evaluation. Factors considered in determining whether an impairment is other-than-temporary include (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Corporation to hold the investment for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2006, the amortized cost of approximately 5,000 securities in AFS securities exceeded their fair value by $5.1 billion. Included in the $5.1 billion of gross unrealized losses on AFS securities at December 31, 2006, was $277 million of gross unrealized losses that have existed for less than twelve months and $4.8 billion of gross unrealized losses that have existed for a period of twelve months or longer. Of the gross unrealized losses existing for twelve months or more, $4.7 billion, or 98 percent, of the gross unrealized loss is related to approximately 1,500 mortgage-backed securities. These securities are predominately all investment grade, with more than 90 percent rated AAA. The gross unrealized losses on these mortgage-backed securities are due to overall increases in market interest rates. The Corporation has the ability and intent to hold these securities for a period of time sufficient to recover all gross unrealized losses. Accordingly, the Corporation has not recognized any other-than-temporary impairment for these securities.

The Corporation had investments in securities from the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) that exceeded 10 percent of consolidated Shareholders' Equity as of December 31, 2006 and 2005. Those investments had market values of $109.9 billion and $42.0 billion at December 31,

2006, and $144.1 billion and $46.9 billion at December 31, 2005. In addition, these investments had total amortized costs of $113.5 billion and $43.3 billion at December 31, 2006, and $148.0 billion and $48.3 billion at December 31, 2005. As disclosed in the preceding paragraph, the Corporation has not recognized any other-than-temporary impairment for these securities.

Securities are pledged or assigned to secure borrowed funds, government and trust deposits and for other purposes. The carrying value of pledged securities was $83.8 billion and $116.7 billion at December 31, 2006 and 2005.

The expected maturity distribution of the Corporation's mortgage-backed securities and the contractual maturity distribution of the Corporation's other debt securities, and the yields of the Corporation's AFS debt securities portfolio at December 31, 2006 are summarized in the following table. Actual maturities may differ from the contractual or expected maturities shown below since borrowers may have the right to prepay obligations with or without prepayment penalties.

	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years [1]		Total	
(Dollars in millions)	Amount	Yield [2]	Amount	Yield [2]	Amount	Yield [2]	Amount	Yield [2]	Amount	Yield [2]
Fair value of available-for-sale debt securities										
U.S. Treasury securities and agency debentures	$ 78	4.08%	$ 524	3.96%	$ 80	4.31%	$ 6	5.73%	$ 688	4.03%
Mortgage-backed securities	17	5.59	11,456	4.40	143,370	5.04	2,050	8.62	156,893	5.04
Foreign securities	819	4.88	6,177	5.27	4,949	5.37	105	6.27	12,050	5.29
Other taxable securities	3,581	4.70	10,435	5.19	2,237	5.33	399	6.40	16,652	5.13
Total taxable	4,495	4.73	28,592	4.87	150,636	5.06	2,560	8.17	186,283	5.06
Tax-exempt securities [3]	1,000	5.82	1,169	5.90	3,226	5.82	1,128	6.44	6,523	5.94
Total available-for-sale debt securities	**$5,495**	**4.93%**	**$29,761**	**4.91%**	**$153,862**	**5.07%**	**$3,688**	**7.64%**	**$192,806**	**5.09%**
Amortized cost of available-for-sale debt securities	**$5,495**		**$30,293**		**$158,301**		**$3,696**		**$197,785**	

(1)Includes securities with no stated maturity.

(2)Yields are calculated based on the amortized cost of the securities.

(3)Yield of tax-exempt securities calculated on a fully taxable-equivalent (FTE) basis.

The components of realized gains and losses on sales of debt securities for 2006, 2005 and 2004 were:

(Dollars in millions)	2006	2005	2004
Gross gains	**$ 87**	$1,154	$2,270
Gross losses	**(530)**	(70)	(546)
Net gains (losses) on sales of debt securities	**$(443)**	$1,084	$1,724

The Income Tax Expense (Benefit) attributable to realized net gains (losses) on debt securities sales was $(163) million, $400 million, and $640 million in 2006, 2005 and 2004, respectively.

Pursuant to an agreement dated June 17, 2005, the Corporation agreed to purchase approximately nine percent, or 19.1 billion shares, of the stock of China Construction Bank (CCB). These shares are accounted for at cost as they are non-transferable until the third anniversary of the initial public offering in 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. At December 31, 2006, the investment in the CCB shares was included in Other Assets.

Additionally, the Corporation sold its Brazilian operations to Banco Itaú Holding Financeira S.A. (Banco Itaú) for approximately $1.9 billion in preferred stock. These shares are non-transferable for three years from the date of the agreement dated May 1, 2006 and are accounted for at cost. The sale closed in September 2006. At December 31, 2006, this $1.9 billion of preferred stock was included in Other Assets.

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 $12.2 billion and $2.5 billion at December 31, 2006.

NOTE 6 – Outstanding Loans and Leases

Outstanding loans and leases at December 31, 2006 and 2005 were:

(Dollars in millions)	December 31 2006	2005
Consumer		
Residential mortgage	**$241,181**	$182,596
Credit card—domestic	**61,195**	58,548
Credit card—foreign	**10,999**	—
Home equity lines	**74,888**	62,098
Direct/Indirect consumer [1]	**68,224**	45,490
Other consumer [2]	**9,218**	6,725
Total consumer	**465,705**	355,457
Commercial		
Commercial—domestic	**161,982**	140,533
Commercial real estate [3]	**36,258**	35,766
Commercial lease financing	**21,864**	20,705
Commercial—foreign	**20,681**	21,330
Total commercial	**240,785**	218,334
Total	**$706,490**	$573,791

(1)Includes home equity loans of $12.8 billion and $8.1 billion at December 31, 2006 and 2005.

(2)Includes foreign consumer loans of $6.2 billion and $3.8 billion at December 31, 2006 and 2005 and consumer finance loans of $2.8 billion for both December 31, 2006 and 2005.

(3)Includes domestic commercial real estate loans of $35.7 billion and $35.2 billion, and foreign commercial real estate loans of $578 million and $585 million at December 31, 2006 and 2005.

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 114 at December 31, 2006 and 2005. SFAS 114 impairment includes performing troubled debt restructurings and excludes all commercial leases.

(Dollars in millions)	December 31 2006	2005
Commercial—domestic	**$586**	$613
Commercial real estate	**118**	49
Commercial—foreign	**13**	34
Total impaired loans	**$717**	$696

The average recorded investment in certain impaired loans for 2006, 2005 and 2004 was approximately $722 million, $852 million and $1.6 billion, respectively. At December 31, 2006 and 2005, the recorded investment in impaired loans requiring an Allowance for Loan and Lease Losses based on individual analysis per SFAS 114 guidelines was $567 million and $517 million, and the related Allowance for Loan and Lease Losses was $43 million and $55 million. For 2006, 2005 and 2004, Interest Income recognized on impaired loans totaled $36 million, $17 million and $21 million, respectively, all of which was recognized on a cash basis.

At December 31, 2006 and 2005, nonperforming loans and leases, including impaired loans and nonaccrual consumer loans, totaled $1.8 billion and $1.5 billion. In addition, included in Other Assets were nonperforming loans held-for-sale of $80 million and $69 million at December 31, 2006 and 2005.

The Corporation has loan products with varying terms (e.g., interest-only mortgages, option adjustable rate mortgages, etc.) and loans with high loan-to-value ratios. Exposure to any of these loan products does not result in a significant concentration of credit risk. Terms of loan products, collateral coverage, the borrower's credit history, and the amount of these loans that are retained on our balance sheet are included in the Corporation's assessment when establishing its Allowance for Loan and Lease Losses.

NOTE 7 – Allowance for Credit Losses

The following table summarizes the changes in the allowance for credit losses for 2006, 2005 and 2004:

(Dollars in millions)	2006	2005	2004
Allowance for loan and lease losses, January 1	**$ 8,045**	$ 8,626	$ 6,163
FleetBoston balance, April 1, 2004	**—**	—	2,763
MBNA balance, January 1, 2006	**577**	—	—
Loans and leases charged off	**(5,881)**	(5,794)	(4,092)
Recoveries of loans and leases previously charged off	**1,342**	1,232	979
Net charge-offs	**(4,539)**	(4,562)	(3,113)
Provision for loan and lease losses	**5,001**	4,021	2,868
Other	**(68)**	(40)	(55)
Allowance for loan and lease losses, December 31	**9,016**	8,045	8,626
Reserve for unfunded lending commitments, January 1	**395**	402	416
FleetBoston balance, April 1, 2004	**—**	—	85
Provision for unfunded lending commitments	**9**	(7)	(99)
Other	**(7)**	—	—
Reserve for unfunded lending commitments, December 31	**397**	395	402
Total allowance for credit losses	**$ 9,413**	$ 8,440	$ 9,028

NOTE 8 – Mortgage Servicing Rights

Effective January 1, 2006, the Corporation adopted SFAS 156 and accounts for consumer-related MSRs 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. Prior to January 1, 2006, consumer-related MSRs were accounted for on a lower of cost or market basis and hedged with derivatives that qualified for SFAS 133 hedge accounting.

The following table presents activity for consumer-related MSRs for 2006 and 2005.

(Dollars in millions)	2006	2005
Balance, January 1	**$2,658**	$2,358
MBNA balance, January 1, 2006	**9**	—
Additions	**572**	860
Sales of MSRs	**(71)**	(176)
Impact of customer payments	**(713)**	—
Amortization	**—**	(612)
Other changes in MSR market value [1]	**414**	228
Balance, December 31 [2]	**$2,869**	$2,658

(1) For 2006, amount reflects changes in discount rates and prepayment speed assumptions, mostly due to changes in interest rates. For 2005, amount reflects $291 million related to change in value attributed to SFAS 133 hedged MSRs, and $63 million of impairments.

(2) Before the adoption of SFAS 156, there was an impairment allowance of $257 million at December 31, 2005.

Commercial-related MSRs are accounted for using the amortization method (i.e., lower of cost or market). Commercial-related MSRs were $176 million and $148 million at December 31, 2006 and 2005 and are not included in the table above.

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 (OAS) levels. An OAS model runs multiple interest rate scenarios and projects prepayments specific to each one of those interest rate scenarios.

As of December 31, 2006, the fair value of consumer-related MSRs was $2.9 billion, and the modeled weighted-average lives of MSRs related to fixed and adjustable rate loans (including hybrid Adjustable Rate Mortgages) were 4.98 years and 3.19 years. The following table presents the sensitivity of the weighted-average lives and fair value of MSRs to changes in modeled assumptions.

	December 31, 2006		
	Change in Weighted-average lives		
(Dollars in millions)	Fixed	Adjustable	Change in Fair value
Prepayment rates			
Impact of 10% decrease	0.33 years	0.26 years	$ 135
Impact of 20% decrease	0.70	0.58	289
Impact of 10% increase	(0.29)	(0.23)	(120)
Impact of 20% increase	(0.55)	(0.42)	(227)
OAS level			
Impact of 100 bps decrease	n/a	n/a	109
Impact of 200 bps decrease	n/a	n/a	227
Impact of 100 bps increase	n/a	n/a	(101)
Impact of 200 bps increase	n/a	n/a	(195)

NOTE 9 – Securitizations

The Corporation securitizes assets and may continue to hold a portion or all 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, which are carried at fair value or amounts that approximate fair value. Those assets may be serviced by the Corporation or by third parties.

Mortgage-related Securitizations

The Corporation securitizes a portion of its residential mortgage loan originations in conjunction with or shortly after loan closing. In addition, the Corporation may, from time to time, securitize commercial mortgages and first residential mortgages that it originates or purchases from other entities. In 2006 and 2005, the Corporation converted a total of $65.5 billion (including $15.5 billion originated by other entities) and $95.1 billion (including $15.9 billion originated by other entities), of commercial mortgages and first residential mortgages into mortgage-backed securities issued through Fannie Mae, Freddie Mac, Government National Mortgage Association, Bank of America, N.A. and Banc of America Mortgage Securities. At December 31, 2006 and 2005, the Corporation retained $5.5 billion (including $4.2 billion issued prior to 2006) and $7.2 billion (including $2.4 billion issued prior to 2005) of these securities. At December 31, 2006, these retained interests were valued using quoted market prices.

In 2006, the Corporation reported $341 million in gains on loans converted into securities and sold, of which gains of $329 million were from loans originated by the Corporation and $12 million were from loans originated by other entities. In 2005, the Corporation reported $575 million in gains on loans converted into securities and sold, of which gains of $592 million were from loans originated by the Corporation and losses of $17 million were from loans originated by other entities. At December 31, 2006 and 2005, the Corporation had recourse obligations of $412 million and $471 million with varying terms up to seven years on loans that had been securitized and sold.

In 2006 and 2005, the Corporation purchased $17.4 billion and $19.6 billion of mortgage-backed securities from third parties and resecuritized them. Net gains, which include Net Interest Income earned during the holding period, totaled $25 million and $13 million. The Corporation did not retain any of the securities issued in these transactions.

In 2006 and 2005, the Corporation also purchased an additional $4.9 billion and $7.2 billion of mortgage loans from third parties and securitized them. In 2006, the Corporation retained residual interests in these transactions which totaled $224 million at December 31, 2006 and are classified in Trading Account Assets, with changes in fair value recorded in earnings. These residual interests are included in the sensitivity table below which sets forth the sensitivity of the fair value of residual interests to changes in key assumptions. In 2005, the Corporation resecuritized the residual interests and did not retain a significant interest in the securitization trusts. The Corporation reported $16 million and $4 million in gains on these transactions in 2006 and 2005.

The Corporation has retained MSRs from the sale or securitization of mortgage loans. Servicing fee and ancillary fee income on all mortgage loans serviced, including securitizations, was $775 million and $789 million in 2006 and 2005. For more information on MSRs, see Note 8 of the Consolidated Financial Statements.

Credit Card and Other Securitizations

As a result of the MBNA merger, the Corporation acquired interests in credit card, other consumer, and commercial loan securitization vehicles. These acquired interests include interest-only strips, subordinated tranches, cash reserve accounts, and subordinated interests in accrued interest and fees on the securitized receivables. During 2006, the Corporation securitized $23.7 billion of credit card receivables resulting in $104 million in gains (net of securitization transaction costs of $28 million) which was recorded in Card Income. Aggregate debt securities outstanding for the MBNA credit card securitization trusts as of December 31, 2006 and January 1, 2006, were $96.0 billion and $81.6 billion. As of December 31, 2006 and January 1, 2006, the aggregate debt securities outstanding for the Corporation's credit card securitization trusts, including MBNA, were $96.8 billion and $83.8 billion. The other consumer and commercial loan securitization vehicles acquired with MBNA were not material to the Corporation.

The Corporation also securitized $3.3 billion and $3.8 billion of automobile loans and recorded losses of $6 million and $17 million in 2006 and 2005. At December 31, 2006 and 2005, aggregate debt securities outstanding for the Corporation's automobile securitization vehicles were $5.2 billion and $4.0 billion, and the Corporation held residual interests which totaled $130 million and $93 million.

At December 31, 2006 and 2005, the Corporation held investment grade securities issued by its securitization vehicles of $3.5 billion (none of which were issued in 2006) and $4.4 billion (including $2.6 billion issued in 2005), which are valued using quoted market prices, in the AFS securities portfolio. At December 31, 2006 and 2005, there were no recognized servicing assets or liabilities associated with any of these securitization transactions.

The Corporation has provided protection on a subset of one consumer finance securitization in the form of a guarantee with a maximum payment of $220 million that will only be paid if over-collateralization is not sufficient to absorb losses and certain other conditions are met. The Corporation projects no payments will be due over the remaining life of the contract, which is less than one year.

Key economic assumptions used in measuring the fair value of certain residual interests that continue to be held by the Corporation (included in Other Assets) in securitizations and the sensitivity of the current fair value of residual cash flows to changes in those assumptions are disclosed in the following table.

(Dollars in millions)	Credit Card		Consumer Finance [1]	
	2006	2005	**2006**	2005
Carrying amount of residual interests [2]	**$ 2,929**	$ 203	**$ 811**	$ 290
Balance of unamortized securitized loans	**98,295**	2,237	**6,153**	2,667
Weighted average life to call or maturity (in years)	**0.3**	0.5	**0.3-2.7**	0.8
Revolving structures—monthly payment rate	**11.2-19.8 %**	12.1 %		
Amortizing structures—annual constant prepayment rate:				
Fixed rate loans			**20.0-25.9 %**	26.3-28.9 %
Adjustable rate loans			**32.8-37.1**	37.6
Impact on fair value of 10% favorable change	**$ 43**	$ 2	**$ 7**	$ 8
Impact on fair value of 25% favorable change	**133**	3	**12**	17
Impact on fair value of 10% adverse change	**(38)**	(2)	**(15)**	(16)
Impact on fair value of 25% adverse change	**(82)**	(3)	**(23)**	(39)
Expected credit losses [3]	**3.8-5.8 %**	4.0-4.3 %	**4.4-5.9 %**	3.9-5.6 %
Impact on fair value of 10% favorable change	**$ 86**	$ 3	**$ 16**	$ 7
Impact on fair value of 25% favorable change	**218**	8	**42**	18
Impact on fair value of 10% adverse change	**(85)**	(3)	**(15)**	(7)
Impact on fair value of 25% adverse change	**(211)**	(8)	**(36)**	(18)
Residual cash flows discount rate (annual rate)	**12.5 %**	12.0 %	**16.0-30.0 %**	30.0 %
Impact on fair value of 100 bps favorable change	**$ 12**	$ —	**$ 5**	$ 5
Impact on fair value of 200 bps favorable change	**17**	—	**11**	11
Impact on fair value of 100 bps adverse change	**(14)**	—	**(5)**	(5)
Impact on fair value of 200 bps adverse change	**(27)**	—	**(10)**	(10)

(1) Consumer finance includes mortgage loans purchased and securitized in 2006 and originated consumer finance loans that were securitized in 2001, all of which are serviced by third parties.
(2) 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. Residual interests in purchased mortgage loans totaling $224 million at December 31, 2006 are classified in Trading Account Assets. Other residual interests are classified in Other Assets.
(3) Annual rates of expected credit losses are presented for credit card securitizations. Cumulative lifetime rates of expected credit losses (incurred plus projected) are presented for consumer finance securitizations.

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.

Static pool net credit losses are considered in determining the value of the retained interests of the consumer finance securitization. Static pool net credit losses include actual losses incurred plus projected credit losses divided by the original balance of each securitization pool. For consumer finance securitizations entered into in 2006, weighted average static pool net credit losses were 5.00 percent for the year ended December 31, 2006. For consumer finance securitizations entered into in 2001, weighted average static pool net credit losses were 5.29 percent for the year ended December 31, 2006, and 5.50 percent for the year ended December 31, 2005.

Principal proceeds from collections reinvested in revolving credit card securitizations were $163.4 billion and $4.5 billion in 2006 and 2005. Contractual credit card servicing fee income totaled $1.9 billion and $97 million in 2006 and 2005. Other cash flows received on retained interests, such as cash flow from interest-only strips, were $6.7 billion and $183 million in 2006 and 2005, for credit card securitizations. Proceeds from collections reinvested in revolving commercial loan securitizations were $4.6 billion and $8.7 billion in 2006 and 2005. Servicing fees and other cash flows received on retained interests, such as cash flows from interest-only strips, were $2 million and $15 million in 2006, and $3 million and $34 million in 2005 for commercial loan securitizations.

The Corporation also reviews its loans and leases portfolio on a managed basis. Managed loans and leases are defined as on-balance sheet Loans and Leases as well as those loans in revolving securitizations and other securitizations where servicing is retained that are undertaken for corporate management purposes, which include credit card, commercial loans,

automobile and certain mortgage securitizations. Managed loans and leases exclude originate-to-distribute loans and other loans in securitizations where the Corporation has not retained servicing. New advances on accounts for which previous loan balances were sold to the securitization trusts will be recorded on the Corporation's Consolidated Balance Sheet after the revolving period of the securitization, which has the effect of increasing Loans and Leases on the Corporation's Consolidated Balance Sheet and increasing Net Interest Income and charge-offs, with a related reduction in Noninterest Income.

Portfolio balances, delinquency and historical loss amounts of the managed loans and leases portfolio for 2006 and 2005 were as follows:

	December 31, 2006			December 31, 2005 [1]		
(Dollars in millions)	Total Loans and Leases	Accruing Loans and Leases Past Due 90 Days or More	Nonperforming Loans and Leases	Total Loans and Leases	Accruing Loans and Leases Past Due 90 Days or More	Nonperforming Loans and Leases
Residential mortgage [2]	**$ 245,840**	**$ 118**	**$ 660**	$188,380	$ —	$ 570
Credit card—domestic	**142,599**	**3,828**	**n/a**	60,785	1,217	n/a
Credit card—foreign	**27,890**	**608**	**n/a**	—	—	n/a
Home equity lines	**75,197**	**—**	**251**	62,546	3	117
Direct/Indirect consumer	**75,112**	**493**	**44**	49,544	75	37
Other consumer	**9,218**	**38**	**77**	6,725	15	61
Total consumer	**575,856**	**5,085**	**1,032**	367,980	1,310	785
Commercial—domestic	**163,274**	**265**	**598**	142,447	117	581
Commercial real estate	**36,258**	**78**	**118**	35,766	4	49
Commercial lease financing	**21,864**	**26**	**42**	20,705	15	62
Commercial—foreign	**20,681**	**9**	**13**	21,330	32	34
Total commercial	**242,077**	**378**	**771**	220,248	168	726
Total managed loans and leases	**817,933**	**5,463**	**1,803**	588,228	1,478	1,511
Managed loans in securitizations	**(111,443)**	**(2,407)**	**(16)**	(14,437)	(23)	—
Total held loans and leases	**$ 706,490**	**$ 3,056**	**$ 1,787**	$573,791	$ 1,455	$ 1,511

	Year Ended December 31, 2006			Year Ended December 31, 2005 [1]		
(Dollars in millions)	Average Loans and Leases Outstanding	Net Losses	Net Loss Ratio [3]	Average Loans and Leases Outstanding	Net Losses	Net Loss Ratio [3]
Residential mortgage	**$ 213,097**	**$ 39**	**0.02 %**	$ 179,474	$ 27	0.02 %
Credit card—domestic	**138,592**	**5,395**	**3.89**	59,048	4,086	6.92
Credit card—foreign	**24,817**	**980**	**3.95**	—	—	—
Home equity lines	**69,071**	**51**	**0.07**	56,821	31	0.05
Direct/Indirect consumer	**68,227**	**839**	**1.23**	46,719	248	0.53
Other consumer	**10,713**	**303**	**2.83**	6,908	275	3.99
Total consumer	**524,517**	**7,607**	**1.45**	348,970	4,667	1.34
Commercial—domestic	**153,796**	**367**	**0.24**	130,882	170	0.13
Commercial real estate	**36,939**	**3**	**0.01**	34,304	—	—
Commercial lease financing	**20,862**	**(28)**	**(0.14)**	20,441	231	1.13
Commercial—foreign	**23,521**	**(8)**	**(0.04)**	18,491	(72)	(0.39)
Total commercial	**235,118**	**334**	**0.14**	204,118	329	0.16
Total managed loans and leases	**759,635**	**7,941**	**1.05**	553,088	4,996	0.90
Managed loans in securitizations	**(107,218)**	**(3,402)**	**3.17**	(15,870)	(434)	2.73
Total held loans and leases	**$ 652,417**	**$ 4,539**	**0.70 %**	$ 537,218	$4,562	0.85 %

(1) The amounts at and for the year ended December 31, 2005 have been adjusted to include certain mortgage and auto securitizations as these are now included in the Corporation's definition of managed loans and leases.

(2) Accruing loans and leases past due 90 days or more represent residential mortgage loans related to repurchases pursuant to our servicing agreements with Government National Mortgage Association mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. In 2005, these loans were recorded in loans held-for-sale and amounted to $161 million.

(3) The net loss ratio is calculated by dividing managed loans and leases net losses by average managed loans and leases outstanding for each loan and lease category.

Variable Interest Entities

At December 31, 2006 and 2005, the assets and liabilities of the Corporation's multi-seller asset-backed commercial paper conduits that have been consolidated in accordance with FIN 46R were reflected in AFS Securities, Other Assets, and Commercial Paper and Other Short-term Borrowings. As of December 31, 2006 and 2005, the Corporation held $10.5 billion and $6.6 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 $12.9 billion and $8.3 billion. In addition, the Corporation had net investments in leveraged lease trusts totaling $8.6 billion and $8.2 billion at December 31, 2006 and 2005. 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 December 31, 2006 and 2005, the amount of assets of these entities was $3.3 billion and $750 million, and in the unlikely event that all of the assets in the VIEs become worthless, the Corporation's maximum possible loss exposure would be $1.6 billion and $212 million.

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 December 31, 2006 and 2005 were approximately $51.9 billion and $36.1 billion. Revenues associated with administration, liquidity, letters of credit and other services were approximately $136 million and $122 million for the year ended December 31, 2006 and 2005. At December 31, 2006 and 2005, 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 $46.0 billion and $30.4 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 Note 1 of the Consolidated Financial Statements for additional discussion of special purpose financing entities.

NOTE 10 – Goodwill and Intangible Assets

The following table presents allocated Goodwill at December 31, 2006 and 2005 for each business segment and *All Other*.

	December 31	
(Dollars in millions)	**2006**	2005
Global Consumer and Small Business Banking	**$38,760**	$ 18,491
Global Corporate and Investment Banking	**21,331**	21,292
Global Wealth and Investment Management	**5,333**	5,333
All Other	**238**	238
Total	**$65,662**	$ 45,354

The gross carrying values and accumulated amortization related to Intangible Assets at December 31, 2006 and 2005 are presented below:

	December 31			
	2006		2005	
(Dollars in millions)	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Purchased credit card relationships	**$ 6,790**	**$ 1,159**	$ 977	$ 450
Core deposit intangibles	**3,850**	**2,396**	3,661	1,881
Affinity relationships	**1,650**	**205**	—	—
Other intangibles	**1,525**	**633**	1,376	489
Total	**$ 13,815**	**$ 4,393**	$ 6,014	$ 2,820

For information on the impact of the MBNA merger, see Note 2 of the Consolidated Financial Statements.

Amortization of Intangibles expense was $1.8 billion, $809 million and $664 million in 2006, 2005 and 2004, respectively. The increase for the year ended December 31, 2006 was primarily due to the MBNA merger. The Corporation estimates the aggregate amortization expense will be approximately $1.5 billion, $1.3 billion, $1.2 billion, $1.0 billion and $900 million for 2007, 2008, 2009, 2010 and 2011, respectively.

NOTE 11 – Deposits

The Corporation had domestic certificates of deposit of $100 thousand or more totaling $72.5 billion and $47.0 billion at December 31, 2006 and 2005. The Corporation had other domestic time deposits of $100 thousand or more totaling $1.9 billion and $1.4 billion at December 31, 2006 and 2005. Foreign certificates of deposit and other foreign time deposits of $100 thousand or more totaled $62.1 billion and $38.8 billion at December 31, 2006 and 2005.

Time deposits of $100 thousand or more

(Dollars in millions)	Three months or less	Over three months to six months	Over six months to twelve months	Thereafter	Total
Domestic certificates of deposit	$ 33,540	$ 14,205	$ 20,794	$ 4,006	**$72,545**
Domestic other time deposits	300	364	399	885	**1,948**
Foreign certificates of deposit and other time deposits	55,649	4,569	906	971	**62,095**

At December 31, 2006, the scheduled maturities for total time deposits were as follows:

(Dollars in millions)	Domestic	Foreign	Total
Due in 2007	$154,509	$88,396	$242,905
Due in 2008	7,283	218	7,501
Due in 2009	4,590	—	4,590
Due in 2010	2,179	1	2,180
Due in 2011	807	2	809
Thereafter	959	1,187	2,146
Total	**$170,327**	**$89,804**	**$260,131**

NOTE 12 – Short-term Borrowings and Long-term Debt

Short-term Borrowings

Bank of America Corporation and certain other subsidiaries issue commercial paper in order to meet short-term funding needs. Commercial paper outstanding at December 31, 2006 was $41.2 billion compared to $25.0 billion at December 31, 2005.

Bank of America, N.A. maintains a domestic program to offer up to a maximum of $50.0 billion, at any one time, of bank notes with fixed or floating rates and maturities of at least seven days from the date of issue. Short-term bank notes outstanding under this program totaled $24.5 billion at December 31, 2006, compared to $22.5 billion at December 31, 2005. These short-term bank notes, along with Treasury tax and loan notes, term federal funds purchased and commercial paper, are reflected in Commercial Paper and Other Short-term Borrowings on the Consolidated Balance Sheet.

Long-term Debt

The following table presents the balance of Long-term Debt at December 31, 2006 and 2005 and the related rates and maturity dates at December 31, 2006:

	December 31	
(Dollars in millions)	**2006**	2005
Notes issued by Bank of America Corporation		
Senior notes:		
Fixed, with a weighted average rate of 4.51%, ranging from 0.84% to 7.50%, due 2007 to 2043	**$ 38,587**	$ 36,357
Floating, with a weighted average rate of 4.93%, ranging from 0.72% to 6.78%, due 2007 to 2041	**26,695**	19,050
Subordinated notes:		
Fixed, with a weighted average rate of 6.08%, ranging from 2.94% to 10.20%, due 2007 to 2037	**23,896**	20,596
Floating, with a weighted average rate of 5.69%, ranging from 5.11% to 5.70% due 2016 to 2019	**510**	10
Junior subordinated notes (related to trust preferred securities):		
Fixed, with a weighted average rate of 6.77%, ranging from 5.25% to 11.45%, due 2026 to 2055	**13,665**	10,337
Floating, with a weighted average rate of 6.07%, ranging from 5.92% to 8.72%, due 2027 to 2033	**2,203**	1,922
Total notes issued by Bank of America Corporation	**105,556**	88,272
Notes issued by Bank of America, N.A. and other subsidiaries		
Senior notes:		
Fixed, with a weighted average rate of 5.03%, ranging from 0.93% to 11.30%, due 2007 to 2033	**6,450**	1,096
Floating, with a weighted average rate of 5.28%, ranging from 3.69% to 6.78%, due 2007 to 2051	**22,219**	4,985
Subordinated notes:		
Fixed, with a weighted average rate of 6.36%, ranging from 5.75% to 7.13%, due 2007 to 2036	**4,294**	1,871
Floating, with a weighted average rate of 5.63%, ranging from 5.36% to 5.64%, due 2016 to 2019	**918**	8
Total notes issued by Bank of America, N.A. and other subsidiaries	**33,881**	7,960
Notes issued by NB Holdings Corporation		
Junior subordinated notes (related to trust preferred securities):		
Fixed, with a weighted average rate of 8.02%, ranging from 7.95% to 8.06%, due 2026	**515**	515
Floating, 6.00%, due 2027	**258**	258
Total notes issued by NB Holdings Corporation	**773**	773
Other debt		
Advances from the Federal Home Loan Bank of Atlanta		
Floating, 5.49%, due 2007	**500**	2,750
Advances from the Federal Home Loan Bank of New York		
Fixed, with a weighted average rate of 6.07%, ranging from 4.00% to 8.29%, due 2007 to 2016	**285**	296
Advances from the Federal Home Loan Bank of Seattle		
Fixed, with a weighted average rate of 6.34%, ranging from 5.40% to 7.42%, due 2007 to 2031	**125**	578
Floating, with a weighted average rate of 5.33%, ranging from 5.30% to 5.35%, due 2007 to 2008	**3,200**	—
Advances from the Federal Home Loan Bank of Boston		
Fixed, with a weighted average rate of 5.83%, ranging from 1.00% to 7.72%, due 2007 to 2026	**146**	178
Floating, with a weighted average rate of 5.43%, ranging from 5.30% to 5.50%, due 2008 to 2009	**1,500**	—
Other	**34**	41
Total other debt	**5,790**	3,843
Total long-term debt	**$146,000**	$100,848

The majority of the floating rates are based on three- and six-month London InterBank Offered Rates (LIBOR). Bank of America Corporation and Bank of America, N.A. maintain various domestic and international debt programs to offer both senior and subordinated notes. The notes may be denominated in U.S. dollars or foreign currencies. At December 31, 2006

and 2005, the amount of foreign currency denominated debt translated into U.S. dollars included in total long-term debt was $37.8 billion and $23.1 billion. Foreign currency contracts are used to convert certain foreign currency denominated debt into U.S. dollars.

At December 31, 2006 and 2005, Bank of America Corporation was authorized to issue approximately $58.1 billion and $27.0 billion of additional corporate debt and other securities under its existing shelf registration statements. At December 31, 2006 and 2005, Bank of America, N.A. was authorized to issue approximately $30.8 billion and $9.5 billion of bank notes and Euro medium-term notes.

The weighted average effective interest rates for total long-term debt, total fixed-rate debt and total floating-rate debt (based on the rates in effect at December 31, 2006) were 5.32 percent, 5.41 percent and 5.18 percent, respectively, at December 31, 2006 and (based on the rates in effect at December 31, 2005) were 5.22 percent, 5.53 percent and 4.31 percent, respectively, at December 31, 2005. These obligations were denominated primarily in U.S. dollars.

Aggregate annual maturities of long-term debt obligations (based on final maturity dates) at December 31, 2006 are as follows:

(Dollars in millions)	2007	2008	2009	2010	2011	Thereafter	Total
Bank of America Corporation	$ 4,377	$ 11,031	$ 15,260	$ 11,585	$ 7,943	$ 55,360	$ 105,556
Bank of America, N.A. and other subsidiaries	11,158	13,279	1,705	871	162	6,706	33,881
NB Holdings Corporation	—	—	—	—	—	773	773
Other	1,659	2,668	1,019	234	4	206	5,790
Total	**$ 17,194**	**$ 26,978**	**$ 17,984**	**$ 12,690**	**$ 8,109**	**$ 63,045**	**$ 146,000**

Trust Preferred Securities

Trust preferred securities (Trust Securities) are issued by the trust companies (the Trusts), which are not consolidated. These Trust Securities are mandatorily redeemable preferred security obligations of the Trusts. The sole assets of the Trusts are Junior Subordinated Deferrable Interest Notes of the Corporation (the Notes). The Trusts are 100 percent owned finance subsidiaries of the Corporation. Obligations associated with the Notes are included in the Long-term Debt table on the previous page. See Note 15 of the Consolidated Financial Statements for a discussion regarding the treatment for regulatory capital purposes of the Trust Securities.

At December 31, 2006, the Corporation had 38 Trusts which have issued Trust Securities to the public. Certain of the Trust Securities were issued at a discount and may be redeemed prior to maturity at the option of the Corporation. The Trusts have invested the proceeds of such Trust Securities in the Notes. Each issue of the Notes has an interest rate equal to the corresponding Trust Securities distribution rate. The Corporation has the right to defer payment of interest on the Notes at any time or from time to time for a period not exceeding five years provided that no extension period may extend beyond the stated maturity of the relevant Notes. During any such extension period, distributions on the Trust Securities will also be deferred, and the Corporation's ability to pay dividends on its common and preferred stock will be restricted.

The Trust Securities are subject to mandatory redemption upon repayment of the related Notes at their stated maturity dates or their earlier redemption at a redemption price equal to their liquidation amount plus accrued distributions to the date fixed for redemption and the premium, if any, paid by the Corporation upon concurrent repayment of the related Notes.

Periodic cash payments and payments upon liquidation or redemption with respect to Trust Securities are guaranteed by the Corporation to the extent of funds held by the Trusts (the Preferred Securities Guarantee). The Preferred Securities Guarantee, when taken together with the Corporation's other obligations, including its obligations under the Notes, will constitute a full and unconditional guarantee, on a subordinated basis, by the Corporation of payments due on the Trust Securities.

The following table is a summary of the outstanding Trust Securities and the Notes at December 31, 2006 as originated by Bank of America Corporation and the predecessor banks.

(Dollars in millions) Issuer	Issuance Date	Aggregate Principal Amount of Trust Securities	Aggregate Principal Amount of the Notes	Stated Maturity of the Notes	Per Annum Interest Rate of the Notes	Interest Payment Dates	Redemption Period
Bank of America							
Capital Trust I	December 2001	$ 575	**$ 593**	December 2031	7.00 %	3/15,6/15,9/15,12/15	On or after 12/15/06
Capital Trust II	January 2002	900	**928**	February 2032	7.00	2/1, 5/1,8/1,11/1	On or after 2/01/07
Capital Trust III	August 2002	500	**516**	August 2032	7.00	2/15, 5/15,8/15,11/15	On or after 8/15/07
Capital Trust IV	April 2003	375	**387**	May 2033	5.88	2/1, 5/1,8/1,11/1	On or after 5/01/08
Capital Trust V	November 2004	518	**534**	November 2034	6.00	2/3, 5/3,8/3,11/3	On or after 11/03/09
Capital Trust VI	March 2005	1,000	**1,031**	March 2035	5.63	3/8,9/8	Any time
Capital Trust VII	August 2005	1,665	**1,717**	August 2035	5.25	2/10,8/10	Any time
Capital Trust VIII	August 2005	530	**546**	August 2035	6.00	2/25,5/25,8/25,11/25	On or after 8/25/10
Capital Trust X	March 2006	900	**928**	March 2055	6.25	3/29,6/29,9/29,12/29	On or after 3/29/11
Capital Trust XI	May 2006	1,000	**1,031**	May 2036	6.63	5/23,11/23	Any time
Capital Trust XII	August 2006	863	**890**	August 2055	6.88	2/2,5/2,8/2,11/2	On or after 8/02/11
NationsBank							
Capital Trust II	December 1996	365	**376**	December 2026	7.83	6/15,12/15	On or after 12/15/06
Capital Trust III	February 1997	500	**515**	January 2027	3-mo. LIBOR +55 bps	1/15,4/15,7/15,10/15	On or after 1/15/07
Capital Trust IV	April 1997	500	**515**	April 2027	8.25	4/15,10/15	On or after 4/15/07
BankAmerica							
Institutional Capital A	November 1996	450	**464**	December 2026	8.07	6/30,12/31	On or after 12/31/06
Institutional Capital B	November 1996	300	**309**	December 2026	7.70	6/30,12/31	On or after 12/31/06
Capital II	December 1996	450	**464**	December 2026	8.00	6/15,12/15	On or after 12/15/06
Capital III	January 1997	400	**412**	January 2027	3-mo. LIBOR +57 bps	1/15,4/15, 7/15,10/15	On or after 1/15/02
Barnett							
Capital I	November 1996	300	**309**	December 2026	8.06	6/1,12/1	On or after 12/01/06
Capital II	December 1996	200	**206**	December 2026	7.95	6/1,12/1	On or after 12/01/06
Capital III	January 1997	250	**258**	February 2027	3-mo. LIBOR +62.5 bps	2/1,5/1,8/1,11/1	On or after 2/01/07
Fleet							
Capital Trust II	December 1996	250	**258**	December 2026	7.92	6/15,12/15	On or after 12/15/06
Capital Trust V	December 1998	250	**258**	December 2028	3-mo. LIBOR +100 bps	3/18, 6/18,9/18, 12/18	On or after 12/18/03
Capital Trust VIII	March 2002	534	**550**	March 2032	7.20	3/15, 6/15,9/15,12/15	On or after 3/08/07
Capital Trust IX	July 2003	175	**180**	August 2033	6.00	2/1, 5/1,8/1,11/1	On or after 7/31/08
BankBoston							
Capital Trust I	November 1996	250	**258**	December 2026	8.25	6/15,12/15	On or after 12/15/06
Capital Trust II	December 1996	250	**258**	December 2026	7.75	6/15,12/15	On or after 12/15/06
Capital Trust III	June 1997	250	**258**	June 2027	3-mo. LIBOR +75 bps	3/15, 6/15,9/15,12/15	On or after 6/15/07
Capital Trust IV	June 1998	250	**258**	June 2028	3-mo. LIBOR +60 bps	3/8, 6/8,9/8,12/8	On or after 6/08/03
Summit							
Capital Trust I	March 1997	150	**155**	March 2027	8.40	3/15,9/15	On or after 3/15/07
Progress							
Capital Trust I	June 1997	9	**9**	June 2027	10.50	6/1,12/1	On or after 6/01/07
Capital Trust II	July 2000	6	**6**	July 2030	11.45	1/19,7/19	On or after 7/19/10
Capital Trust III	November 2002	10	**10**	November 2032	3-mo. LIBOR +335 bps	2/15,5/15,8/15,11/15	On or after 11/15/07
Capital Trust IV	December 2002	5	**5**	January 2033	3-mo. LIBOR +335 bps	1/7, 4/7,7/7,10/7	On or after 1/07/08
MBNA							
Capital Trust A	December 1996	250	**258**	December 2026	8.28	6/1,12/1	On or after 12/01/06
Capital Trust B	January 1997	280	**289**	February 2027	3-mo. LIBOR +80 bps	2/1,5/1,8/1,11/1	On or after 2/01/07
Capital Trust D	June 2002	300	**309**	October 2032	8.13	1/1,4/1,7/1,10/1	On or after 10/01/07
Capital Trust E	November 2002	200	**206**	February 2033	8.10	2/15,5/15,8/15,11/15	On or after 2/15/08
Total		$ 15,960	**$ 16,454**				

NOTE 13 – 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, SBLCs and commercial letters of credit to meet the financing needs of its customers. The outstanding unfunded lending commitments shown in the following table have been reduced by amounts participated to other financial institutions of $30.5 billion and $30.4 billion at December 31, 2006 and 2005. The carrying amount for these commitments, which represents the liability recorded related to these instruments, at December 31, 2006 and 2005 was $444 million and $458 million. At December 31, 2006, the carrying amount included deferred revenue of $47 million and a reserve for unfunded lending commitments of $397 million. At December 31, 2005, the carrying amount included deferred revenue of $63 million and a reserve for unfunded lending commitments of $395 million.

	December 31	
(Dollars in millions)	**2006**	2005
Loan commitments [1]	**$ 338,205**	$ 271,906
Home equity lines of credit	**98,200**	78,626
Standby letters of credit and financial guarantees	**53,006**	48,129
Commercial letters of credit	**4,482**	5,972
Legally binding commitments	**493,893**	404,633
Credit card lines [2]	**853,592**	192,967
Total	**$ 1,347,485**	$ 597,600

(1)Included at December 31, 2006 and 2005, were equity commitments of $2.8 billion and $1.5 billion, related to obligations to further fund equity investments.

(2)As part of the MBNA merger on January 1, 2006, the Corporation acquired $588.4 billion of unused credit card lines.

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.

The Corporation issues SBLCs and financial guarantees to support the obligations of its customers to beneficiaries. Additionally, in many cases, the Corporation holds collateral in various forms against these SBLCs. As part of its risk management activities, the Corporation continuously monitors the creditworthiness of the customer as well as SBLC exposure; however, if the customer fails to perform the specified obligation to the beneficiary, the beneficiary may draw upon the SBLC by presenting documents that are in compliance with the letter of credit terms. In that event, the Corporation either repays the money borrowed or advanced, makes payment on account of the indebtedness of the customer or makes payment on account of the default by the customer in the performance of an obligation to the beneficiary up to the full notional amount of the SBLC. The customer is obligated to reimburse the Corporation for any such payment. If the customer fails to pay, the Corporation would, as contractually permitted, liquidate collateral and/or offset accounts.

Commercial letters of credit, issued primarily to facilitate customer trade finance activities, are usually collateralized by the underlying goods being shipped to the customer and are generally short-term. Credit card lines are unsecured commitments that are not legally binding. Management reviews credit card lines at least annually, and upon evaluation of the customers' creditworthiness, the Corporation has the right to terminate or change certain terms of the credit card lines.

The Corporation uses various techniques to manage risk associated with these types of instruments that include obtaining collateral and/or adjusting commitment amounts based on the borrower's financial condition; therefore, the total commitment amount does not necessarily represent the actual risk of loss or future cash requirements. For each of these types of instruments, the Corporation's maximum exposure to credit loss is represented by the contractual amount of these instruments.

Other Commitments

At December 31, 2006 and 2005, charge cards (nonrevolving card lines) to individuals and government entities guaranteed by the U.S. government in the amount of $9.6 billion and $9.4 billion were not included in credit card line commitments in the previous table. The outstanding balances related to these charge cards were $193 million and $171 million at December 31, 2006 and 2005.

At December 31, 2006, the Corporation had whole mortgage loan purchase commitments of $8.5 billion, all of which will settle in the first quarter of 2007. At December 31, 2005, the Corporation had whole mortgage loan purchase commitments of $4.0 billion, all of which settled in the first quarter of 2006.

The Corporation has entered into operating leases for certain of its premises and equipment. Commitments under these leases approximate $1.4 billion in 2007, $1.3 billion in 2008, $1.1 billion in 2009, $931 million in 2010, $801 million in 2011, and $6.0 billion for all years thereafter.

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 2005, the Corporation purchased $5.0 billion of such loans. 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 and up to $10.0 billion in each of the agreement's next three fiscal years. As of December 31, 2006, the remaining commitment amount was $32.5 billion.

Other Guarantees

The Corporation sells products that offer book value protection primarily to plan sponsors of Employee Retirement Income Security Act of 1974 (ERISA) governed pension plans, such as 401(k) plans and 457 plans. The book value protection is provided on portfolios of intermediate/short-term investment grade fixed income securities and is intended to cover any shortfall in the event that plan participants withdraw funds when market value is below book value. The Corporation retains the option to exit the contract at any time. If the Corporation exercises its option, the purchaser can require the Corporation to purchase zero coupon bonds with the proceeds of the liquidated assets to assure the return of principal. To manage its exposure, the Corporation imposes significant restrictions and constraints on the timing of the withdrawals, the manner in which the portfolio is liquidated and the funds are accessed, and the investment parameters of the underlying portfolio. These constraints, combined with structural protections, are designed to provide adequate buffers and guard against payments even under extreme stress scenarios. These guarantees are booked as derivatives and marked to market in the trading portfolio. At December 31, 2006 and 2005, the notional amount of these guarantees totaled $33.2 billion and $34.0 billion with estimated maturity dates between 2007 and 2036. As of December 31, 2006 and 2005, the Corporation has not made a payment under these products, and management believes that the probability of payments under these guarantees is remote.

The Corporation also sells products that guarantee the return of principal to investors at a preset future date. These guarantees cover a broad range of underlying asset classes and are designed to cover the shortfall between the market value of the underlying portfolio and the principal amount on the preset future date. To manage its exposure, the Corporation requires that these guarantees be backed by structural and investment constraints and certain pre-defined triggers that would require the underlying assets or portfolio to be liquidated and invested in zero-coupon bonds that mature at the preset future date. The Corporation is required to fund any shortfall at the preset future date between the proceeds of the liquidated assets and the purchase price of the zero-coupon bonds. These guarantees are booked as derivatives and marked to market in the trading portfolio. At December 31, 2006 and 2005, the notional amount of these guarantees totaled $4.0 billion and $6.5 billion. These guarantees have various maturities ranging from 2007 to 2013. At December 31, 2006 and 2005, the Corporation had not made a payment under these products, and management believes that the probability of payments under these guarantees is remote.

The Corporation also has written put options on highly rated fixed income securities. Its obligation under these agreements is to buy back the assets at predetermined contractual yields in the event of a severe market disruption in the short-term funding market. These agreements have various maturities ranging from two to five years, and the pre-determined yields are based on the quality of the assets and the structural elements pertaining to the market disruption. The notional

amount of these put options was $2.1 billion and $803 million at December 31, 2006 and 2005. Due to the high quality of the assets and various structural protections, management believes that the probability of incurring a loss under these agreements is remote.

In the ordinary course of business, the Corporation enters into various agreements that contain indemnifications, such as tax indemnifications, whereupon payment may become due if certain external events occur, such as a change in tax law. These agreements typically contain an early termination clause that permits the Corporation to exit the agreement upon these events. The maximum potential future payment under indemnification agreements is difficult to assess for several reasons, including the inability to predict future changes in tax and other laws, the difficulty in determining how such laws would apply to parties in contracts, the absence of exposure limits contained in standard contract language and the timing of the early termination clause. Historically, any payments made under these guarantees have been de minimis. Management has assessed the probability of making such payments in the future as remote.

The Corporation has entered into additional guarantee agreements, including lease end obligation agreements, partial credit guarantees on certain leases, real estate joint venture guarantees, sold risk participation swaps and sold put options that require gross settlement. The maximum potential future payment under these agreements was approximately $2.0 billion and $1.8 billion at December 31, 2006 and 2005. The estimated maturity dates of these obligations are between 2007 and 2033. The Corporation has made no material payments under these guarantees.

The Corporation provides credit and debit card processing services to various merchants, 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 four 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. In 2006 and 2005, the Corporation processed $377.8 billion and $352.9 billion of transactions and recorded losses as a result of these chargebacks of $20 million and $13 million.

At December 31, 2006 and 2005, the Corporation held as collateral approximately $32 million and $248 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 four months, which represents the claim period for the cardholder, plus any outstanding delayed-delivery transactions. As of December 31, 2006 and 2005, the maximum potential exposure totaled approximately $114.5 billion and $118.2 billion.

Within the Corporation's brokerage business, the Corporation has contracted with a third party to provide clearing services that include underwriting margin loans to the Corporation's clients. This contract stipulates that the Corporation will indemnify the third party for any margin loan losses that occur in their issuing margin to the Corporation's clients. The maximum potential future payment under this indemnification was $938 million and $1.1 billion at December 31, 2006 and 2005. Historically, any payments made under this indemnification have been immaterial. As these margin loans are highly collateralized by the securities held by the brokerage clients, the Corporation has assessed the probability of making such payments in the future as remote. This indemnification would end with the termination of the clearing contract.

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.

Litigation and Regulatory Matters

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to many pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. Certain of these actions and proceedings are based on alleged violations of consumer protection, securities, environmental, banking, employment and other laws. In certain of these actions and proceedings, claims for substantial monetary damages are asserted against the Corporation and its subsidiaries.

In the ordinary course of business, the Corporation and its subsidiaries are also subject to regulatory examinations, information gathering requests, inquiries and investigations. Certain subsidiaries of the Corporation are registered broker/dealers or investment advisors and are subject to regulation by the SEC, the National Association of Securities Dealers, the New York Stock Exchange and state securities regulators. In connection with formal and informal inquiries by those agencies, such subsidiaries receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their regulated activities.

In view of the inherent difficulty of predicting the outcome of such litigation and regulatory matters, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, the Corporation cannot state with confidence what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each pending matter may be.

In accordance with SFAS No. 5, "Accounting for Contingencies", the Corporation establishes reserves for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Corporation does not establish reserves. In some of the matters described below, including but not limited to a substantial portion of the Parmalat Finanziaria S.p.A. matters, loss contingencies are not both probable and estimable in the view of management, and, accordingly, reserves have not been established for those matters. Based on current knowledge, management does not believe that loss contingencies, if any, arising from pending litigation and regulatory matters, including the litigation and regulatory matters described below, will have a material adverse effect on the consolidated financial position or liquidity of the Corporation, but may be material to the Corporation's operating results for any particular reporting period.

Adelphia Communications Corporation

Bank of America, N.A. (BANA), Banc of America Securities (BAS), Fleet National Bank and Fleet Securities, Inc. (FSI) are defendants in an adversary proceeding brought by the Official Committee of Unsecured Creditors (the Creditors' Committee) on behalf of Adelphia and Adelphia as co-plaintiffs that had been pending in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The lawsuit names over 400 defendants and asserts over 50 claims under federal statutes, including the Bank Holding Company Act, state common law, and various provisions of the Bankruptcy Code. The plaintiffs seek avoidance and recovery of payments, equitable subordination, disallowance and re-characterization of claims, and recovery of damages in an unspecified amount. The Official Committee of Equity Security Holders of Adelphia intervened in this proceeding and filed its own complaint, which is similar to the unsecured creditors' committee complaint and also asserts claims under RICO and additional state law theories. BANA, BAS and FSI have filed motions to dismiss both complaints. On February 9, 2006, the U.S. District Court for the Southern District of New York overseeing the Adelphia securities litigation granted the motions of the adversary defendants to withdraw the adversary proceeding from the Bankruptcy Court, except with respect to the pending motions to dismiss. On January 5, 2007, the Bankruptcy Court entered an order confirming a plan of reorganization of Adelphia and its subsidiaries, which provides that, effective on February 13, 2007, the adversary proceeding will be transferred to a liquidating trust created under the plan.

In re Initial Public Offering Securities

Beginning in 2001, Robertson Stephens, Inc. (an investment banking subsidiary of FleetBoston that ceased operations during 2002), BAS, other underwriters, and various issuers and others, were named as defendants in certain of the 309 purported class actions that have been consolidated in the U.S. District Court for the Southern District of New York as *In re Initial Public Offering Securities Litigation.* The plaintiffs contend that the defendants failed to make certain required disclosures and manipulated prices of IPO securities through, among other things, alleged agreements with institutional investors receiving allocations to purchase additional shares in the aftermarket and seek unspecified damages. On October 13, 2004, the district court granted in part and denied in part plaintiffs' motions to certify as class actions six of the 309 cases. On December 5, 2006, the U.S. Court of Appeals for the Second Circuit (the Second Circuit) reversed the district court's class certification order. The plaintiffs have petitioned the Second Circuit to reconsider its ruling. That petition is pending. The district court stayed all proceedings pending a decision on the petition.

On February 15, 2005, the district court conditionally approved a settlement between the plaintiffs and many of the issuer defendants, in which the issuer defendants guaranteed that the plaintiffs will receive at least $1 billion in the settled actions.

The district court has deferred a final ruling on this settlement until the Second Circuit decides whether it will reconsider its December 5, 2006 class certification ruling.

Robertson Stephens, Inc. and other underwriters also have been named as defendants in putative class action lawsuits filed in the U.S. District Court for the Southern District of New York under the federal antitrust laws alleging that the underwriters conspired to manipulate the aftermarkets for IPO securities and to extract anticompetitive fees in connection with IPOs. The complaints seek declaratory relief and unspecified treble damages. On September 28, 2005, the Second Circuit reversed the district court's dismissal of these cases, remanding them to the district court for further proceedings. On December 7, 2006, the U.S. Supreme Court granted the underwriters' petition seeking review of the Second Circuit's decision.

Interchange Antitrust Litigation

The Corporation and certain of its subsidiaries are defendants in actions filed on behalf of a putative class of retail merchants that accept Visa and MasterCard payment cards. The first of these actions was filed in June 2005. On April 24, 2006, putative class plaintiffs filed a First Consolidated and Amended Class Action Complaint. Plaintiffs therein allege that the defendants conspired to fix the level of interchange and merchant discount fees and that certain other practices, including various Visa and MasterCard rules, violate federal and California antitrust laws. On May 22, 2006, the putative class plaintiffs filed a supplemental complaint against many of the same defendants, including the Corporation and certain of its subsidiaries, alleging additional federal antitrust claims and a fraudulent conveyance claim under New York Debtor and Creditor Law, all arising out of MasterCard's 2006 initial public offering. The putative class plaintiffs seek unspecified treble damages and injunctive relief. Additional defendants in the putative class actions include Visa, MasterCard, and other financial institutions.

The putative class actions are coordinated for pre-trial proceedings in the U.S. District Court for the Eastern District of New York, together with additional, individual actions brought only against Visa and MasterCard, under the caption *In Re Payment Card Interchange Fee and Merchant Discount Anti-Trust Litigation.* Motions to dismiss portions of the First Consolidated and Amended Class Action Complaint and the supplemental complaint are pending.

Miller

On August 13, 1998, a predecessor of BANA was named as a defendant in a class action filed in Superior Court of California, County of San Francisco, entitled *Paul J. Miller v. Bank of America, N.A.,* challenging its practice of debiting accounts that received, by direct deposit, governmental benefits to repay fees incurred in those accounts. The action alleges, among other claims, fraud, negligent misrepresentation and other violations of California law. On October 16, 2001, a class was certified consisting of more than one million California residents who have, had or will have, at any time after August 13, 1994, a deposit account with BANA into which payments of public benefits are or have been directly deposited by the government. The case proceeded to trial on January 20, 2004.

On March 4, 2005, the trial court entered a judgment that purported to award the plaintiff class restitution in the amount of $284 million, plus attorneys' fees, and provided that class members whose accounts were assessed an insufficient funds fee in violation of law suffered substantial emotional or economic harm and, therefore, are entitled to an additional $1,000 statutory penalty. The judgment also purported to enjoin BANA, among other things, from engaging in the account balancing practices at issue. On November 22, 2005, the California Court of Appeal granted BANA's request to stay the judgment, including the injunction, pending appeal.

On November 20, 2006, the California Court of Appeal reversed the judgment in its entirety, holding that BANA's practice did not constitute a violation of California law. On December 14, 2006, the California Court of Appeal denied plaintiff's petition for rehearing. Plaintiff has petitioned for review in the California Supreme Court.

Municipal Derivatives Matters

The Antitrust Division of the U.S. Department of Justice (DOJ), the SEC, and the Internal Revenue Service (IRS) are investigating possible anticompetitive bidding practices in the municipal derivatives industry involving various parties, including BANA, from the early 1990s to date. The activities at issue in these industry-wide government investigations concern the bidding process for municipal derivatives that are offered to states, municipalities and other issuers of tax-exempt bonds. The Corporation has cooperated, and continues to cooperate, with the DOJ, the SEC and the IRS.

On January 11, 2007, the Corporation entered into a Corporate Conditional Leniency Letter (the Letter) with DOJ. Under the Letter and subject to the Corporation's continuing cooperation, DOJ will not bring any criminal antitrust prosecution against the Corporation in connection with the matters that the Corporation reported to DOJ. Subject to satisfying DOJ and the court presiding over any civil litigation of the Corporation's cooperation, the Corporation is eligible for (i) a limit on liability to single, rather than treble, damages in any related civil antitrust actions, and (ii) relief from joint and several antitrust liability with other civil defendants. No such civil actions have been filed to date, but no assurances can be given that such actions will not be filed.

Parmalat Finanziaria S.p.A.

On December 24, 2003, Parmalat Finanziaria S.p.A. was admitted into insolvency proceedings in Italy, known as "extraordinary administration." The Corporation, through certain of its subsidiaries, including BANA, provided financial services and extended credit to Parmalat and its related entities. On June 21, 2004, Extraordinary Commissioner Dr. Enrico Bondi filed with the Italian Ministry of Production Activities a plan of reorganization for the restructuring of the companies of the Parmalat group that are included in the Italian extraordinary administration proceeding.

In July 2004, the Italian Ministry of Production Activities approved the Extraordinary Commissioner's restructuring plan, as amended, for the Parmalat group companies that are included in the Italian extraordinary administration proceeding. This plan was approved by the voting creditors and the Court of Parma, Italy in October of 2005.

Litigation and investigations relating to Parmalat are pending in both Italy and the United States, and the Corporation is responding to inquiries concerning Parmalat from regulatory and law enforcement authorities in Italy and the United States.

Proceedings in Italy

On May 26, 2004, The Public Prosecutor's Office for the Court of Milan, Italy filed criminal charges against Luca Sala, Luis Moncada, and Antonio Luzi, three former employees, alleging the crime of market manipulation in connection with a press release issued by Parmalat. The Public Prosecutor's Office also filed a related charge against the Corporation asserting administrative liability based on an alleged failure to maintain an organizational model sufficient to prevent the alleged criminal activities of its former employees. Preliminary hearings have begun on this administrative charge and trial is expected to begin in the first quarter of 2007.

The main trial of the market manipulation charges against Messrs. Luzi, Moncada, and Sala began in the Court of Milan, Italy on September 28, 2005. Hearing dates in this trial are currently set through July 2007. The Corporation is participating in this trial as a party that has been damaged by the alleged actions of defendants other than its former employees, including former Parmalat officials. Additionally, pursuant to a December 19, 2005 court ruling, other third parties are participating in the trial who claim damages against BANA as a result of the alleged criminal violations of the Corporation's former employees and other defendants.

Separately, The Public Prosecutor's Office for the Court of Parma, Italy is conducting an investigation into the collapse of Parmalat. The Corporation has cooperated, and continues to cooperate, with The Public Prosecutor's Office with respect to this investigation. The Public Prosecutor's Office has given notice of its intention to file charges, including a charge of the crime of fraudulent bankruptcy under Italian criminal law, in connection with this investigation against the same three former employees of the Corporation who are named in the Milan criminal proceedings, Messrs. Luzi, Moncada and Sala.

Proceedings in the United States

On March 5, 2004, a First Amended Complaint was filed in a securities action pending in the U.S. District Court for the Southern District of New York entitled *Southern Alaska Carpenters Pension Fund et al. v. Bonlat Financing Corporation et al.,* which names the Corporation as a defendant. The action is brought on behalf of a putative class of purchasers of Parmalat securities and alleges violations of the federal securities laws against the Corporation and certain affiliates. After the court dismissed the initial complaint as to the Corporation, BANA and Banc of America Securities Limited (BASL), plaintiff filed a Second Amended Complaint, which seeks unspecified damages. Following the Corporation's motion to dismiss the Second Amended Complaint, the court granted the Corporation's motion to dismiss in part, allowing the plaintiff to proceed on claims with respect to two transactions entered into between the Corporation and Parmalat. The Corporation has filed an answer to the Second Amended Complaint. The putative class plaintiffs filed a motion for class certification on

September 21, 2006, which remains pending. The Corporation also filed on October 10, 2006 a motion to dismiss the claims of foreign purchaser plaintiffs for lack of subject matter jurisdiction.

On October 7, 2004, Enrico Bondi filed an action in the U.S. District Court for the Western District of North Carolina on behalf of Parmalat and its shareholders and creditors against the Corporation and various related entities, entitled *Dr. Enrico Bondi, Extraordinary Commissioner of Parmalat Finanziaria, S.p.A., et al. v. Bank of America Corporation, et al.* (the Bondi Action). The complaint alleged federal and state RICO claims and various state law claims, including fraud. The complaint sought damages in excess of $10 billion. The Bondi Action was transferred to the U.S. District Court for the Southern District of New York for coordinated pre-trial purposes with the putative class actions and other related cases against non-Bank of America defendants under the caption *In re Parmalat Securities Litigation.*

On August 5, 2005, the U.S. District Court for the Southern District of New York granted the Corporation's motion to dismiss the Bondi Action in part, dismissing ten of the twelve counts. After the plaintiff's filing of a First Amended Complaint and the Corporation's motion to dismiss such complaint, the court granted the Corporation's motion to dismiss in part, allowing the plaintiff to proceed on the previously dismissed federal and state RICO claims with respect to three transactions entered into between the Corporation and Parmalat. The Corporation has filed an answer and counterclaims (the Bank of America Counterclaims) seeking damages against Parmalat and a number of its subsidiaries and affiliates as compensation for financial losses and other damages suffered. Parmalat filed a motion to dismiss certain of the Bank of America Counterclaims, and that motion is pending. On November 21, 2006, Parmalat filed a motion to amend the First Amended Complaint to add a claim of breach of fiduciary duty by the Corporation to Parmalat. That motion is pending.

On November 23, 2005, the Official Liquidators of Food Holdings Ltd. and Dairy Holdings Ltd., two entities in liquidation proceedings in the Cayman Islands, filed a complaint against the Corporation and several related entities in the U.S. District Court for the Southern District of New York, entitled *Food Holdings Ltd., et al. v. Bank of America Corp., et al,* (the Food Holdings Action). Also on November 23, 2005, the Provisional Liquidators of Parmalat Capital Finance Ltd. (who are also the liquidators in the Food Holdings Action), filed a complaint against the Corporation and several related entities in North Carolina state court for Mecklenburg County, entitled *Parmalat Capital Finance Limited v. Bank of America Corp., et al.* (the PCFL Action). Both actions have been consolidated for pretrial purposes with the other pending actions in the *In Re Parmalat Securities Litigation* matter. The Food Holdings Action alleges that the Corporation and other defendants conspired with Parmalat in carrying out transactions involving the plaintiffs in connection with the funding of Parmalat's Brazilian entities, and it asserts claims for fraud, breach of fiduciary duty, civil conspiracy and other related claims. The complaint seeks damages in excess of $400 million. The PCFL Action alleges that the Corporation and other defendants conspired with Parmalat insiders to loot and divert monies from PCFL, and it asserts claims for breach of fiduciary duty, civil conspiracy and other related claims. PCFL seeks "hundreds of millions of dollars" in damages. The Corporation has moved to dismiss both actions. The motions are pending.

Certain purchasers of Parmalat-related private placement offerings have filed complaints against the Corporation and various related entities in the following actions: *Principal Global Investors, LLC, et al. v. Bank of America Corporation, et al.*in the U.S. District Court for the Southern District of Iowa; *Monumental Life Insurance Company, et al. v. Bank of America Corporation, et al.* in the U.S. District Court for the Northern District of Iowa; *Prudential Insurance Company of America and Hartford Life Insurance Company v. Bank of America Corporation, et al.* in the U.S. District Court for the Northern District of Illinois; *Allstate Life Insurance Company v. Bank of America Corporation, et al*. in the U.S. District Court for the Northern District of Illinois; *Hartford Life Insurance v. Bank of America Corporation, et al.*in the U.S. District Court for the Southern District of New York; and *John Hancock Life Insurance Company, et al. v. Bank of America Corporation et al.* in the U.S. District Court for the District of Massachusetts. The actions variously allege violations of federal and state securities law and state common law, and seek rescission and unspecified damages based upon the Corporation's and related entities' alleged roles in certain private placement offerings issued by Parmalat-related companies. Except for the *John Hancock Life Insurance* case, the most recently filed matter, the cases have been transferred to the U.S. District Court for the Southern District of New York for coordinated pre-trial purposes with the *In re Parmalat Securities Litigation* matter. The plaintiffs seek rescission and unspecified damages resulting from alleged purchases of approximately $305 million in private placement instruments. In addition to claims relating to private placement transactions, the *John Hancock Life Insurance* case also claims damages relating to a separate Eurobond investment alleged in the amount of $25 million.

On January 18, 2006, Gerald K. Smith, in his capacity as Trustee of Farmland Dairies LLC Litigation Trust, filed a complaint against the Corporation, BANA, BAS, BASL, Bank of America National Trust & Savings Association and

BankAmerica International Limited, as well as other financial institutions and accounting firms, in the U.S. District Court for the Southern District of New York, entitled *Gerald K. Smith, Litigation Trustee v. Bank of America Corporation, et al.* (the Farmland Action). Prior to bankruptcy restructuring, Farmland Dairies LLC was a wholly-owned subsidiary of Parmalat USA Corporation, which was a wholly-owned subsidiary of Parmalat SpA. The Farmland Action asserts claims of aiding and abetting, breach of fiduciary duty, civil conspiracy and related claims against the Bank of America defendants and other defendants. The plaintiff seeks unspecified damages. On February 23, 2006, the plaintiff filed its First Amended Complaint, which was dismissed on August 16, 2006, with leave to file a Second Amended Complaint, which plaintiff filed on September 8, 2006. The Corporation has moved to dismiss the Second Amended Complaint.

On April 21, 2006, the Plan Administrator of the Plan of Liquidation of Parmalat-USA Corporation filed a complaint in the U.S. District Court for the Southern District of New York against the Corporation and certain of its subsidiaries, as well as other financial institutions and accounting firms entitled *G. Peter Pappas in his capacity as the Plan Administrator of the Plan of Liquidation of Parmalat-USA Corporation v. Bank of America Corporation, et al.* (the Parmalat USA Action). The Parmalat USA Action asserts claims of aiding and abetting, breach of fiduciary duty, civil conspiracy and related claims against the Bank of America defendants and other defendants. The plaintiff seeks unspecified damages. The Corporation has moved to dismiss the Parmalat USA Action. The motion is pending.

Pension Plan Matters

The Corporation is a defendant in a putative class action entitled *William L. Pender, et al. v. Bank of America Corporation, et al.* (formerly captioned *Anita Pothier, et al. v. Bank of America Corporation, et al.*), which was initially filed June 2004 in the U.S. District Court for the Southern District of Illinois and subsequently transferred to the U.S. District Court for the Western District of North Carolina. The action is brought on behalf of participants in or beneficiaries of The Bank of America Pension Plan (formerly known as the NationsBank Cash Balance Plan) and The Bank of America 401(k) Plan (formerly known as the NationsBank 401(k) Plan). The Third Amended Complaint names as defendants the Corporation, BANA, The Bank of America Pension Plan, The Bank of America 401(k) Plan, the Bank of America Corporation Corporate Benefits Committee and various members thereof, and PricewaterhouseCoopers LLP. The two named plaintiffs are alleged to be a current and a former participant in The Bank of America Pension Plan and 401(k) Plan.

The complaint alleges the defendants violated various provisions of ERISA, including that the design of The Bank of America Pension Plan violated ERISA's defined benefit pension plan standards and that such plan's definition of normal retirement age is invalid. In addition, the complaint alleges age discrimination in the design and operation of The Bank of America Pension Plan, unlawful lump sum benefit calculation, violation of ERISA's "anti-backloading" rule, that certain voluntary transfers of assets by participants in The Bank of America 401(k) Plan to The Bank of America Pension Plan violated ERISA, and other related claims. The complaint alleges that current and former participants in these plans are entitled to greater benefits and seeks declaratory relief, monetary relief in an unspecified amount, equitable relief, including an order reforming The Bank of America Pension Plan, attorneys' fees and interest.

On September 25, 2005, defendants moved to dismiss the complaint. On December 1, 2005, the named plaintiffs moved to certify classes consisting of, among others, (i) all persons who accrued or who are currently accruing benefits under The Bank of America Pension Plan and (ii) all persons who elected to have amounts representing their account balances under The Bank of America 401(k) Plan transferred to The Bank of America Pension Plan. The motion to dismiss and the motion for class certification are pending.

The IRS is conducting an audit of the 1998 and 1999 tax returns of The Bank of America Pension Plan and The Bank of America 401(k) Plan. This audit includes a review of voluntary transfers by participants of 401(k) Plan assets to The Bank of America Pension Plan and whether such transfers were in accordance with applicable law. In December 2005, the Corporation received a Technical Advice Memorandum from the National Office of the IRS that concluded that the amendments made to The Bank of America 401(k) Plan in 1998 to permit the voluntary transfers to The Bank of America Pension Plan violated the anti-cutback rule of Section 411(d)(6) of the Internal Revenue Code. In November 2006, the Corporation received another Technical Advice Memorandum denying the Corporation's request that the conclusion reached in the first Technical Advice Memorandum be applied prospectively only. The Corporation continues to participate in administrative proceedings with the IRS regarding issues raised in the audit.

On September 29, 2004, a separate putative class action, entitled *Donna C. Richards v. FleetBoston Financial Corp. and the FleetBoston Financial Pension Plan* (Fleet Pension Plan), was filed in the U.S. District Court for the District of

Connecticut on behalf of all former and current Fleet employees who on December 31, 1996, were not at least age 50 with 15 years of vesting service and who participated in the Fleet Pension Plan before January 1, 1997, and who have participated in the Fleet Pension Plan at any time since January 1, 1997. The complaint alleged that FleetBoston or its predecessor violated ERISA by amending the Fleet Financial Group, Inc. Pension Plan (a predecessor to the Fleet Pension Plan) to add a cash balance benefit formula without notifying participants that the amendment reduced their plan benefits, by conditioning the amount of benefits payable under the Fleet Pension Plan upon the form of benefit elected, by reducing the rate of benefit accruals on account of age, and by failing to inform participants of the correct amount of their pensions and related claims. The complaint also alleged violation of the "anti-backloading" rule of ERISA. The complaint sought equitable and remedial relief, including a declaration that the amendment was ineffective, additional unspecified benefit payments, attorneys' fees and interest.

On March 31, 2006, the court certified a class with respect to plaintiff's claims that (i) the cash balance benefit formula reduces the rate of benefit accrual on account of age, (ii) the participants did not receive proper notice of the alleged reduction of future benefit accrual, and (iii) the summary plan description was not adequate. Plaintiff filed an amended complaint realleging the three claims as to which a class was certified and amending two claims the court had dismissed, and defendants moved to dismiss plaintiff's amended claims. The court dismissed plaintiff's amended anti-backloading claim and a portion of the plaintiff's amended breach of fiduciary duty claim. The court subsequently certified a class as to the portions of plaintiff's breach of fiduciary duty claim that were not dismissed. On December 12, 2006, plaintiff filed a second amended complaint adding new allegations to the breach of fiduciary duty and summary plan description claims, and a new claim alleging that the Fleet Pension Plan violated ERISA in calculating lump-sum distributions. On December 22, 2006, plaintiff filed a motion to extend class certification to the new allegations and claim in the second amended complaint.

Refco

Beginning in October 2005, BAS was named as a defendant in several putative class action lawsuits filed in the U.S. District Court for the Southern District of New York relating to Refco Inc. (Refco). The lawsuits, which have been consolidated and seek unspecified damages, name as other defendants Refco's outside auditors, certain officers and directors of Refco, other financial services companies, and other individuals and companies. The lawsuits allege violations of the disclosure requirements of the federal securities laws in connection with Refco's senior subordinated notes offering in August 2004 and Refco's initial public offering in August 2005. BAS and certain other underwriter defendants have moved to dismiss the claims relating to the notes offering. BAS is also responding to various regulatory inquiries relating to Refco.

Trading and Research Activities

The SEC has been conducting a formal investigation with respect to certain trading and research-related activities of BAS. These matters primarily arose during the period 1999-2001 in BAS' San Francisco operations. In September 2005, the SEC staff advised BAS that it intends to recommend to the SEC an enforcement action against BAS in connection with these matters. This matter remains pending.

NOTE 14 – Shareholders' Equity and Earnings Per Common Share

Common Stock

The following table presents share repurchase activity for the three months and years ended December 31, 2006, 2005 and 2004, including total common shares repurchased under announced programs, weighted average per share price and the remaining buyback authority under announced programs.

Share Repurchase Activity

(Dollars in millions, except per share information; shares in thousands)	Number of Common Shares Repurchased under Announced Programs [1]	Weighted Average Per Share Price	Remaining Buyback Authority under Announced Programs [2] Amounts	Remaining Buyback Authority under Announced Programs [2] Shares
Three months ended March 31, 2006	**88,450**	**$ 46.02**	**$ 5,847**	**65,738**
Three months ended June 30, 2006	**83,050**	**48.16**	**11,169**	**182,688**
Three months ended September 30, 2006	**59,500**	**51.51**	**8,104**	**123,188**
October 1-31, 2006	**16,000**	**53.82**	**7,243**	**107,188**
November 1-30, 2006	**22,100**	**54.33**	**6,042**	**85,088**
December 1-31, 2006	**22,000**	**53.16**	**4,873**	**63,088**
Three months ended December 31, 2006	**60,100**	**53.77**		
Year ended December 31, 2006	**291,100**	**49.35**		

(Dollars in millions, except per share information; shares in thousands)	Number of Common Shares Repurchased under Announced Programs [3]	Weighted Average Per Share Price	Remaining Buyback Authority under Announced Programs [2] Amounts	Remaining Buyback Authority under Announced Programs [2] Shares
Three months ended March 31, 2005	43,214	$ 46.05	$ 14,688	237,411
Three months ended June 30, 2005	40,300	45.38	11,865	197,111
Three months ended September 30, 2005	10,673	43.32	11,403	186,438
October 1-31, 2005	—	—	11,403	186,438
November 1-30, 2005	11,550	45.38	10,879	174,888
December 1-31, 2005	20,700	46.42	9,918	154,188
Three months ended December 31, 2005	32,250	46.05		
Year ended December 31, 2005	126,437	45.61		

(Dollars in millions, except per share information; shares in thousands)	Number of Common Shares Repurchased under Announced Programs [4]	Weighted Average Per Share Price	Remaining Buyback Authority under Announced Programs [2] Amounts	Remaining Buyback Authority under Announced Programs [2] Shares
Three months ended March 31, 2004	24,306	$ 40.03	$ 12,378	204,178
Three months ended June 30, 2004	49,060	41.07	7,978	155,118
Three months ended September 30, 2004	40,430	43.56	6,217	114,688
October 1-31, 2004	16,102	44.24	5,505	98,586
November 1-30, 2004	11,673	45.84	4,969	86,913
December 1-31, 2004	6,288	46.32	4,678	80,625
Three months ended December 31, 2004	34,063	45.17		
Year ended December 31, 2004	147,859	42.52		

(1) Reduced Shareholders' Equity by $14.4 billion and increased diluted earnings per common share by $0.10 in 2006. These repurchases were partially offset by the issuance of approximately 118.4 million shares of common stock under employee plans, which increased Shareholders' Equity by $4.8 billion, net of $39 million of deferred compensation related to restricted stock awards, and decreased diluted earnings per common share by $0.05 in 2006.

(2) On April 26, 2006, our 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 $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. On January 28, 2004, the Board authorized a stock repurchase program of up to 180 million shares of the Corporation's common stock at an aggregate cost not to exceed $9.0 billion. This repurchase plan was completed during the second quarter of 2005. On January 22, 2003, the Board authorized a stock repurchase program of up to 260 million shares of the Corporation's common stock at an aggregate cost of $12.5 billion. This repurchase plan was completed during the second quarter of 2004.

(3) Reduced Shareholders' Equity by $5.8 billion and increased diluted earnings per common share by $0.05 in 2005. These repurchases were partially offset by the issuance of approximately 79.6 million shares of common stock under employee plans, which increased Shareholders' Equity by $3.1 billion, net of $145 million of deferred compensation related to restricted stock awards, and decreased diluted earnings per common share by $0.04 in 2005.

(4) Reduced Shareholders' Equity by $6.3 billion and increased diluted earnings per common share by $0.06 in 2004. These repurchases were partially offset by the issuance of approximately 121.1 million shares of common stock under employee plans, which increased Shareholders' Equity by $3.9 billion, net of $127 million of deferred compensation related to restricted stock awards, and decreased diluted earnings per common share by $0.06 in 2004.

The Corporation will continue to 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.

Effective for the third quarter dividend, the Board increased the quarterly cash dividend on common stock from $0.50 to $0.56. In October 2006, the Board declared a fourth quarter cash dividend, which was paid on December 22, 2006 to common shareholders of record on December 1, 2006.

Preferred Stock

In November 2006, the Corporation authorized 85,100 shares and issued 81,000 shares, or $2.0 billion, of Bank of America Corporation Floating Rate Non-Cumulative Preferred Stock, Series E (Series E Preferred Stock) with a par value of $0.01 per share. Ownership is held in the form of depositary shares, each representing a 1/1,000th interest in a share of Series E Preferred Stock, paying a quarterly cash dividend on the liquidation preference of $25,000 per share of Series E Preferred Stock at an annual rate equal to the greater of (a) three-month LIBOR plus 0.35 percent and (b) 4.00 percent, payable quarterly in arrears. On any dividend date on or after November 15, 2011, the Corporation may redeem Series E Preferred Stock, in whole or in part, at its option, at $25,000 per share, plus accrued and unpaid dividends.

In September 2006, the Corporation authorized 34,500 shares and issued 33,000 shares, or $825 million, of Bank of America Corporation 6.204% Non-Cumulative Preferred Stock, Series D (Series D Preferred Stock) with a par value of $0.01 per share. Ownership is held in the form of depositary shares, each representing a 1/1,000th interest in a share of Series D Preferred Stock, paying a quarterly cash dividend on the liquidation preference of $25,000 per share of Series D Preferred Stock at an annual rate of 6.204 percent. On any dividend date on or after September 14, 2011, the Corporation may redeem Series D Preferred Stock, in whole or in part, at its option, at $25,000 per share, plus accrued and unpaid dividends.

Series E Preferred Stock and Series D Preferred Stock (these Series) shares are not subject to the operations of a sinking fund, have no participation rights and are not convertible. The holders of these Series have no general voting rights. If any quarterly dividend payable on these Series is in arrears for six or more quarterly dividend periods (whether consecutive or not), the holders of these Series and any other class or series of preferred stock ranking equally as to payment of dividends and upon which equivalent voting rights have been conferred and are exercisable (voting as a single class) will be entitled to vote for the election of two additional directors. These voting rights terminate when the Corporation has paid in full dividends on these Series for at least four quarterly dividend periods following the dividend arrearage.

During October 2006, the Board declared a $0.38775 regular cash dividend on the Series D Preferred Stock. The dividend was payable December 14, 2006, to shareholders of record on November 30, 2006.

On July 14, 2006, the Corporation redeemed its 6.75% Perpetual Preferred Stock with a stated value of $250 per share. The 382,450 shares, or $96 million, outstanding of preferred stock were redeemed at the stated value of $250 per share, plus accrued and unpaid dividends.

On July 3, 2006, the Corporation redeemed its Fixed/Adjustable Rate Cumulative Preferred Stock with a stated value of $250 per share. The 700,000 shares, or $175 million, outstanding of preferred stock were redeemed at the stated value of $250 per share, plus accrued and unpaid dividends.

In addition to the preferred stock described above, the Corporation had 35,045 shares authorized and 7,739 shares, or $1 million, outstanding of the Series B Preferred Stock with a stated value of $100 per share paying dividends quarterly at an annual rate of 7.00 percent.

All preferred stock outstanding has preference over our common stock with respect to the payment of dividends and distribution of our assets in the event of a liquidation or dissolution. Except in certain circumstances, the holders of preferred stock have no voting rights.

Accumulated OCI

The following table presents the changes in Accumulated OCI for 2006, 2005, and 2004, net of tax.

(Dollars in millions)	Securities [1,2]	Derivatives [3]	Other [4]	Total
Balance, December 31, 2003	$ (70)	$ (2,094)	$ (270)	$(2,434)
Net change in fair value recorded in Accumulated OCI	1,088	(294)	(18)	776
Net realized (gains) losses reclassified into earnings [5]	(1,215)	109	—	(1,106)
Balance, December 31, 2004	(197)	(2,279)	(288)	(2,764)
Net change in fair value recorded in Accumulated OCI	(1,907)	(2,225)	48	(4,084)
Net realized (gains) losses reclassified into earnings [5]	(874)	166	—	(708)
Balance, December 31, 2005	(2,978)	(4,338)	(240)	(7,556)
Net change in fair value recorded in Accumulated OCI	**465**	**534**	**(1,091)**	**(92)**
Net realized (gains) losses reclassified into earnings [5]	**(220)**	**107**	**50**	**(63)**
Balance, December 31, 2006	**$ (2,733)**	**$ (3,697)**	**$(1,281)**	**$(7,711)**

(1)In 2006, 2005, and 2004, the Corporation reclassified net realized (gains) losses into earnings on the sales of AFS debt securities of $279 million, $(683) million, and $(1.1) billion, respectively, and (gains) losses on the sales of AFS marketable equity securities of $(499) million, $(191) million, and $(129) million, respectively.

(2)Accumulated OCI includes fair value gain of $135 million on certain retained interests in the Corporation's securitization transactions at December 31, 2006.

(3)The amount included in Accumulated OCI for terminated derivative contracts were losses of $3.2 billion and $2.5 billion, net-of-tax, at December 31, 2006 and 2005, and gains of $143 million, net-of-tax, at December 31, 2004.

(4)At December 31, 2006, Accumulated OCI includes the accumulated adjustment to initially apply FASB Statement No. 158 of $(1,428) million.

(5)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 year or years during which the hedged forecasted transactions affect earnings. This line item also includes gains (losses) on AFS 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 2006, 2005, and 2004 is presented below. See Note 1 of the Consolidated Financial Statements for a discussion on the calculation of earnings per common share.

(Dollars in millions, except per share information; shares in thousands)	2006	2005	2004
Earnings per common share			
Net income	**$ 21,133**	$ 16,465	$ 13,947
Preferred stock dividends	**(22)**	(18)	(16)
Net income available to common shareholders	**$ 21,111**	$ 16,447	$ 13,931
Average common shares issued and outstanding	**4,526,637**	4,008,688	3,758,507
Earnings per common share	**$ 4.66**	$ 4.10	$ 3.71
Diluted earnings per common share			
Net income available to common shareholders	**$ 21,111**	$ 16,447	$ 13,931
Convertible preferred stock dividends	**—**	—	2
Net income available to common shareholders and assumed conversions	**$ 21,111**	$ 16,447	$ 13,933
Average common shares issued and outstanding	**4,526,637**	4,008,688	3,758,507
Dilutive potential common shares [1, 2]	**69,259**	59,452	65,436
Total diluted average common shares issued and outstanding	**4,595,896**	4,068,140	3,823,943
Diluted earnings per common share	**$ 4.59**	$ 4.04	$ 3.64

(1)For 2006, 2005 and 2004, average options to purchase 355 thousand, 39 million and 62 million shares, respectively, 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.

NOTE 15 – Regulatory Requirements and Restrictions

The Board of Governors of the Federal Reserve System (FRB) requires the Corporation's banking subsidiaries to maintain reserve balances based on a percentage of certain deposits. Average daily reserve balances required by the FRB were $5.6 billion and $6.4 billion for 2006 and 2005. Currency and coin residing in branches and cash vaults (vault cash) are used to partially satisfy the reserve requirement. The average daily reserve balances, in excess of vault cash, held with the FRB amounted to $27 million and $361 million for 2006 and 2005.

The primary source of funds for cash distributions by the Corporation to its shareholders is dividends received from its banking subsidiaries Bank of America, N.A. and FIA Card Services, N.A. Effective June 10, 2006, MBNA America Bank, N.A. was renamed FIA Card Services, N.A. Additionally, on October 20, 2006, Bank of America, N.A. (USA) merged into FIA Card Services, N.A. In 2006, Bank of America Corporation received $16.0 billion in dividends from its banking subsidiaries. In 2007, Bank of America, N.A. and FIA Card Services, N.A. can declare and pay dividends to Bank of America Corporation of $11.4 billion and $356 million plus an additional amount equal to their net profits for 2007, as defined by statute, up to the date of any such dividend declaration. The other subsidiary national banks can initiate aggregate dividend payments in 2007 of $68 million plus an additional amount equal to their net profits for 2007, as defined by statute, up to the date of any such dividend declaration. The amount of dividends that each subsidiary bank may declare in a calendar year without approval by the Office of the Comptroller of the Currency (OCC) is the subsidiary bank's net profits for that year combined with its net retained profits, as defined, for the preceding two years.

The FRB, the OCC and the Federal Deposit Insurance Corporation (collectively, the Agencies) have issued regulatory capital guidelines for U.S. banking organizations. Failure to meet the capital requirements can initiate certain mandatory and discretionary actions by regulators that could have a material effect on the Corporation's financial statements. At December 31, 2006, the Corporation, Bank of America, N.A. and FIA Card Services, N.A. were classified as "well-capitalized" under this regulatory framework. At December 31, 2005, the Corporation, Bank of America N.A. and Bank of America. N.A. (USA) were also classified as "well-capitalized." There have been no conditions or events since December 31, 2006 that management believes have changed the Corporation's, Bank of America, N.A.'s and FIA Card Services, N.A.'s capital classifications.

The regulatory capital guidelines measure capital in relation to the credit and market risks of both on and off-balance sheet items using various risk weights. Under the regulatory capital guidelines, Total Capital consists of three tiers of capital. Tier 1 Capital includes Common Shareholders' Equity, Trust Securities, minority interests and qualifying Preferred Stock, less Goodwill and other adjustments. Tier 2 Capital consists of Preferred Stock not qualifying as Tier 1 Capital, mandatory convertible debt, limited amounts of subordinated debt, other qualifying term debt, the allowance for credit losses up to 1.25 percent of risk-weighted assets and other adjustments. Tier 3 Capital includes subordinated debt that is unsecured, fully paid, has an original maturity of at least two years, is not redeemable before maturity without prior approval by the FRB and includes a lock-in clause precluding payment of either interest or principal if the payment would cause the issuing bank's risk-based capital ratio to fall or remain below the required minimum. Tier 3 Capital can only be used to satisfy the Corporation's market risk capital requirement and may not be used to support its credit risk requirement. At December 31, 2006 and 2005, the Corporation had no subordinated debt that qualified as Tier 3 Capital.

Certain corporate sponsored trust companies which issue Trust Securities are not consolidated under FIN 46R. As a result, the Trust Securities are not included on our Consolidated Balance Sheet. On March 1, 2005, the FRB issued Risk-Based Capital Standards: Trust Preferred Securities and the Definition of Capital (the Final Rule) which allows Trust Securities to continue to qualify as Tier 1 Capital with revised quantitative limits that would be effective after a five-year transition period. As a result, Trust Securities are included in Tier 1 Capital.

The FRB's Final Rule limits restricted core capital elements to 15 percent for internationally active bank holding companies. Internationally active bank holding companies are those with consolidated assets greater than $250 billion or on-balance sheet exposure greater than $10 billion. In addition, the FRB revised the qualitative standards for capital instruments included in regulatory capital. At December 31, 2006, our restricted core capital elements comprised 17.3 percent of total core capital elements. We expect to be fully compliant with the revised limits prior to the implementation date of March 31, 2009.

To meet minimum, adequately-capitalized regulatory requirements, an institution must maintain a Tier 1 Capital ratio of four percent and a Total Capital ratio of eight percent. A well-capitalized institution must generally maintain capital ratios 200 bps higher than the minimum guidelines. The risk-based capital rules have been further supplemented by a leverage ratio, defined as Tier 1 Capital divided by adjusted quarterly average Total Assets, after certain adjustments. The leverage ratio guidelines establish a minimum of three percent. Banking organizations must maintain a leverage capital ratio of at least five percent to be classified as "well-capitalized." As of December 31, 2006, the Corporation was classified as "well-capitalized" for regulatory purposes, the highest classification.

Net Unrealized Gains (Losses) on AFS Debt Securities, Net Unrealized Gains on AFS Marketable Equity Securities, Net Unrealized Gains (Losses) on Derivatives, and the impact of SFAS No. 158 included in Shareholders' Equity at December 31, 2006 and 2005, are excluded from the calculations of Tier 1 Capital and leverage ratios. The Total Capital ratio excludes all of the above with the exception of up to 45 percent of Net Unrealized Gains on AFS Marketable Equity Securities.

Regulatory Capital Developments

On September 25, 2006, the Agencies officially published updates specific to U.S. market implementation of the risk-based capital rules originally published by the Basel Committee of Banking Supervision in June 2004. These updates provided clarification and additional guidance related to the rules and their implementation, as well as started an official comment period, which was subsequently extended in December 2006 for an additional 90 days.

Several of our international units have begun local parallel implementation reporting Basel II ratios to their host countries during 2006, with full implementation expected during 2007. With the recently published updates, revised market risk rules are scheduled to be fully implemented in 2008, while credit and operational risk rules are subject to a parallel test period, supervisory approval and subsequent implementation. During the parallel testing environment, current regulatory capital measures will be utilized simultaneously with the new rules. During the three-year implementation period, the U.S. will impose floors (limits) on capital reductions when compared to current measures.

Regulatory Capital

	December 31					
	2006			2005		
	Actual		Minimum	Actual		Minimum
(Dollars in millions)	Ratio	Amount	Required [1]	Ratio	Amount	Required [1]
Risk-based capital						
Tier 1						
Bank of America Corporation	**8.64 %**	**$91,064**	**$42,181**	8.25 %	$74,375	$36,059
Bank of America, N.A.	**8.89**	**76,174**	**34,264**	8.70	69,547	31,987
FIA Card Services, N.A.[2]	**14.08**	**19,562**	**5,558**	—	—	—
Bank of America, N.A. (USA)[3]	—	—	—	8.66	5,567	2,570
Total						
Bank of America Corporation	**11.88**	**125,226**	**84,363**	11.08	99,901	72,118
Bank of America, N.A.	**11.19**	**95,867**	**68,529**	10.73	85,773	63,973
FIA Card Services, N.A.[2]	**17.02**	**23,648**	**11,117**	—	—	—
Bank of America, N.A. (USA)[3]	—	—	—	11.46	7,361	5,140
Tier 1 Leverage						
Bank of America Corporation	**6.36**	**91,064**	**42,935**	5.91	74,375	37,732
Bank of America, N.A.	**6.63**	**76,174**	**34,487**	6.69	69,547	31,192
FIA Card Services, N.A.[2]	**16.88**	**19,562**	**3,478**	—	—	—
Bank of America, N.A. (USA)[3]	—	—	—	9.37	5,567	1,783

(1)Dollar amount required to meet guidelines for adequately capitalized institutions.
(2)FIA Card Services, N.A. is presented for periods subsequent to December 31, 2005.
(3)Bank of America, N.A. (USA) merged into FIA Card Services, N.A. on October 20, 2006.

NOTE 16 – Employee Benefit Plans

Pension and Postretirement Plans

The Corporation sponsors noncontributory trusteed qualified pension plans that cover substantially all officers and employees. The plans provide defined benefits based on an employee's compensation, age and years of service. The Bank of America Pension Plan (the Pension Plan) provides participants with compensation credits, based on age and years of service. 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. Participants may elect to modify earnings measure allocations on a periodic basis subject to the provisions of the Pension Plan. The benefits become vested upon completion of five years of service. It is the policy of the Corporation to fund not less than the minimum funding amount required by ERISA.

The Pension Plan has a balance guarantee feature, applied at the time a benefit payment is made from the plan, that protects participant balances transferred and certain compensation credits from future market downturns. The Corporation is responsible for funding any shortfall on the guarantee feature.

As a result of recent mergers, the Corporation assumed the obligations related to the pension plans of former FleetBoston and MBNA. The Bank of America Pension Plan for Legacy Fleet (the Fleet Pension Plan) is substantially similar to the Bank of America Plan discussed above; however, the Fleet Pension Plan does not allow participants to select various earnings measures; rather the earnings rate is based on a benchmark rate. The Bank of America Pension Plan for Legacy MBNA (the MBNA Pension Plan) retirement benefits are based on the number of years of benefit service and a percentage of the participant's average annual compensation during the five highest paid consecutive years of their last ten years of employment.

The Corporation sponsors a number of noncontributory, nonqualified pension plans. As a result of mergers, the Corporation assumed the obligations related to the noncontributory, nonqualified pension plans of former FleetBoston and MBNA. These plans, which are unfunded, provide defined pension benefits to certain employees.

In addition to retirement pension benefits, full-time, salaried employees and certain part-time employees may become eligible to continue participation as retirees in health care and/or life insurance plans sponsored by the Corporation. Based on the other provisions of the individual plans, certain retirees may also have the cost of these benefits partially paid by the Corporation. The obligations assumed as a result of the merger with FleetBoston are substantially similar to the Corporation's Postretirement Health and Life Plans. The MBNA Postretirement Health and Life Plan provides certain health care and life insurance benefits for a closed group upon early retirement.

The tables within this Note include the information related to the MBNA plans described above beginning January 1, 2006 and the FleetBoston plans beginning April 1, 2004.

On December 31, 2006, the Corporation adopted SFAS 158 which requires the recognition of a plan's over-funded or under-funded status as an asset or liability with an offsetting adjustment to Accumulated OCI. SFAS 158 requires the determination of the fair values of a plan's assets at a company's year-end and recognition of actuarial gains and losses, prior service costs or credits, and transition assets or obligations as a component of Accumulated OCI. These amounts were previously netted against the plans' funded status in the Corporation's Consolidated Balance Sheet pursuant to the provisions of SFAS 87. These amounts will be subsequently recognized as components of net periodic benefit costs. Further, actuarial gains and losses that arise in subsequent periods that are not initially recognized as a component of net periodic benefit cost will be recognized as a component of Accumulated OCI. Those amounts will subsequently be recognized as a component of net periodic benefit cost as they are amortized during future periods.

The incremental effects of adopting the provisions of SFAS 158 on the Corporation's Consolidated Balance Sheet at December 31, 2006 are presented in the following table. The adoption of SFAS 158 had no effect on the Corporation's Consolidated Statement of Income for the year ended December 31, 2006, or for any year presented.

(Dollars in millions)	Before Application of Statement 158	Adjustments	After Application of Statement 158
Other assets [1]	$ 121,649	$ (1,966)	**$ 119,683**
Total assets	1,461,703	(1,966)	**1,459,737**
Accrued expenses and other liabilities [2]	42,790	(658)	**42,132**
Total liabilities	1,325,123	(658)	**1,324,465**
Accumulated OCI [3]	(6,403)	(1,308)	**(7,711)**
Total shareholders' equity	136,580	(1,308)	**135,272**
Total liabilities and shareholders' equity	1,461,703	(1,966)	**1,459,737**

(1)Represents adjustments to plans in an asset position of $(1,966) million.

(2)Represents adjustments to plans in a liability position of $301 million, the reversal of the additional minimum liability adjustment of $(190) million and an adjustment to deferred tax liabilities of $(769) million.

(3)Includes employee benefit plan adjustments of $(1,428) million, net of tax, and the reversal of the additional minimum liability adjustment of $120 million, net of tax.

Amounts included in Accumulated OCI (pre-tax) at December 31, 2006 were as follows:

(Dollars in millions)	Qualified Pension Plans	Nonqualified Pension Plans	Postretirement Health and Life Plans	Total
Net actuarial loss	$ 1,765	$ 224	$ (68)	$1,921
Transition obligation	—	—	189	189
Prior service cost	201	(44)	—	157
Amount recognized in Accumulated OCI [1]	**$ 1,966**	**$ 180**	**$ 121**	**$2,267**

(1)Amount recognized in Accumulated OCI net-of-tax is $1,428 million.

The estimated net actuarial loss and prior service cost for the Qualified Pension Plans that will be amortized from Accumulated OCI, (pre-tax), into net periodic benefit cost during 2007 are $130 million and $46 million. The estimated net actuarial loss and prior service cost for the Nonqualified Pension Plans that will be amortized from Accumulated OCI, (pre-tax), into net periodic benefit cost during 2007 are $19 million and $(8) million. The estimated net actuarial loss and transition obligation for the Postretirement Health and Life Plans that will be amortized from Accumulated OCI, (pre-tax), into net periodic benefit cost during 2007 is $(22) million and $31 million.

The following table summarizes the changes in the fair value of plan assets, changes in the projected benefit obligation (PBO), the funded status of both the accumulated benefit obligation (ABO) and the PBO, and the weighted average assumptions used to determine benefit obligations for the pension plans and postretirement plans at December 31, 2006 and 2005. Amounts recognized at December 31, 2006 and 2005 are reflected in Other Assets, and Accrued Expenses and Other Liabilities on the Consolidated Balance Sheet. The discount rate assumption is based on a cash flow matching technique and is subject to change each year. This technique utilizes a yield curve based upon Aa rated corporate bonds with cash flows that match estimated benefit payments to produce the discount rate assumption. For the Pension Plan, the FleetBoston Pension Plan, and the MBNA Pension Plan, (the Qualified Pension Plans), the Nonqualified Pension Plans, and the Postretirement Health and Life Plans, the discount rate at December 31, 2006, was 5.75 percent. For both the Qualified Pension Plans and the Postretirement Health and Life Plans, the expected long-term return on plan assets is 8.00 percent for 2007. The expected return on plan assets is determined using the calculated market-related value for the Qualified Pension Plans and the fair value for the Postretirement Health and Life Plans. The asset valuation method for the Qualified Pension Plans recognizes 60 percent of the market gains or losses in the first year, with the remaining 40 percent spread equally over the next four years.

	Qualified Pension Plans [1]		Nonqualified Pension Plans [1]		Postretirement Health and Life Plans [1]	
(Dollars in millions)	**2006**	2005	**2006**	2005	**2006**	2005
Change in fair value of plan assets (Primarily listed stocks, fixed income and real estate)						
Fair value, January 1	**$13,097**	$12,153	**$ 1**	$ 1	**$ 126**	$ 166
MBNA balance, January 1, 2006	**555**	—	**—**	—	**—**	—
Actual return on plan assets	**1,829**	803	**—**	—	**15**	11
Company contributions [2]	**2,200**	1,000	**321**	118	**52**	27
Plan participant contributions	**—**	—	**—**	—	**98**	98
Benefits paid	**(888)**	(859)	**(322)**	(118)	**(213)**	(176)
Federal subsidy on benefits paid	**n/a**	n/a	**n/a**	n/a	**12**	n/a
Fair value, December 31	**$16,793**	$13,097	**$ —**	$ 1	**$ 90**	$ 126
Change in projected benefit obligation						
Projected benefit obligation, January 1	**$11,690**	$11,461	**$ 1,108**	$ 1,094	**$ 1,420**	$ 1,352
MBNA balance, January 1, 2006	**695**	—	**486**	—	**278**	—
Service cost	**306**	261	**13**	11	**13**	11
Interest cost	**676**	643	**78**	61	**86**	78
Plan participant contributions	**—**	—	**—**	—	**98**	98
Plan amendments	**33**	(77)	**—**	(1)	**—**	—
Actuarial (gains) losses	**168**	261	**(18)**	61	**(145)**	57
Benefits paid	**(888)**	(859)	**(322)**	(118)	**(213)**	(176)
Federal subsidy on benefits paid	**n/a**	n/a	**n/a**	n/a	**12**	n/a
Projected benefit obligation, December 31	**$12,680**	$11,690	**$ 1,345**	$ 1,108	**$ 1,549**	$ 1,420
Funded status, December 31						
Accumulated benefit obligation	**$12,151**	$11,383	**$ 1,345**	$ 1,085	**n/a**	n/a
Overfunded (unfunded) status of ABO	**4,642**	1,714	**(1,345)**	(1,084)	**n/a**	n/a
Provision for future salaries	**529**	307	**—**	23	**n/a**	n/a
Projected benefit obligation	**12,680**	11,690	**1,345**	1,108	**1,549**	1,420
Overfunded (unfunded) status of PBO	**$ 4,113**	$ 1,407	**$(1,345)**	$(1,107)	**$ (1,459)**	$ (1,294)
Unrecognized net actuarial loss [3]	**n/a**	2,621	**n/a**	262	**n/a**	92
Unrecognized transition obligation [3]	**n/a**	—	**n/a**	—	**n/a**	221
Unrecognized prior service cost [3]	**n/a**	209	**n/a**	(52)	**n/a**	—
Amount recognized, December 31	**$ 4,113**	$ 4,237	**$(1,345)**	$ (897)	**$ (1,459)**	$ (981)
Weighted average assumptions, December 31						
Discount rate	**5.75 %**	5.50 %	**5.75 %**	5.50 %	**5.75 %**	5.50 %
Expected return on plan assets	**8.00**	8.50	**n/a**	n/a	**8.00**	8.50
Rate of compensation increase	**4.00**	4.00	**4.00**	4.00	**n/a**	n/a

(1)The measurement date for the Qualified Pension Plans, Nonqualified Pension Plans, and Postretirement Health and Life Plans was December 31 of each year reported.
(2)The Corporation's best estimate of its contributions to be made to the Qualified Pension Plans, Nonqualified Pension Plans, and Postretirement Health and Life Plans in 2007 is $0, $97 million and $95 million.
(3)Upon the adoption of SFAS 158 on December 31, 2006, unrecognized net actuarial losses, unrecognized transition obligations, and unrecognized prior service costs are now recorded as an adjustment to Accumulated OCI.

n/a = not applicable

Amounts recognized in the Consolidated Financial Statements at December 31, 2006 and 2005 were as follows:

(Dollars in millions)	December 31, 2006 Qualified Pension Plans	Nonqualified Pension Plans	Postretirement Health and Life Plans
Other assets	**$ 4,113**	**$ —**	**$ —**
Accrued expenses and other liabilities	**—**	**(1,345)**	**(1,459)**
Net amount recognized at December 31	**$ 4,113**	**$ (1,345)**	**$ (1,459)**

(Dollars in millions)	December 31, 2005 Qualified Pension Plans	Nonqualified Pension Plans	Postretirement Health and Life Plans
Prepaid benefit cost	$ 4,237	$ —	$ —
Accrued benefit cost	—	(897)	(981)
Additional minimum liability	—	(187)	—
SFAS 87 Accumulated OCI adjustment[1]	—	187	—
Net amount recognized at December 31	$ 4,237	$ (897)	$ (981)

(1)Amount recognized in Accumulated OCI net of tax is $118 million.

Net periodic benefit cost for 2006, 2005 and 2004 included the following components:

(Dollars in millions)	Qualified Pension Plans 2006	2005	2004	Nonqualified Pension Plans 2006	2005	2004	Postretirement Health and Life Plans 2006	2005	2004
Components of net periodic benefit cost									
Service cost	**$ 306**	$ 261	$ 257	**$ 13**	$ 11	$ 27	**$ 13**	$ 11	$ 9
Interest cost	**676**	643	623	**78**	61	62	**86**	78	76
Expected return on plan assets	**(1,034)**	(983)	(915)	**—**	—	—	**(10)**	(14)	(16)
Amortization of transition obligation	**—**	—	—	**—**	—	—	**31**	31	32
Amortization of prior service cost (credits)	**41**	44	55	**(8)**	(8)	3	**—**	—	1
Recognized net actuarial loss	**229**	182	92	**20**	24	14	**12**	80	74
Recognized loss due to settlements and curtailments	**—**	—	—	**—**	9	—	**—**	—	—
Net periodic benefit cost	**$ 218**	$ 147	$ 112	**$ 103**	$ 97	$ 106	**$ 132**	$ 186	$ 176
Weighted average assumptions used to determine net cost for years ended December 31									
Discount rate[1]	**5.50%**	5.75%	6.25%	**5.50%**	5.75%	6.25%	**5.50%**	5.75%	6.25%
Expected return on plan assets	**8.00**	8.50	8.50	**n/a**	n/a	n/a	**8.00**	8.50	8.50
Rate of compensation increase	**4.00**	4.00	4.00	**4.00**	4.00	4.00	**n/a**	n/a	n/a

(1)In connection with the FleetBoston merger, their plans were remeasured on April 1, 2004, using a discount rate of 6.00 percent.

n/a = not applicable

Net periodic postretirement health and life expense was determined using the “projected unit credit” actuarial method. Gains and losses for all benefits except postretirement health care are recognized in accordance with the standard amortization provisions of the applicable accounting standards. For the Postretirement Health Care Plans, 50 percent of the unrecognized gain or loss at the beginning of the fiscal year (or at subsequent remeasurement) is recognized on a level basis during the year.

Assumed health care cost trend rates affect the postretirement benefit obligation and benefit cost reported for the Postretirement Health Care Plans. The assumed health care cost trend rate used to measure the expected cost of benefits covered by the Postretirement Health Care Plans was 9.0 percent for 2007, reducing in steps to 5.0 percent in 2012 and later years. A one-percentage-point increase in assumed health care cost trend rates would have increased the service and interest costs and the benefit obligation by $3 million and $51 million in 2006, $3 million and $51 million in 2005, and $4 million and $56 million in 2004. A one-percentage-point decrease in assumed health care cost trend rates would have lowered the service and interest costs and the benefit obligation by $3 million and $44 million in 2006, $3 million and $43 million in 2005, and $3 million and $48 million in 2004.

Plan Assets

The Qualified Pension Plans have been established as retirement vehicles for participants, and trusts have been established to secure benefits promised under the Qualified Pension Plans. The Corporation's policy is to invest the trust assets in a prudent manner for the exclusive purpose of providing benefits to participants and defraying reasonable expenses of administration. The Corporation's investment strategy is designed to provide a total return that, over the long-term, increases the ratio of assets to liabilities. The strategy attempts to maximize the investment return on assets at a level of risk deemed appropriate by the Corporation while complying with ERISA and any applicable regulations and laws. The investment strategy utilizes asset allocation as a principal determinant for establishing the risk/reward profile of the assets. Asset allocation ranges are established, periodically reviewed, and adjusted as funding levels and liability characteristics change. Active and passive investment managers are employed to help enhance the risk/return profile of the assets. An additional aspect of the investment strategy used to minimize risk (part of the asset allocation plan) includes matching the equity exposure of participant-selected earnings measures. For example, the common stock of the Corporation held in the trust is maintained as an offset to the exposure related to participants who selected to receive an earnings measure based on the return performance of common stock of the Corporation. No plan assets are expected to be returned to the Corporation during 2007.

The Expected Return on Asset Assumption (EROA assumption) was developed through analysis of historical market returns, historical asset class volatility and correlations, current market conditions, anticipated future asset allocations, the funds' past experience, and expectations on potential future market returns. The EROA assumption represents a long-term average view of the performance of the Qualified Pension Plans and Postretirement Health and Life Plan assets, a return that may or may not be achieved during any one calendar year. In a simplistic analysis of the EROA assumption, the building blocks used to arrive at the long-term return assumption would include an implied return from equity securities of 8.75 percent, debt securities of 5.75 percent, and real estate of 7.00 percent for all pension plans and postretirement health and life plans.

The Qualified Pension Plans' and Postretirement Health and Life Plans' asset allocations at December 31, 2006 and 2005 and target allocations for 2007 by asset category are as follows:

Asset Category	Qualified Pension Plans			Postretirement Health and Life Plans		
		Percentage of Plan Assets at December 31			Percentage of Plan Assets at December 31	
	2007 Target Allocation	2006	2005	2007 Target Allocation	2006	2005
Equity securities	65 - 80 %	**68 %**	71 %	50 - 70 %	**61 %**	57 %
Debt securities	20 - 35	**30**	27	30 - 50	**36**	41
Real estate	0 - 5	**2**	2	0 - 5	**3**	2
Total		**100 %**	100 %		**100 %**	100 %

Equity securities for the Qualified Pension Plans include common stock of the Corporation in the amounts of $882 million (5.25 percent of total plan assets) and $798 million (6.10 percent of total plan assets) at December 31, 2006 and 2005.

The Bank of America and MBNA Postretirement Health and Life Plans had no investment in the common stock of the Corporation at December 31, 2006 or 2005. The FleetBoston Postretirement Health and Life Plans included common stock of the Corporation in the amount of $0.4 million (0.46 percent of total plan assets) and $0.3 million (0.27 percent of total plan assets) at December 31, 2006 and December 31, 2005, respectively.

Projected Benefit Payments

Benefit payments projected to be made from the Qualified Pension Plans, the Nonqualified Pension Plans and the Postretirement Health and Life Plans are as follows:

(Dollars in millions)	Qualified Pension Plans [1]	Nonqualified Pension Plans [2]	Postretirement Health and Life Plans	
			Net Payments [3]	Medicare Subsidy
2007	$ 1,007	$ 97	$ 135	$ (12)
2008	1,022	101	135	(12)
2009	1,026	104	137	(12)
2010	1,035	103	138	(12)
2011	1,051	105	138	(12)
2012 - 2016	5,262	518	656	(58)

(1)Benefit payments expected to be made from the plans' assets.

(2)Benefit payments expected to be made from the Corporation's assets.

(3)Benefit payments (net of retiree contributions) expected to be made from a combination of the plans' and the Corporation's assets.

Defined Contribution Plans

The Corporation maintains qualified defined contribution retirement plans and nonqualified defined contribution retirement plans. As a result of the FleetBoston merger, beginning on April 1, 2004, the Corporation maintains the defined contribution plans of former FleetBoston. As a result of the MBNA merger on January 1, 2006, the Corporation also maintains the defined contribution plans of former MBNA.

The Corporation contributed approximately $328 million, $274 million and $267 million for 2006, 2005 and 2004, in cash and stock, respectively. At December 31, 2006 and 2005, an aggregate of 99 million shares and 106 million shares of the Corporation's common stock were held by the 401(k) Plans. During 2004, the Corporation converted the ESOP Preferred Stock held by the Bank of America 401(k) Plan to common stock so that there were no outstanding shares of preferred stock at December 31, 2004 in the 401(k) Plans.

Under the terms of the Employee Stock Ownership Plan (ESOP) Preferred Stock provision for the Bank of America 401(k) Plan, payments to the plan for dividends on the ESOP Preferred Stock were $4 million for 2004. Payments to the Bank of America 401(k) Plan and legacy FleetBoston 401(k) Plan for dividends on Common Stock were $208 million, $207 million and $181 million during 2006, 2005 and 2004, respectively. Payments to the MBNA 401(k) Plan for dividends on the Corporation's common stock were $8 million in 2006.

In addition, certain non-U.S. employees within the Corporation are covered under defined contribution pension plans that are separately administered in accordance with local laws.

Rewarding Success Plan

In 2005, the Corporation introduced a broad-based cash incentive plan for associates that meet certain eligibility criteria and are below certain compensation levels. The amount of the cash award is determined based on the Corporation's operating net income and common stock price performance for the full year. During 2006 and 2005, the Corporation recorded an expense of $237 million and $145 million for this Plan.

NOTE 17 – Stock-Based Compensation Plans

On January 1, 2006, the Corporation adopted SFAS 123R under the modified-prospective application.

The compensation cost recognized in income for the plans described below was $1.0 billion, $805 million and $536 million in 2006, 2005 and 2004, respectively. The related income tax benefit recognized in income was $382 million, $294 million and $188 million for 2006, 2005 and 2004, respectively.

Prior to the adoption of SFAS 123R, awards granted to retirement-eligible employees were expensed over the stated vesting period. SFAS 123R requires that the Corporation recognize stock compensation cost immediately for any awards granted to retirement-eligible employees, or over the vesting period or the period from the grant date to the date retirement eligibility is achieved, whichever is shorter. Upon the grant of awards in the first quarter of 2006, the Corporation recognized approximately $320 million in equity-based compensation due to awards being granted to retirement-eligible employees.

Prior to the adoption of SFAS 123R, the Corporation presented tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the Consolidated Statement of Cash Flows. SFAS 123R requires the cash flows resulting from the tax benefits due to tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows. The Corporation classified $477 million in excess tax benefits as a financing cash inflow for 2006.

Prior to January 1, 2006, the Corporation estimated the fair value of stock options granted on the date of grant using the Black-Scholes option-pricing model. On January 1, 2006, the Corporation began using a lattice option-pricing model to estimate the grant date fair value of stock options granted. The table below presents the assumptions used to estimate the fair value of stock options granted on the date of grant using the lattice option-pricing model for 2006. Lattice option-pricing models incorporate ranges of assumptions for inputs and those ranges are disclosed in the table below. The risk-free rate for periods within the contractual life of the stock option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected volatilities are based on implied volatilities from traded stock options on the Corporation's common stock, historical volatility of the Corporation's common stock, and other factors. The Corporation uses historical data to estimate stock option exercise and employee termination within the model. The expected term of stock options granted is derived from the output of the model and represents the period of time that stock options granted are expected to be outstanding. The table below also includes the assumptions used to estimate the fair value of stock options granted on the date of grant using the Black-Scholes option-pricing model for 2005 and 2004. The estimates of fair value from these models are theoretical values for stock options and changes in the assumptions used in the models could result in materially different fair value estimates. The actual value of the stock options will depend on the market value of the Corporation's common stock when the stock options are exercised.

	2006	2005	2004
Risk-free interest rate	**4.59 – 4.70 %**	3.94 %	3.36 %
Dividend yield	**4.50**	4.60	4.56
Expected volatility	**17.00 – 27.00**	20.53	22.12
Weighted-average volatility	**20.30**	n/a	n/a
Expected lives (years)	**6.5**	6	5

The Corporation has equity compensation plans that were approved by its shareholders. These plans are the Key Employee Stock Plan and the Key Associate Stock Plan. Additionally one equity compensation plan (2002 Associates Stock Option Plan) was not approved by the Corporation's shareholders. Descriptions of the material features of these plans follow.

Key Employee Stock Plan

The Key Employee Stock Plan, as amended and restated, provided for different types of awards. These include stock options, restricted stock shares and restricted stock units. Under the plan, ten-year options to purchase approximately 260 million shares of common stock were granted through December 31, 2002, to certain employees at the closing market price on the respective grant dates. Options granted under the plan generally vest in three or four equal annual installments. At December 31, 2006, approximately 66 million options were outstanding under this plan. No further awards may be granted.

Key Associate Stock Plan

On April 24, 2002, the shareholders approved the Key Associate Stock Plan to be effective January 1, 2003. This approval authorized and reserved 200 million shares for grant in addition to the remaining amount under the Key Employee Stock Plan as of December 31, 2002, which was approximately 34 million shares plus any shares covered by awards under the Key Employee Stock Plan that terminate, expire, lapse or are cancelled after December 31, 2002. Upon the FleetBoston

merger, the shareholders authorized an additional 102 million shares and on April 26, 2006, the shareholders authorized an additional 180 million shares for grant under the Key Associate Stock Plan. At December 31, 2006, approximately 135 million options were outstanding under this plan. Approximately 18 million shares of restricted stock and restricted stock units were granted in 2006. These shares of restricted stock generally vest in three equal annual installments beginning one year from the grant date. The Corporation incurred restricted stock expense of $778 million, $486 million, and $288 million in 2006, 2005 and 2004.

2002 Associates Stock Option Plan

The Bank of America Corporation 2002 Associates Stock Option Plan was a broad-based plan that covered all employees below a specified executive grade level and was not approved by the Corporation's shareholders. Under the plan, eligible employees received a one-time award of a predetermined number of options entitling them to purchase shares of the Corporation's common stock. All options are nonqualified and have an exercise price equal to the fair market value on the date of grant. Approximately 108 million options were granted on February 1, 2002. The award included two performance-based vesting triggers, which were subsequently achieved. At December 31, 2006, approximately 5 million options were outstanding under this plan. The options expire on January 31, 2007. No further awards may be granted.

The following table presents information on equity compensation plans at December 31, 2006:

	Number of Shares to be Issued [1, 3]	Weighted Average Exercise Price of Outstanding Options [2]	Number of Shares Remaining for Future Issuance Under Equity Compensation Plans
Plans approved by shareholders	215,115,189	$ 37.59	304,107,699
Plan not approved by shareholders [4]	5,148,042	30.68	—
Total	**220,263,231**	**37.42**	**304,107,699**

(1)Includes 13,871,207 unvested restricted stock units.

(2)Does not take into account unvested restricted stock units.

(3)In addition to the securities presented in the table above, there were outstanding options to purchase 38,681,146 shares of the Corporation's common stock and 502,760 unvested restricted stock units granted to employees of predecessor companies assumed in mergers. The weighted average option price of the assumed options was $34.07 at December 31, 2006.

(4)Shareholder approval of these broad-based stock option plans was not required by applicable law or New York Stock Exchange rules.

The following table presents the status of all option plans at December 31, 2006, and changes during 2006:

Employee stock options	December 31, 2006	
	Shares	Weighted Average Exercise Price
Outstanding at January 1, 2006	**298,132,802**	**$ 35.13**
Options assumed through acquisition	**31,506,268**	**32.70**
Granted	**31,534,150**	**44.42**
Exercised	**(111,615,059)**	**32.93**
Forfeited	**(4,484,991)**	**41.48**
Outstanding at December 31, 2006	**245,073,170**	**36.89**
Options exercisable at December 31, 2006	**178,277,236**	**34.17**
Options vested and expected to vest [1]	**244,223,346**	**36.87**

(1)Includes vested shares and nonvested shares after a forfeiture rate is applied.

The weighted average remaining contractual term and aggregate intrinsic value of options outstanding was 5.7 years and $4.0 billion, options exercisable was 4.7 years and $3.4 billion, and options vested and expected to vest was 5.7 years and $4.0 billion at December 31, 2006.

The weighted average grant-date fair value of options granted in 2006, 2005 and 2004 was $6.90, $6.48 and $5.59. The total intrinsic value of options exercised in 2006 was $2.0 billion.

The following table presents the status of the nonvested shares at December 31, 2006, and changes during 2006:

Restricted stock/unit awards	December 31, 2006	
	Shares	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2006	**27,278,106**	**$ 42.79**
Share obligations assumed through acquisition	**754,740**	**30.40**
Granted	**18,128,115**	**44.43**
Vested	**(12,319,864)**	**41.41**
Cancelled	**(2,251,755)**	**44.52**
Outstanding at December 31, 2006	**31,589,342**	**43.85**

At December 31, 2006, there was $766 million of total unrecognized compensation cost related to share-based compensation arrangements for all awards that is expected to be recognized over a weighted average period of .86 years. The total fair value of restricted stock vested in 2006 was $559 million.

NOTE 18 – Income Taxes

The components of Income Tax Expense for 2006, 2005 and 2004 were as follows:

(Dollars in millions)	2006	2005	2004
Current income tax expense			
Federal	**$ 7,398**	$5,229	$6,392
State	**796**	676	683
Foreign	**796**	415	405
Total current expense	**8,990**	6,320	7,480
Deferred income tax expense (benefit)			
Federal	**1,807**	1,577	(512)
State	**45**	85	(23)
Foreign	**(2)**	33	16
Total deferred expense (benefit)	**1,850**	1,695	(519)
Total income tax expense[1]	**$10,840**	$8,015	$6,961

(1)Does not reflect the deferred tax effects of Unrealized Gains and Losses on AFS Debt and Marketable Equity Securities, Foreign Currency Translation Adjustments, Derivatives, and the accumulated adjustment to apply SFAS No. 158 that are included in Accumulated OCI. As a result of these tax effects, Accumulated OCI increased $378 million, $2,863 million and $303 million in 2006, 2005 and 2004. Also, does not reflect tax benefits associated with the Corporation's employee stock plans which increased Common Stock and Additional Paid-in Capital $674 million, $416 million and $401 million in 2006, 2005 and 2004. Goodwill was reduced $195 million, $22 million and $101 million in 2006, 2005 and 2004, reflecting the tax benefits attributable to exercises of employee stock options issued by MBNA and FleetBoston which had vested prior to the merger dates.

Income Tax Expense for 2006, 2005 and 2004 varied from the amount computed by applying the statutory income tax rate to Income before Income Taxes. A reconciliation between the expected federal income tax expense using the federal statutory tax rate of 35 percent to the Corporation's actual Income Tax Expense and resulting effective tax rate for 2006, 2005 and 2004 follows:

	2006		2005		2004	
(Dollars in millions)	Amount	Percent	Amount	Percent	Amount	Percent
Expected federal income tax expense	**$11,191**	**35.0 %**	$8,568	35.0 %	$7,318	35.0 %
Increase (decrease) in taxes resulting from:						
Tax-exempt income, including dividends	**(630)**	**(2.0)**	(605)	(2.5)	(526)	(2.5)
State tax expense, net of federal benefit	**547**	**1.7**	495	2.0	429	2.1
Low income housing credits/other credits	**(537)**	**(1.7)**	(423)	(1.7)	(352)	(1.7)
Foreign tax differential	**(291)**	**(0.9)**	(99)	(0.4)	(78)	(0.4)
TIPRA—FSC/ETI	**175**	**0.5**	—	—	—	—
Other	**385**	**1.3**	79	0.3	170	0.8
Total income tax expense	**$10,840**	**33.9 %**	$8,015	32.7 %	$6,961	33.3 %

The IRS is currently examining the Corporation's federal income tax returns for the years 2000 through 2002. In addition, the federal income tax returns of FleetBoston and certain other subsidiaries are currently under examination for years ranging from 1997 through 2004 as well as the federal income tax returns of MBNA for years ranging from 2001 through 2004. The Corporation's current estimate of the resolution of these various examinations is reflected in accrued income taxes; however, final settlement of the examinations or changes in the Corporation's estimate may result in future income tax expense or benefit.

Significant components of the Corporation's net deferred tax liability at December 31, 2006 and 2005 are presented in the following table.

	December 31	
(Dollars in millions)	**2006**	2005
Deferred tax liabilities		
Equipment lease financing	**$ 6,895**	$ 6,455
Intangibles	**1,198**	506
Fee income	**1,065**	386
Mortgage servicing rights	**787**	632
Foreign currency	**659**	251
State income taxes	**353**	168
Fixed assets	**—**	152
Loan fees and expenses	**—**	142
Other	**1,232**	1,137
Gross deferred tax liabilities	**12,189**	9,829
Deferred tax assets		
Allowance for credit losses	**3,054**	2,623
Security valuations	**2,703**	3,208
Available-for-sale securities	**1,632**	1,845
Accrued expenses	**1,283**	1,235
Employee compensation and retirement benefits	**1,273**	559
Foreign tax credit carryforward	**117**	169
Other	**198**	429
Gross deferred tax assets	**10,260**	10,068
Valuation allowance [1]	**(122)**	(253)
Total deferred tax assets, net of valuation allowance	**10,138**	9,815
Net deferred tax liabilities [2]	**$ 2,051**	$ 14

(1)At December 31, 2006 and 2005, $43 million and $53 million of the valuation allowance related to gross deferred tax assets was attributable to the MBNA and FleetBoston mergers. Future recognition of the tax attributes associated with these gross deferred tax assets would result in tax benefits being allocated to reduce Goodwill.

(2)The Corporation's net deferred tax liabilities were adjusted during 2006 and 2005 to include $565 million and $279 million of net deferred tax liabilities related to business combinations accounted for under the purchase method.

The valuation allowance at December 31, 2006 and 2005 is attributable to deferred tax assets generated in certain state and foreign jurisdictions for which management believes it is more likely than not that realization of these assets will not occur. The decrease in the valuation allowance primarily resulted from a remeasurement of certain state temporary differences against which valuation allowances had been recorded and the conclusion of state tax examinations.

The foreign tax credit carryforward reflected in the table above represents foreign income taxes paid that are creditable against future U.S. income taxes. If not used, these credits begin to expire after 2013 and could fully expire after 2016.

The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) was signed into law in 2006. Among other things, TIPRA repealed certain provisions of prior law relating to transactions entered into under the extraterritorial income and foreign sales corporation regimes. The TIPRA repeal results in an increase in the U.S. taxes expected to be paid on certain portions of the income earned from such transactions after December 31, 2006. Accounting for the change in law resulted in the recognition of a $175 million charge to Income Tax Expense during 2006.

The American Jobs Creation Act of 2004 (the Act) provides U.S. companies with the ability to elect to apply a special one-time tax deduction equal to 85 percent of certain earnings remitted from foreign subsidiaries, provided certain criteria are met. Management elected to apply the Act for 2005 and recorded a one-time tax benefit of $70 million for the year ended December 31, 2005.

At December 31, 2006 and 2005, federal income taxes had not been provided on $4.4 billion and $1.4 billion of undistributed earnings of foreign subsidiaries, earned prior to 1987 and after 1997 that have been reinvested for an indefinite period of time. If the earnings were distributed, an additional $573 million and $249 million of tax expense, net of credits for foreign taxes paid on such earnings and for the related foreign withholding taxes, would have resulted in 2006 and 2005.

NOTE 19 – Fair Value of Financial Instruments

SFAS No. 107, "Disclosures About Fair Value of Financial Instruments" (SFAS 107), requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Quoted market prices, if available, are utilized as estimates of the fair values of financial instruments. Since no quoted market prices exist for certain of the Corporation's financial instruments, the fair values of such instruments have been derived based on management's assumptions, the estimated amount and timing of future cash flows and estimated discount rates. The estimation methods for individual classifications of financial instruments are described more fully below. Different assumptions could significantly affect these estimates. Accordingly, the net realizable values could be materially different from the estimates presented below. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the combined Corporation.

The provisions of SFAS 107 do not require the disclosure of the fair value of lease financing arrangements and nonfinancial instruments, including Goodwill and Intangible Assets such as purchased credit card, affinity, and trust relationships.

Short-term Financial Instruments

The carrying value of short-term financial instruments, including cash and cash equivalents, time deposits placed, federal funds sold and purchased, resale and repurchase agreements, commercial paper and other short-term investments and borrowings, approximates the fair value of these instruments. These financial instruments generally expose the Corporation to limited credit risk and have no stated maturities or have short-term maturities and carry interest rates that approximate market.

Financial Instruments Traded in the Secondary Market and Strategic Investments

Held-to-maturity securities, AFS debt and marketable equity securities, trading account instruments, long-term debt traded actively in the secondary market and strategic investments have been valued using quoted market prices. The fair values of trading account instruments, securities and strategic investments are reported in Notes 3 and 5 of the Consolidated Financial Statements.

Derivative Financial Instruments

All derivatives are recognized on the Consolidated Balance Sheet at fair value, net of cash collateral held and taking into consideration the effects of legally enforceable master netting agreements that allow the Corporation to settle positive and negative positions 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 fair value of the Corporation's derivative assets and liabilities is presented in Note 4 of the Consolidated Financial Statements.

Loans

Fair values were estimated for groups of similar loans based upon type of loan and maturity. The fair value of loans was 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. Where quoted market prices were available, primarily for certain residential mortgage loans and commercial loans, such market prices were utilized as estimates for fair values.

Substantially all of the foreign loans reprice within relatively short timeframes. Accordingly, for foreign loans, the net carrying values were assumed to approximate their fair values.

Deposits

The fair value for deposits with stated maturities was calculated by discounting contractual cash flows using current market rates for instruments with similar maturities. The carrying value of foreign time deposits approximates fair value. For deposits with no stated maturities, the carrying amount was considered to approximate fair value and does not take into account the significant value of the cost advantage and stability of the Corporation's long-term relationships with depositors.

The book and fair values of certain financial instruments at December 31, 2006 and 2005 were as follows:

	December 31			
	2006		2005	
(Dollars in millions)	**Book Value**	**Fair Value**	Book Value	Fair Value
Financial assets				
Loans [1]	**$675,544**	**$679,738**	$545,238	$542,626
Financial liabilities				
Deposits	**693,497**	**693,041**	634,670	633,928
Long-term debt	**146,000**	**148,120**	100,848	101,446

(1)Presented net of the Allowance for Loan and Lease Losses.

NOTE 20 – Business Segment Information

The Corporation reports the results of its operations through three business segments:*Global Consumer and Small Business Banking, Global Corporate and Investment Banking,* and *Global Wealth and Investment Management*. The Corporation may periodically reclassify business segment results based on modifications to its management reporting methodologies and changes in organizational alignment.

Global Consumer and Small Business Banking provides a diversified range of products and services to individuals and small businesses through its primary businesses: *Deposits, Card Services, Mortgage* and *Home Equity*. *Global Corporate and Investment Banking* serves domestic and international issuer and investor clients, providing financial services, specialized industry expertise and local delivery through its primary businesses: *Business Lending, Capital Markets and Advisory Services,* and *Treasury Services*. These businesses provide traditional bank deposit and loan products to large corporations and institutional clients, capital-raising solutions, advisory services, derivatives capabilities, equity and debt sales and trading for clients, as well as treasury management and payment services. *Global Wealth and Investment Management* offers investment 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 through its primary businesses: *The Private Bank*, *Columbia Management* and *Premier Banking and Investments*.

All Other consists of equity investment activities including Principal Investing, Corporate Investments and Strategic Investments, 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 consumer finance and commercial lending businesses that are being liquidated. *All 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.

Total Revenue includes Net Interest Income on a 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 following table presents Total Revenue on a FTE basis and Net Income in 2006, 2005 and 2004, and Total Assets at December 31, 2006 and 2005 for each business segment, as well as *All Other*.

Business Segments

At and for the Year Ended December 31	Total Corporation			Global Consumer and Small Business Banking [1, 2]		
(Dollars in millions)	**2006**	2005	2004	**2006**	2005	2004
Net interest income (FTE basis)	**$ 35,815**	$ 31,569	$ 28,677	**$ 21,100**	$ 16,898	$ 15,767
Noninterest income	**38,432**	25,354	21,005	**20,591**	11,425	8,958
Total revenue (FTE basis)	**74,247**	56,923	49,682	**41,691**	28,323	24,725
Provision for credit losses	**5,010**	4,014	2,769	**5,172**	4,243	3,331
Gains (losses) on sales of debt securities	**(443)**	1,084	1,724	**(1)**	(2)	117
Amortization of intangibles	**1,755**	809	664	**1,511**	551	441
Other noninterest expense	**33,842**	27,872	26,348	**17,319**	12,573	12,003
Income before income taxes	**33,197**	25,312	21,625	**17,688**	10,954	9,067
Income tax expense	**12,064**	8,847	7,678	**6,517**	3,933	3,300
Net income	**$ 21,133**	$ 16,465	$ 13,947	**$ 11,171**	$ 7,021	$ 5,767
Period-end total assets	**$ 1,459,737**	$ 1,291,803		**$ 382,392**	$ 331,259	

	Global Corporate and Investment Banking [1]			Global Wealth and Investment Management [1, 2]		
(Dollars in millions)	**2006**	2005	2004	**2006**	2005	2004
Net interest income (FTE basis)	**$ 10,693**	$ 11,156	$ 10,670	**$ 3,881**	$ 3,820	$ 2,921
Noninterest income	**11,998**	9,444	7,982	**3,898**	3,496	3,079
Total revenue (FTE basis)	**22,691**	20,600	18,652	**7,779**	7,316	6,000
Provision for credit losses	**(6)**	(291)	(886)	**(40)**	(7)	(22)
Gains (losses) on sales of debt securities	**53**	263	(10)	**—**	—	—
Amortization of intangibles	**164**	174	152	**76**	79	66
Other noninterest expense	**11,834**	10,959	10,149	**3,929**	3,631	3,392
Income before income taxes	**10,752**	10,021	9,227	**3,814**	3,613	2,564
Income tax expense	**3,960**	3,637	3,311	**1,411**	1,297	932
Net income	**$ 6,792**	$ 6,384	$ 5,916	**$ 2,403**	$ 2,316	$ 1,632
Period-end total assets	**$ 689,248**	$ 633,362		**$ 137,739**	$ 129,232	

	All Other		
(Dollars in millions)	**2006**	2005	2004
Net interest income (FTE basis)	**$ 141**	$ (305)	$ (681)
Noninterest income	**1,945**	989	986
Total revenue (FTE basis)	**2,086**	684	305
Provision for credit losses	**(116)**	69	346
Gains (losses) on sales of debt securities	**(495)**	823	1,617
Amortization of intangibles	**4**	5	5
Other noninterest expense	**760**	709	804
Income before income taxes	**943**	724	767
Income tax expense (benefit)	**176**	(20)	135
Net income	**$ 767**	$ 744	$ 632
Period-end total assets	**$ 250,358**	$ 197,950	

(1)There were no material intersegment revenues among the segments.
(2)Total Assets include asset allocations to match liabilities (i.e., deposits).

The following tables present reconciliations of the three business segments' Total Revenue on a FTE basis and Net Income to the Consolidated Statement of Income, and Total Assets to the Consolidated Balance Sheet. The adjustments presented in the table below include consolidated income and expense amounts not specifically allocated to individual business segments.

	Year Ended December 31		
(Dollars in millions)	**2006**	2005	2004
Segments' total revenue (FTE basis)	**$72,161**	$56,239	$49,377
Adjustments:			
ALM activities [1]	**(441)**	(501)	20
Equity investment gains	**2,866**	1,964	911
Liquidating businesses	**267**	214	282
FTE basis adjustment	**(1,224)**	(832)	(717)
Other	**(606)**	(993)	(908)
Consolidated revenue	**$73,023**	$56,091	$48,965
Segments' net income	**$20,366**	$15,721	$13,315
Adjustments, net of taxes:			
ALM activities [1, 2, 3]	**(816)**	52	869
Equity investment gains	**1,806**	1,257	583
Liquidating businesses	**139**	109	78
Merger and restructuring charges	**(507)**	(275)	(411)
Other	**145**	(399)	(487)
Consolidated net income	**$21,133**	$16,465	$13,947

(1)Includes Revenue associated with derivative instruments which did not qualify for SFAS 133 hedge accounting treatment of $(675) million and $86 million in 2005 and 2004.
(2)Includes Net Income associated with derivative instruments which did not qualify for SFAS 133 hedge accounting treatment of $(421) million and $(196) million in 2005 and 2004.
(3)Includes pre-tax Gains (Losses) on Sales of Debt Securities of $(494) million, $820 million and $1,613 million in 2006, 2005 and 2004, respectively.

	December 31	
(Dollars in millions)	**2006**	2005
Segments' total assets	**$ 1,209,379**	$ 1,093,853
Adjustments:		
ALM activities, including securities portfolio	**378,211**	365,060
Equity investments	**15,639**	13,960
Liquidating businesses	**3,280**	3,399
Elimination of segment excess asset allocations to match liabilities	**(166,618)**	(204,788)
Other	**19,846**	20,319
Consolidated total assets	**$ 1,459,737**	$ 1,291,803

NOTE 21 – Parent Company Information

The following tables present the Parent Company Only financial information:

Condensed Statement of Income

(Dollars in millions)	Year Ended December 31 2006	2005	2004
Income			
Dividends from subsidiaries:			
Bank subsidiaries	**$ 15,950**	$ 10,400	$ 8,100
Other subsidiaries	**111**	63	133
Interest from subsidiaries	**3,944**	2,581	1,085
Other income	**2,346**	1,719	2,463
Total income	**22,351**	14,763	11,781
Expense			
Interest on borrowed funds	**5,799**	3,843	2,876
Noninterest expense	**3,019**	2,636	2,057
Total expense	**8,818**	6,479	4,933
Income before income taxes and equity in undistributed earnings of subsidiaries	**13,533**	8,284	6,848
Income tax benefit	**1,002**	791	360
Income before equity in undistributed earnings of subsidiaries	**14,535**	9,075	7,208
Equity in undistributed earnings of subsidiaries:			
Bank subsidiaries	**5,613**	6,518	6,165
Other subsidiaries	**985**	872	574
Total equity in undistributed earnings of subsidiaries	**6,598**	7,390	6,739
Net income	**$ 21,133**	$ 16,465	$ 13,947
Net income available to common shareholders	**$ 21,111**	$ 16,447	$ 13,931

Condensed Balance Sheet

(Dollars in millions)	December 31 2006	2005
Assets		
Cash held at bank subsidiaries	**$ 54,989**	$ 49,670
Securities	**2,932**	2,285
Receivables from subsidiaries:		
Bank subsidiaries	**17,063**	14,581
Other subsidiaries	**20,661**	18,766
Investments in subsidiaries:		
Bank subsidiaries	**162,291**	119,210
Other subsidiaries	**6,488**	2,472
Other assets	**19,118**	13,685
Total assets	**$283,542**	$220,669
Liabilities and shareholders' equity		
Commercial paper and other short-term borrowings	**$ 31,852**	$ 19,333
Accrued expenses and other liabilities	**9,929**	7,228
Payables to subsidiaries:		
Bank subsidiaries	**857**	1,824
Other subsidiaries	**76**	2,479
Long-term debt	**105,556**	88,272
Shareholders' equity	**135,272**	101,533
Total liabilities and shareholders' equity	**$283,542**	$220,669

Condensed Statement of Cash Flows

(Dollars in millions)	Year Ended December 31 2006	2005	2004
Operating activities			
Net income	**$ 21,133**	$ 16,465	$13,947
Reconciliation of net income to net cash provided by operating activities:			
Equity in undistributed earnings of subsidiaries	**(6,598)**	(7,390)	(6,739)
Other operating activities, net	**2,159**	(1,035)	(1,487)
Net cash provided by operating activities	**16,694**	8,040	5,721
Investing activities			
Net (purchases) sales of securities	**(705)**	403	(1,348)
Net payments from (to) subsidiaries	**(13,673)**	(3,145)	821
Other investing activities, net	**(1,300)**	(3,001)	3,348
Net cash provided by (used in) investing activities	**(15,678)**	(5,743)	2,821
Financing activities			
Net increase (decrease) in commercial paper and other short-term borrowings	**12,519**	(292)	15,937
Proceeds from issuance of long-term debt	**28,412**	20,477	19,965
Retirement of long-term debt	**(15,506)**	(11,053)	(9,220)
Proceeds from issuance of preferred stock	**2,850**	—	—
Redemption of preferred stock	**(270)**	—	—
Proceeds from issuance of common stock	**3,117**	2,846	3,712
Common stock repurchased	**(14,359)**	(5,765)	(6,286)
Cash dividends paid	**(9,661)**	(7,683)	(6,468)
Other financing activities, net	**(2,799)**	1,705	520
Net cash provided by financing activities	**4,303**	235	18,160
Net increase in cash held at bank subsidiaries	**5,319**	2,532	26,702
Cash held at bank subsidiaries at January 1	**49,670**	47,138	20,436
Cash held at bank subsidiaries at December 31	**$ 54,989**	$ 49,670	$47,138

NOTE 22 – Performance by Geographical Area

Since the Corporation's operations are highly integrated, certain asset, liability, income and expense amounts must be allocated to arrive at Total Assets, Total Revenue, Income Before Income Taxes and Net Income by geographic area. The Corporation identifies its geographic performance based upon the business unit structure used to manage the capital or expense deployed in the region as applicable. This requires certain judgments related to the allocation of revenue so that revenue can be appropriately matched with the related expense or capital deployed in the region.

		At December 31	Year Ended December 31		
(Dollars in millions)	Year	Total Assets [1]	Total Revenue [2]	Income Before Income Taxes	Net Income
Domestic [3]	**2006**	**$ 1,300,711**	**$ 64,189**	**$ 28,041**	**$18,605**
	2005	1,183,953	51,860	21,880	14,778
	2004		45,767	19,369	12,943
Asia	**2006**	**32,886**	**1,117**	**637**	**420**
	2005	32,272	909	521	344
	2004		718	286	204
Europe, Middle East and Africa	**2006**	**113,129**	**5,470**	**1,843**	**1,193**
	2005	57,226	1,783	920	603
	2004		1,420	605	395
Latin America and the Caribbean	**2006**	**13,011**	**2,247**	**1,452**	**915**
	2005	18,352	1,539	1,159	740
	2004		1,060	648	405
Total Foreign	**2006**	**159,026**	**8,834**	**3,932**	**2,528**
	2005	107,850	4,231	2,600	1,687
	2004		3,198	1,539	1,004
Total Consolidated	**2006**	**$ 1,459,737**	**$ 73,023**	**$ 31,973**	**$21,133**
	2005	1,291,803	56,091	24,480	16,465
	2004		48,965	20,908	13,947

(1)Total Assets includes long-lived assets, which are primarily located in the U.S.
(2)There were no material intercompany revenues between geographic regions for any of the periods presented.
(3)Includes the Corporation's Canadian operations, which had Total Assets of $7.9 billion and $4.3 billion at December 31, 2006 and 2005; Total Revenue of $641 million, $115 million and $90 million; Income Before Income Taxes of $244 million, $67 million and $49 million; and Net Income of $159 million, $56 million and $41 million for the years ended December 31, 2006, 2005 and 2004, respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in or disagreements with accountants on accounting and financial disclosure.

Item 9A. 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 our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-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 Bank of America's disclosure controls and procedures were effective in recording, processing, summarizing and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms.

See Report of Management on page 100 for management's report on the Corporation's internal control over financial reporting which is incorporated herein by reference.

In addition, and as of the end of the period covered by this report, there have been no changes in our internal control over financial reporting during the quarter ended December 31, 2006, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information included under the following captions in the Corporation's proxy statement relating to its 2007 annual meeting of stockholders (the "2007 Proxy Statement") is incorporated herein by reference:

- "The Nominees";
- "Section 16(a) Beneficial Ownership Reporting Compliance";
- "Corporate Governance - Code of Ethics"; and
- "Corporate Governance - Audit Committee."

Additional information required by Item 10 with respect to executive officers is set forth in Part I, Item 4A hereof. Information regarding the Corporation's directors is set forth in the Proxy Statement on pages 14 through 16 under "The Nominees."

Item 11. Executive Compensation

Information included under the following captions in the 2007 Proxy Statement is incorporated herein by reference:

- "Corporate Governance - Director Compensation";
- "Compensation Discussion and Analysis";
- "Executive Compensation";
- "Compensation Committee Interlocks and Insider Participation"; and
- "Compensation Committee Report."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information included under the following caption in the 2007 Proxy Statement is incorporated herein by reference:

- "Stock Ownership."

See also Note 17 of the Consolidated Financial Statements for information on Bank of America's equity compensation plans.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information included under the following captions in the 2007 Proxy Statement is incorporated herein by reference:

- "Corporate Governance - Director Independence"; and
- "Certain Transactions."

Item 14. Principal Accountant Fees and Services

Information included under the following captions in the 2007 Proxy Statement is incorporated herein by reference:

- "Item 2: Ratification of the Independent Registered Public Accounting Firm."

Part IV

Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as part of this report:

(1) Financial Statements:

Report of Independent Registered Public Accounting Firm
Consolidated Statement of Income for the years ended December 31, 2006, 2005 and 2004
Consolidated Balance Sheet at December 31, 2006 and 2005
Consolidated Statement of Changes in Shareholders' Equity for the years ended December 31, 2006, 2005 and 2004
Consolidated Statement of Cash Flows for the years ended December 31, 2006, 2005 and 2004
Notes to Consolidated Financial Statements

(2) Schedules:

None

(3) The exhibits filed as part of this report and exhibits incorporated herein by reference to other documents are listed in the Index to Exhibits to this Annual Report on Form 10-K (pages E-1 through E-7, including executive compensation plans and arrangements which are listed under Exhibit Nos. 10(a) through 10(nn)).

With the exception of the information expressly incorporated herein by reference, the 2007 Proxy Statement is not to be deemed filed as part of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 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.

Date: February 28, 2007

Bank of America Corporation

By: */s/ Kenneth D. Lewis
Kenneth D. Lewis
Chairman, Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
*/s/ Kenneth D. Lewis Kenneth D. Lewis	Chairman, Chief Executive Officer and President and Director (Principal Executive Officer)	February 28, 2007
*/s/ Joe L. Price Joe L. Price	Chief Financial Officer (Principal Financial Officer)	February 28, 2007
*/s/ Neil A. Cotty Neil A. Cotty	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 28, 2007
*/s/ William Barnet, III William Barnet, III	Director	February 28, 2007
*/s/ Frank P. Bramble, Sr. Frank P. Bramble, Sr.	Director	February 28, 2007
*/s/ John T. Collins John T. Collins	Director	February 28, 2007
*/s/ Gary L. Countryman Gary L. Countryman	Director	February 28, 2007
*/s/ Tommy R. Franks Tommy R. Franks	Director	February 28, 2007
*/s/ Paul Fulton Paul Fulton	Director	February 28, 2007
*/s/ Charles K. Gifford Charles K. Gifford	Director	February 28, 2007
*/s/ W. Steven Jones W. Steven Jones	Director	February 28, 2007
*/s/ Monica C. Lozano Monica C. Lozano	Director	February 28, 2007
*/s/ Walter E. Massey Walter E. Massey	Director	February 28, 2007

Signature	Title	Date
*/s/ Thomas J. May Thomas J. May	Director	February 28, 2007
*/s/ Patricia E. Mitchell Patricia E. Mitchell	Director	February 28, 2007
*/s/ Thomas M. Ryan Thomas M. Ryan	Director	February 28, 2007
*/s/ O. Temple Sloan, Jr. O. Temple Sloan, Jr.	Director	February 28, 2007
*/s/ Meredith R. Spangler Meredith R. Spangler	Director	February 28, 2007
*/s/ Robert L. Tillman Robert L. Tillman	Director	February 28, 2007
*/s/ Jackie M. Ward Jackie M. Ward	Director	February 28, 2007
*By: /s/ William J. Mostyn III William J. Mostyn III Attorney-in-Fact		

INDEX TO EXHIBITS

Exhibit No.	Description
3(a)	Amended and Restated Certificate of Incorporation of registrant, as in effect on the date hereof.
(b)	Amended and Restated Bylaws of registrant, as in effect on the date hereof, incorporated by reference to Exhibit 3.1 of registrant's Current Report on Form 8-K filed January 24, 2007.
4(a)	Indenture dated as of September 1, 1989 between registrant (successor to NationsBank Corporation, formerly known as NCNB Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), pursuant to which registrant issued its 9 3/8% Subordinated Notes, due 2009; and its 10.20% Subordinated Notes, due 2015, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-30717; and First Supplemental Indenture thereto dated as of August 28, 1998, incorporated by reference to Exhibit 4(f) of the 1998 10-K.
(b)	Indenture dated as of January 1, 1995 between registrant (successor to NationsBank Corporation) and U.S. Bank Trust National Association (successor to BankAmerica National Trust Company), pursuant to which registrant issued its 5 7/8% Senior Notes, due 2009; its 6 1/4% Senior Notes, due 2012; its 4 7/8% Senior Notes due 2012; its 5 1/8% Senior Notes, due 2014; its 3.761% Senior Notes, due 2007; its 3 7/8% Senior Notes, due 2008; its 4 7/8% Senior Notes, due 2013; its 3 5/8% Senior Notes, due 2008; its 3 1/4% Senior Notes, due 2008; its 4¼% Senior Notes, due 2010; its 4 3/8% Senior Notes, due 2010; its 3 3/8% Senior Notes, due 2009; its 4 5/8% Senior Notes, due 2014; its 5 3/8% Senior Notes, due June 2014; its 4¼% Senior Notes, due October 2010; its 4% Senior Notes, due 2015; its Floating Rate Callable Senior Notes, due 2008; its Floating Rate Senior Notes, due 2010; its 4 3/4% Senior Notes, due 2015; its 4 1/2% Senior Notes, due 2010; its Floating Rate Callable Senior Notes, due August 2008; its Three-Month LIBOR Floating Rate Senior Notes, due November 2008; its One-Month LIBOR Floating Rate Senior Notes, due November 2008; its Three-Month LIBOR Floating Rate Notes, due March 2009; its Three-Month LIBOR Floating Rate Notes, due June 2009; its 5.38% Senior Notes, due August 2011; its Three-Month LIBOR Floating Rate Notes, due August 2011; its Three-Month PRIME Floating Rate Notes, due September 2009; its Three-Month LIBOR Floating Rate Notes, due September 2009; its 5.63% Senior Notes, due October 2016; its Three-Month LIBOR Floating Rate Notes, due November 2009; its Senior Medium-Term Notes, Series F, G, H, I, J and K, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 33-57533; First Supplemental Indenture thereto dated as of September 18, 1998, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K filed November 18, 1998; Second Supplemental Indenture thereto dated as of May 7, 2001 between registrant, U.S. Bank Trust National Association, as Prior Trustee, and the Bank of New York Trust Company, N.A. (successor to The Bank of New York), as Successor Trustee, incorporated by reference to Exhibit 4.4 of registrant's Current Report on Form 8-K dated June 5, 2001; Third Supplemental Indenture thereto dated as of July 28, 2004, between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4.2 of registrant's Current Report on Form 8-K filed August 27, 2004; and Fourth Supplemental Indenture thereto dated as of April 28, 2006 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4.6 of registrant's Registration Statement on Form S-3 (Registration No. 333-133852).
(c)	Indenture dated as of January 1, 1995 between registrant (successor to NationsBank Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), pursuant to which registrant issued its 7 3/4% Subordinated Notes, due 2015; its 7 1/4% Subordinated Notes, due 2025; its 6 1/2% Subordinated Notes, due 2006; its 7 1/2% Subordinated Notes, due 2006; its 7.80% Subordinated Notes, due 2016; its 6 3/8% Subordinated Notes, due 2008; its 6.80% Subordinated Notes, due 2028; its 6.60% Subordinated Notes, due 2010; its 7.80% Subordinated Notes due 2010; its 7.40% Subordinated Notes, due 2011; its 4 3/4% Subordinated Notes, due 2013; its 5 1/4% Subordinated Notes, due 2015; its 4 3/4% Fixed/Floating Rate Callable Subordinated Notes, due 2019; its 5.75% Subordinated Notes, due August 2016; its Three-month LIBOR Floating Rate Notes, due August 2016; its 5.42% Subordinated Notes, due March 2017; its 5.49% Subordinated Notes, due March 2019; and its Subordinated Medium-Term Notes, Series F incorporated by reference to Exhibit 4.8 of registrant's Registration No. 33-57533; and First Supplemental Indenture thereto dated as of August 28, 1998, incorporated by reference to Exhibit 4.8 of registrant's Current Report on Form 8-K filed November 18, 1998.
(d)	Amended and Restated Agency Agreement dated as of August 21, 2006 among registrant and JPMorgan Chase Bank, N.A. London Branch.
(e)	Issuing and Paying Agency Agreement dated as of May 23, 2006, between Bank of America, N.A. and Deutsche Bank Trust Company Americas.
(f)	Indenture dated as of November 27, 1996 between registrant (successor to NationsBank Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4.10 of registrant's Registration No. 333-15375.
(g)	Second Supplemental Indenture dated as of December 17, 1996 to the Indenture dated as of November 27, 1996 between registrant (successor to NationsBank Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7.83% Junior Subordinated Deferrable Interest Notes due 2026, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated December 10, 1996.

Exhibit No.	Description
(h)	Third Supplemental Indenture dated as of February 3, 1997 to the Indenture dated as of November 27, 1996 between registrant (successor to NationsBank Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its Floating Rate Junior Subordinated Deferrable Interest Notes due 2027, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated January 22, 1997.
(i)	Fourth Supplemental Indenture dated as of April 22, 1997 to the Indenture dated as of November 27, 1996 between registrant (successor to NationsBank Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 8 1/4% Junior Subordinated Deferrable Interest Notes, due 2027, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated April 15, 1997.
(j)	Fifth Supplemental Indenture dated as of August 28, 1998 to the Indenture dated as of November 27, 1996 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4(t) of the 1998 10-K.
(k)	Indenture dated as of November 27, 1996, between Barnett Banks, Inc. and Bank One (successor to The First National Bank of Chicago), as Trustee, and First Supplemental Indenture dated as of January 9, 1998, among NationsBank Corporation, NB Holdings Corporation, Barnett Banks, Inc. and The First National Bank of Chicago (predecessor to Bank One), as Trustee, pursuant to which registrant (as successor to NationsBank Corporation) issued its 8.06% Junior Subordinated Debentures, due 2026, incorporated by reference to Exhibit 4(u) of registrant's 1997 Annual Report on Form 10-K (the "1997 10-K").
(l)	Indenture dated as of November 1, 1991 between the former BankAmerica Corporation and J.P. Morgan Trust Company, National Association, as successor trustee to the former Manufacturers Hanover Trust Company of California, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 6 5/8% Subordinated Notes due August 2007; its 7 1/8% Subordinated Notes due 2009; its 7 1/8% Subordinated Notes due 2011; its 6 5/8% Subordinated Notes, due October, 2007; and its 6 1/4% Subordinated Notes due 2008; First Supplemental Indenture thereto dated as of September 8, 1992; and Second Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(w) of the 1998 10-K.
(m)	Junior Subordinated Indenture dated as of November 27, 1996 between the former BankAmerica Corporation and Deutsche Bank Trust Company Americas, as successor trustee to Bankers Trust Company, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 8.07% Junior Subordinated Debentures Series A due 2026; and its 7.70% Junior Subordinated Debentures Series B due 2026; and First Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(z) of the 1998 10-K.
(n)	Junior Subordinated Indenture dated as of December 20, 1996 between the former BankAmerica Corporation and Deutsche Bank Trust Company Americas, as successor trustee to Bankers Trust Company, pursuant to which registrant (as successor to the former BankAmerica Corporation) issued its 8.00% Junior Subordinated Deferrable Interest Debentures, Series 2 due 2026 and its Floating Rate Junior Subordinated Deferrable Interest Debentures, Series 3 due 2027; and First Supplemental Indenture thereto dated as of September 15, 1998, incorporated by reference to Exhibit 4(aa) of the 1998 10-K.
(o)	Restated Senior Indenture dated as of January 1, 2001 between registrant and The Bank of New York, pursuant to which registrant issued its Senior InterNotes SM, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 333-47222.
(p)	Restated Subordinated Indenture dated as of January 1, 2001 between registrant and The Bank of New York, pursuant to which registrant issued its Subordinated InterNotes SM, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 333-47222.
(q)	Amended and Restated Senior Indenture dated as of July 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), pursuant to which registrant issued its Senior InterNotes SM, incorporated by reference to Exhibit 4.1 of registrant's Registration No. 333-65750.
(r)	Amended and Restated Subordinated Indenture dated as of July 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), pursuant to which registrant issued its Subordinated InterNotes SM, incorporated by reference to Exhibit 4.2 of registrant's Registration No. 333-65750.
(s)	Restated Indenture dated as of November 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4.10 of registrant's Registration No. 333-70984.
(t)	First Supplemental Indenture dated as of December 14, 2001 to the Restated Indenture dated as of November 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7% Junior Subordinated Notes due 2031, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated December 6, 2001.
(u)	Second Supplemental Indenture dated as of January 31, 2002 to the Restated Indenture dated as of November 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7% Junior Subordinated Notes due 2032, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated January 24, 2002.
(v)	Third Supplemental Indenture dated as of August 9, 2002 to the Restated Indenture dated as of November 1, 2001 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7% Junior Subordinated Notes due 2032, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated August 2, 2002.

Exhibit No.	Description
(w)	Fourth Supplemental Indenture dated as of April 30, 2003 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 5 7/8% Junior Subordinated Notes due 2033, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated April 23, 2003.
(x)	Fifth Supplemental Indenture dated as of November 3, 2004 between registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6% Junior Subordinated Notes due 2034, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated October 21, 2004.
(y)	Sixth Supplemental Indenture dated as of March 8, 2005 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 5 5/8% Junior Subordinated Notes due 2035, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated February 24, 2005.
(z)	Seventh Supplemental Indenture dated as of August 9, 2005 between the registrant and The Bank of New YorkTrust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 5 1/4% Junior Subordinated Notes due 2035, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated August 4, 2005.
(aa)	Eighth Supplemental Indenture dated as of August 25, 2005 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6% Junior Subordinated Notes due 2035, incorporated by reference to Exhibit 4.3 of registrant's Current Report on Form 8-K dated August 17, 2005.
(bb)	Tenth Supplemental Indenture dated as of March 28, 2006 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6 1/4% Junior Subordinated Notes due 2055.
(cc)	Eleventh Supplemental Indenture dated as of May 23, 2006 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6 5/8% Junior Subordinated Notes due 2036.
(dd)	Twelfth Supplemental Indenture dated as of August 2, 2006 between the registrant and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6 7/8% Junior Subordinated Notes due 2055.
(ee)	Indenture dated as of November 26, 1996 between registrant (successor to Bank of Boston Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), as Debenture Trustee, pursuant to which registrant issued its 8.25% Junior Subordinated Deferrable Interest Debentures due 2026, incorporated by reference to Exhibit 4.1 to BankBoston Corporation's Registration Statement on Form S-4 (File No. 333-19083); First Supplemental Indenture thereto dated as of October 1, 1999 and Second Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4(hh) of registrant's 2004 Annual Report on Form 10-K dated March 1, 2005 (the "2004 10-K").
(ff)	Indenture dated as of December 10, 1996 between registrant (successor to Bank of Boston Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), as Trustee, pursuant to which registrant issued its 7 3/4% Junior Subordinated Deferrable Interest Debentures due 2026, incorporated by reference to Exhibit 4.1 to BankBoston Corporation's Registration Statement on Form S-4 (File No. 333-19111); First Supplemental Indenture thereto dated as of October 1, 1999 and Second Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4(ii) of the 2004 10-K.
(gg)	Indenture dated as of June 4, 1997 between registrant (successor to BankBoston Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), as Trustee, pursuant to which registrant issued its Floating Rate Junior Subordinated Deferrable Interest Debentures due 2027, incorporated by reference to Exhibit 4.1 to BankBoston Corporation's Registration Statement on Form S-3 (File No. 333-27229); First Supplemental Indenture thereto dated as of October 1, 1999 and Second Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4(jj) of the 2004 10-K.
(hh)	Indenture dated as of December 11, 1996 between registrant (successor to Fleet Financial Group, Inc.) and The First National Bank of Chicago (predecessor to Bank One), as Trustee, incorporated by reference to Exhibit 4(b) of Fleet Financial Group, Inc.'s Current Report on Form 8-K (File No. 1-6366) dated December 20, 1996; First Supplemental Indenture thereto dated as of December 11, 1996 pursuant to which registrant issued its 7.92% Junior Subordinated Deferrable Interest Debentures due 2026, incorporated by reference to Exhibit 4(c) of Fleet Financial Group, Inc.'s Current Report on Form 8-K (File No. 1-6366) dated December 20, 1996 and Third Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4(kk) of the 2004 10-K.
(ii)	Indenture dated as of December 18, 1998 between registrant (successor to Fleet Financial Group, Inc.) and The First National Bank of Chicago (predecessor to Bank One), as Trustee, incorporated by reference to Exhibit 4(b) of Fleet Financial Group, Inc.'s Current Report on Form 8-K (File No. 1-6366) dated December 18, 1998; First Supplemental Indenture thereto dated as of December 18, 1998 pursuant to which registrant issued its Floating Rate Junior Subordinated Deferrable Interest Debentures due 2028, incorporated by reference to Exhibit 4(c) to Fleet Financial Group, Inc.'s Current Report on Form 8-K (File No. 1-6366) dated December 18, 1998 and Second Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4(ll) of the 2004 10-K.

Exhibit No.	Description
(jj)	Indenture dated as of June 30, 2000 between registrant (successor to FleetBoston Financial Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), as Trustee, incorporated by reference to Exhibit 4(b) of FleetBoston Financial Corporation's Current Report on Form 8-K dated (File No. 1-6366) June 30, 2000.
(kk)	Second Supplemental Indenture dated as of September 17, 2001 to the Indenture dated as of June 30, 2000 between registrant (successor to FleetBoston Financial Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7.20% Junior Subordinated Deferrable Interest Debentures due 2031, incorporated by reference to Exhibit 2.6 to FleetBoston Financial Corporation's Registration Statement on Form 8-A (File No. 1-6366) filed on September 21, 2001.
(ll)	Third Supplemental Indenture dated as of March 8, 2002 to the Indenture dated as of June 30, 2000 between registrant (successor to FleetBoston Financial Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 7.20% Junior Subordinated Deferrable Interest Debentures due 2032, incorporated by reference to Exhibit 2.7 to FleetBoston Financial Corporation's Registration Statement on Form 8-A (File No. 1-6366) filed on March 8, 2002.
(mm)	Fourth Supplemental Indenture dated as of July 31, 2003 to the Indenture dated as of June 30, 2000 between registrant (successor to FleetBoston Financial Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which registrant issued its 6.00% Junior subordinated Deferrable Interest Debentures due 2033, incorporated by reference to Exhibit 2.8 to FleetBoston Financial Corporation's Registration Statement on Form 8-A (File No. 1-6366) filed on July 31, 2003.
(nn)	Fifth Supplemental Indenture dated as of March 18, 2004 to the Indenture dated as of June 30, 2000 between the registrant (successor to FleetBoston Financial Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), incorporated by reference to Exhibit 4(rr) of the 2004 10-K.
(oo)	Indenture dated December 6, 1999 between registrant (successor to FleetBoston Corporation) and the Bank of New York*, as Trustee, pursuant to which registrant issued its 4 7/8% Senior Notes, due 2006; its 3.85% Senior Notes, due 2008; and its Senior Medium-Term Notes, Series T, incorporated by reference to Exhibit 4(a) to FleetBoston Financial Corporation's Registration Statement on Form S-3 (File No. 333-72912); and First Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4.61 of registrant's Registration Statement on Form S-3/A (File No. 333-112708).
(pp)	Indenture dated October 1, 1992 between registrant (successor to Fleet Financial Group, Inc.) and The First National Bank of Chicago (predecessor to J.P. Morgan Trust Company, N.A.), as Trustee, incorporated by reference to Exhibit 4(d) to Fleet Financial Group, Inc.'s Registration Statement on Form S-3/A (File No. 33-50216) pursuant to which registrant issued its 6 7/8% Subordinated Notes, due 2028; its 6½% Subordinated Notes, due 2008; its 6 3/8% Subordinated Notes, due 2008; its 6.70% Subordinated Notes, due 2028; and its 7 3/8% Subordinated Notes, due 2009; First Supplemental Indenture thereto dated as of November 30, 1992, incorporated by reference to Exhibit 4 of Fleet Financial Group, Inc.'s Current Report on Form 8-K (File No. 1-06366) filed December 2, 1992; and Second Supplemental Indenture thereto dated as of March 18, 2004, incorporated by reference to Exhibit 4.59 of registrant's Registration Statement on Form S-3/A (File No. 333-112708).
(qq)	Indenture dated as of September 29, 1992 between MBNA Corporation (predecessor to registrant) and Bankers Trust Company, pursuant to which MBNA issued its Senior Medium-Term Notes, Series F, incorporated by reference to Exhibit 4(a) to MBNA's Registration Statement on Form S-3 (Registration No. 33-95600); and First Supplemental Indenture thereto dated as of December 21, 2005 between the registrant and Deutsche Bank Trust Company Americas (successor to Bankers Trust Company), incorporated by reference to Exhibit 4.32 to registrant's Registration Statement on Form S-3 (Registration No. 333-130821).
(rr)	Indenture dated as of December 18, 1996 between registrant (successor to MBNA Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York), pursuant to which MBNA issued its 8.278% Junior Subordinated Deferrable Interest Debentures, Series A, its Floating Rate Junior Subordinated Deferrable Interest Debentures, Series B, incorporated by reference to Exhibit 4(c) to MBNA's Registration Statement on Form S-4/A (Registration No. 333-21181).
(ss)	First Supplemental Indenture dated as of June 27, 2002 to the Indenture dated as of December 18, 1996 between registrant (successor to MBNA Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which MBNA issued its 8.125% Junior Subordinated Debentures, Series D, incorporated by reference to Exhibit 4.2 to MBNA's Current Report on Form 8-K (File No. 1-10683) filed June 26, 2002.
(tt)	Second Supplemental Indenture dated as of November 27, 2002 to the Indenture dated as of December 18, 1996 between registrant (successor to MBNA Corporation) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York) pursuant to which MBNA issued its 8.10% Junior Subordinated Debentures, Series E, incorporated by reference to Exhibit 4.2 to MBNA's Current Report on Form 8-K (File No. 1-10683) filed November 26, 2002.
(uu)	Third Supplemental Indenture dated as of December 21, 2005 to the Indenture dated as of December 18, 1996 among the registrant, MBNA Corporation (predecessor to registrant) and The Bank of New York Trust Company, N.A. (successor to The Bank of New York).

Exhibit No.	Description
(vv)	Agency Agreement dated as of July 17, 1997, between MBNA America Bank, N.A. (predecessor to Bank of America, N.A.), The First National Bank of Chicago (predecessor to Bank One Trust Company, N.A.), as Global Agent, and others, incorporated by reference to Exhibit 4.12 to MBNA Corporation's 1999 Annual Report on Form 10-K (File No. 1-10683), as amended by Amendment No. 1 thereto dated as of April 10, 2001, incorporated by reference to Exhibit 4.12 to MBNA Corporation's 2001 Annual Report on Form 10-K (File No. 1-10683) and Amendment No. 2 thereto dated as April 10, 2002, incorporated by reference to Exhibit 4.15 of MBNA Corporation's 2002 Annual Report on Form 10-K (File No. 1-10683).
(ww)	Agency Agreement dated as of August 27, 2003 among MBNA Canada Bank, JPMorgan Chase Bank, as Global Agent, and others.
(xx)	Agency Agreement dated as of September 15, 2004 among MBNA Europe Funding PLC, Deutsche Bank Trust Company Americas, as Global Agent, and others.
(yy)	Fifth Supplemental Trust Deed dated as of September 24, 2004 between MBNA Europe Funding PLC, MBNA America Bank, N.A. (predecessor to Bank of America, N.A.), and Deutsche Trustee Company Limited, incorporated by reference to Exhibit 4 to MBNA Corporation's Current Report on Form 8-K (File No. 1-10683) filed September 30, 2004
(zz)	Australian MTN Deed Poll dated as of May 18, 2006 granted by registrant.
(aaa)	Agreement of Appointment and Acceptance dated as of December 29, 2006 between registrant and The Bank of New York Trust Company, N.A.

The registrant has other long-term debt agreements, but these are not material in amount. Copies of these agreements will be furnished to the Commission on request.

10(a)	NationsBank Corporation and Designated Subsidiaries Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10(j) of the 1994 10-K; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(g) of registrant's 1989 Annual Report on Form 10-K (the "1989 10-K"); Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(g) of registrant's 1990 Annual Report on Form 10-K (the "1990 10-K"); Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of the 1991 10-K; Amendments thereto dated as of December 3, 1992 and December 15, 1992, incorporated by reference to Exhibit 10(l) of registrant's 1992 Annual Report on Form 10-K (the "1992 10-K"); Amendment thereto dated as of September 28, 1994, incorporated by reference to Exhibit 10(j) of registrant's 1994 Annual Report on Form 10-K (the "1994 10-K"); Amendments thereto dated March 27, 1996 and June 25, 1997, incorporated by reference to Exhibit 10(c) of the 1997 10-K; Amendments thereto dated April 10, 1998, June 24, 1998 and October 1, 1998, incorporated by reference to Exhibit 10(b) of the 1998 10-K; Amendment thereto dated December 14, 1999, incorporated by reference to Exhibit 10(b) of registrant's 1999 Annual Report on Form 10-K (the "1999 10-K"); Amendment thereto dated as of March 28, 2001, incorporated by reference to Exhibit 10(b) of registrant's 2001 Annual Report on Form 10-K (the "2001 10-K"); and Amendment thereto dated December 10, 2002, incorporated by reference to Exhibit 10(b) of registrant's 2002 Annual Report on Form 10-K (the "2002 10-K").
(b)	NationsBank Corporation and Designated Subsidiaries Deferred Compensation Plan for Key Employees, incorporated by reference to Exhibit 10(k) of the 1994 10-K; Amendment thereto dated as of June 28, 1989, incorporated by reference to Exhibit 10(h) of the 1989 10-K; Amendment thereto dated as of June 27, 1990, incorporated by reference to Exhibit 10(h) of the 1990 10-K; Amendment thereto dated as of July 21, 1991, incorporated by reference to Exhibit 10(bb) of the 1991 10-K; Amendment thereto dated as of December 3, 1992, incorporated by reference to Exhibit 10(m) of the 1992 10-K; and Amendments thereto dated April 10, 1998 and October 1, 1998, incorporated by reference to Exhibit 10(b) of the 1998 10-K.
(c)	Bank of America Pension Restoration Plan, as amended and restated effective January 1, 2005, incorporated by reference to Exhibit 10(c) of the 2004 10-K.
(d)	NationsBank Corporation Benefit Security Trust dated as of June 27, 1990, incorporated by reference to Exhibit 10(t) of the 1990 10-K; First Supplement thereto dated as of November 30, 1992, incorporated by reference to Exhibit 10(v) of the 1992 10-K; and Trustee Removal/Appointment Agreement dated as of December 19, 1995, incorporated by reference to Exhibit 10(o) of registrant's 1995 Annual Report on Form 10-K.
(e)	Bank of America 401(k) Restoration Plan, as amended and restated effective January 1, 2005, incorporated by reference to Exhibit 10(e) of the registrant's 2005 Annual Report on Form 10-K (the "2005 10-K"); and Amendment thereto dated December 15, 2006.
(f)	Bank of America Executive Incentive Compensation Plan, as amended and restated effective December 10, 2002, incorporated by reference to Exhibit 10(g) of the 2002 10-K.
(g)	Bank of America Director Deferral Plan, as amended and restated effective January 1, 2005.
(h)	Bank of America Corporation Directors' Stock Plan, as amended and restated effective January 1, 2002, incorporated by reference to Exhibit 10(j) of the 2001 10-K; Amendment thereto dated April 24, 2002, incorporated by reference to Exhibit 10(i) of the 2002 10-K; Bank of America Corporation Directors' Stock Plan, as amended and restated effective December 10, 2002, incorporated by reference to Exhibit 10(i) of the 2002 10-K; form of Restricted Stock Award agreement, incorporated by reference to Exhibit 10(h) of the 2004 10-K; and Bank of America Corporation Directors' Stock Plan as amended and restated effective April 26, 2006, incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on December 14, 2005.

Exhibit No.	Description
(i)	Bank of America Corporation 2003 Key Associate Stock Plan, effective January 1, 2003, as amended and restated effective April 1, 2004, incorporated by reference to Exhibit 10(f) of registrant's Registration Statement on Form S-4 (File No. 333-110924); Amendment thereto dated March 13, 2006; and form of Restricted Stock Units Award Agreement and form of Stock Option Award Agreement, each incorporated by reference to Exhibit 10(i) of the 2005 10-K.
(j)	Split Dollar Life Insurance Agreement dated as of September 28, 1998 between registrant and J. Steele Alphin, as Trustee under that certain Irrevocable Trust Agreement dated June 23, 1998, by and between Kenneth D. Lewis, as Grantor, and J. Steele Alphin, as Trustee, incorporated by reference to Exhibit 10(ee) of the 1998 10-K; and Amendment thereto dated January 24, 2002, incorporated by reference to Exhibit 10(p) of the 2001 10-K.
(k)	Bank of America Corporation 2002 Associates Stock Option Plan, effective February 1, 2002, incorporated by reference to Exhibit 10(s) of the 2002 10-K.
(l)	Amendment to various plans in connection with FleetBoston Financial Corporation merger, incorporated by reference to Exhibit 10(v) of registrant's 2003 Annual Report on Form 10-K (the "2003 10-K").
(m)	FleetBoston Supplemental Executive Retirement Plan, as amended by Amendment One thereto effective January 1, 1997, Amendment Two thereto effective October 15, 1997, Amendment Three thereto effective July 1, 1998, Amendment Four thereto effective August 15, 1999, Amendment Five thereto effective January 1, 2000, Amendment Six thereto effective October 10, 2001, Amendment Seven thereto effective February 19, 2002, Amendment Eight thereto effective October 15, 2002, Amendment Nine thereto effective January 1, 2003, Amendment Ten thereto effective October 21, 2003, and Amendment Eleven thereto effective December 31, 2004, incorporated by reference to Exhibit 10(r) of the 2004 10-K.
(n)	FleetBoston Amended and Restated 1992 Stock Option and Restricted Stock Plan, incorporated by reference to Exhibit 10(s) of the 2004 10-K.
(o)	FleetBoston Executive Deferred Compensation Plan No. 2, as amended by Amendment One thereto effective February 1, 1999, Amendment Two thereto effective January 1, 2000, Amendment Three thereto effective January 1, 2002, Amendment Four thereto effective October 15, 2002, Amendment Five thereto effective January 1, 2003, and Amendment Six thereto effective December 16, 2003, incorporated by reference to Exhibit 10(u) of the 2004 10-K.
(p)	FleetBoston Executive Supplemental Plan, as amended by Amendment One thereto effective January 1, 2000, Amendment Two thereto effective January 1, 2002, Amendment Three thereto effective January 1, 2003, Amendment Four thereto effective January 1, 2003, and Amendment Five thereto effective December 31, 2004, incorporated by reference to Exhibit 10(v) of the 2004 10-K.
(q)	FleetBoston Retirement Income Assurance Plan, as amended by Amendment One thereto effective January 1, 1997, Amendment Two thereto effective January 1, 2000, Amendment Three thereto effective November 1, 2001, Amendment Four thereto effective January 1, 2003, Amendment Five thereto effective December 16, 2003, and Amendment Six thereto effective December 31, 2004, incorporated by reference to Exhibit 10(w) of the 2004 10-K; and Amendment Seven thereto dated December 20, 2005, incorporated by reference to Exhibit 10(s) of the 2005 10-K.
(r)	Trust Agreement for the FleetBoston Executive Deferred Compensation Plans No. 1 and 2, incorporated by reference to Exhibit 10(x) of the 2004 10-K.
(s)	Trust Agreement for the FleetBoston Executive Supplemental Plan, incorporated by reference to Exhibit 10(y) of the 2004 10-K.
(t)	Trust Agreement for the FleetBoston Retirement Income Assurance Plan and the FleetBoston Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10(z) of the 2004 10-K.
(u)	FleetBoston Directors Deferred Compensation and Stock Unit Plan, as amended by an amendment thereto effective as of July 1, 2000, a Second Amendment thereto effective as of January 1, 2003, a Third Amendment thereto dated April 14, 2003, and a Fourth Amendment thereto effective January 1, 2004, incorporated by reference to Exhibit 10(aa) of the 2004 10-K.
(v)	FleetBoston 1996 Long-Term Incentive Plan, incorporated by reference to Exhibit 10(bb) of the 2004 10-K.
(w)	BankBoston Corporation and its Subsidiaries Deferred Compensation Plan, as amended by a First Amendment thereto, a Second Amendment thereto, a Third Amendment thereto, an Instrument thereto (providing for the cessation of accruals effective December 31, 2000) and an Amendment thereto dated December 24, 2001, incorporated by reference to Exhibit 10(cc) of the 2004 10-K.
(x)	BankBoston, N.A. Bonus Supplemental Employee Retirement Plan, as amended by a First Amendment, a Second Amendment, a Third Amendment and a Fourth Amendment thereto, incorporated by reference to Exhibit 10(dd) of the 2004 10-K.
(y)	Description of BankBoston Supplemental Life Insurance Plan, incorporated by reference to Exhibit 10(ee) of the 2004 10-K.

Exhibit No.	Description
(z)	BankBoston, N.A. Excess Benefit Supplemental Employee Retirement Plan, as amended by a First Amendment, a Second Amendment, a Third Amendment thereto (assumed by FleetBoston on October 1, 1999) and an Instrument thereto, incorporated by reference to Exhibit 10(ff) of the 2004 10-K.
(aa)	Description of BankBoston Supplemental Long-Term Disability Plan, incorporated by reference to Exhibit 10(gg) of the 2004 10-K.
(bb)	BankBoston Director Stock Award Plan, incorporated by reference to Exhibit 10(hh) of the 2004 10-K.
(cc)	BankBoston Directors Deferred Compensation Plan, as amended by a First Amendment and a Second Amendment thereto, incorporated by reference to Exhibit 10(ii) of the 2004 10-K.
(dd)	BankBoston, N.A. Directors' Deferred Compensation Plan, as amended by a First Amendment and a Second Amendment thereto, incorporated by reference to Exhibit 10(jj) of the 2004 10-K.
(ee)	BankBoston 1997 Stock Option Plan for Non-Employee Directors, as amended by an amendment thereto dated as of October 16, 2001, incorporated by reference to Exhibit 10(kk) of the 2004 10-K.
(ff)	Description of BankBoston Director Retirement Benefits Exchange Program, incorporated by reference to Exhibit 10(ll) of the 2004 10-K.
(gg)	Employment Agreement, dated as of March 14, 1999, between FleetBoston and Charles K. Gifford, as amended by an amendment thereto effective as of February 7, 2000, a Second Amendment thereto effective as of April 22, 2002, and a Third Amendment thereto effective as of October 1, 2002, incorporated by reference to Exhibit 10(mm) of the 2004 10-K.
(hh)	Form of Change in Control Agreement entered into with Charles K. Gifford, incorporated by reference to Exhibit 10(nn) of the 2004 10-K.
(ii)	Global amendment to definition of "change in control" or "change of control," together with a list of plans affected by such amendment, incorporated by reference to Exhibit 10(oo) of the 2004 10-K.
(jj)	Employment Agreement dated October 27, 2003 between Bank of America Corporation and Brian T. Moynihan, incorporated by reference to Exhibit 10(d) of registrant's Registration Statement on Form S-4 (File No. 333-110924).
(kk)	Retirement Agreement dated January 26, 2005 between Bank of America Corporation and Charles K. Gifford, incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K filed on January 26, 2005.
(ll)	Amendment to various FleetBoston stock option awards, dated March 25, 2004, incorporated by reference to Exhibit 10(ss) of the 2004 10-K.
(mm)	Cancellation Agreement dated October 26, 2005 between Bank of America Corporation and Brian T. Moynihan, incorporated by reference to Exhibit 10.1 of registrant's Form 8-K filed October 26, 2005.
(nn)	Agreement Regarding Participation in the FleetBoston Supplemental Executive Retirement Plan dated October 26, 2005 between Bank of America Corporation and Brian T. Moynihan, incorporated by reference to Exhibit 10.2 of registrant's Form 8-K filed October 26, 2005.
12	Ratio of Earnings to Fixed Charges. Ratio of Earnings to Fixed Charges and Preferred Dividends.
21	List of Subsidiaries.
23	Consent of PricewaterhouseCoopers LLP.
24(a)	Power of Attorney.
(b)	Corporate Resolution.
31(a)	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(b)	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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
(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

Exhibit 3(a)

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BANKAMERICA CORPORATION

BankAmerica Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that (i) the Certificate of Incorporation of the Corporation was originally filed on July 31, 1998, (ii) the Corporation was originally incorporated under the name "NationsBank (DE) Corporation," which name was changed to "NationsBank Corporation" on September 25, 1998 and to "BankAmerica Corporation" on September 30, 1998, (iii) this Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and (iv) the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

1. The name of the Corporation is Bank of America Corporation.

2. The purposes for which the Corporation is organized are to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

3. The number of shares, par value $.01 per share, the Corporation is authorized to issue is Five Billion One Hundred Million (5,100,000,000), divided into the following classes:

Class	Number of Shares
Common	5,000,000,000
Preferred	100,000,000

The class of common ("Common Stock") has unlimited voting rights and, after satisfaction of claims, if any, of the holders of preferred shares, is entitled to receive the net assets of the Corporation upon distribution.

The Board of Directors of the Corporation shall have full power and authority to establish one or more series within the class of preferred shares (the "Preferred Shares"), to define the designations, preferences, limitations and relative rights (including conversion rights) of shares within such class and to determine all variations between series.

The Board of Directors of the Corporation has

designated, established and authorized the following series of Preferred Shares:

(a) 7% Cumulative Redeemable Preferred Stock, Series B.

A. Designation.

The designation of this series is "7% Cumulative Redeemable Preferred Stock, Series B" (hereinafter referred to as the "Series B Preferred Stock") and the number of shares constituting such series is Thirty-Five Thousand Forty-Five (35,045). Shares of Series B Preferred Stock shall have a stated value of $100.00 per share.

B. Dividends.

The holders of record of the shares of the Series B Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation, out of any funds legally available for such purpose, cumulative cash dividends at an annual dividend rate per share of 7% of the stated value thereof, which amount is $7.00 per annum, per share, and no more. Such dividends shall be payable each calendar quarter at the rate of $1.75 per share on such dates as shall be fixed by resolution of the Board of Directors of the Corporation. The date from which dividends on such shares shall be cumulative shall be the first day after said shares are issued. Accumulations of dividends shall not bear interest. No cash dividend shall be declared, paid or set apart for any shares of Common Stock unless all dividends on all shares of the Series B Preferred Stock at the time outstanding for all past dividend periods and for the then current dividend shall have been paid, or shall have been declared and a sum sufficient for the payment thereof, shall have been set apart. Subject to the foregoing provisions of this paragraph B, cash dividends or other cash distributions as may be determined by the Board of Directors of the Corporation may be declared and paid upon the shares of the Common Stock of the Corporation from time to time out of funds legally available therefor, and the shares of the Series B Preferred Stock shall not be entitled to participate in any such cash dividend or other such cash distribution so declared and paid or made on such shares of Common Stock.

C. Redemption.

From and after October 31, 1988, any holder may, by written request, call upon the Corporation to redeem all or any part of said holder's shares of said Series B Preferred Stock at a redemption price of $100.00 per share plus accumulated unpaid dividends to the date said request for redemption is received by the Corporation and no more (the "Redemption Price"). Any such request for redemption shall be accompanied by the certificates for which redemption is requested, duly endorsed or with appropriate stock power attached, in either case with signature guaranteed. Upon receipt by the Corporation of any such request for redemption from any holder of the Series B Preferred Stock, the Corporation shall forthwith redeem said stock at the

Redemption Price, provided that: (i) full cumulative dividends have been paid or declared and set apart for payment upon all shares of any series of preferred stock ranking superior to the Series B Preferred Stock as to dividends or other distributions (collectively the "Superior Stock"); and (ii) the Corporation is not then in default or in arrears with respect to any sinking or analogous fund or call for tenders obligation or agreement for the purchase, redemption or retirement of any shares of Superior Stock. In the event that, upon receipt of a request for redemption, either or both of the conditions set forth in clauses (i) and (ii) above are not met, the Corporation shall forthwith return said request to the submitting shareholder along with a statement that the Corporation is unable to honor such request and explanation of the reasons therefor. From and after the receipt by the Corporation of a request for redemption from any holder of said Series B Preferred Stock, which request may be honored consistent with the foregoing provisions, all rights of such holder in the Series B Preferred Stock for which redemption is requested shall cease and terminate, except only the right to receive the Redemption Price thereof, but without interest.

D. Liquidation Preference.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series B Preferred Stock shall be entitled to receive, subject to the provisions of paragraph G and before any payment shall be made to the holders of the shares of Common Stock, the amount of $100.00 per share, plus accumulated dividends. After payment to the holders of the Series B Preferred Stock of the full amount as aforesaid, the holders of the Series B Preferred Stock as such shall have no right or claim to any of the remaining assets which shall be distributed ratably to the holders of the Common Stock. If, upon any such liquidation, dissolution or winding up, the assets available therefor are not sufficient to permit payments to the holders of Series B Preferred Stock of the full amount as aforesaid, then subject to the provisions of paragraph G, the holders of the Series B Preferred Stock then outstanding shall share ratably in the distribution of assets in accordance with the sums which would be payable if such holders were to receive the full amounts as aforesaid.

E. Sinking Fund.

There shall be no sinking fund applicable to the shares of Series B Preferred Stock.

F. Conversion.

The shares of Series B Preferred Stock shall not be convertible into any shares of Common Stock or any other class of shares, nor exchanged for any shares of Common Stock or any other class of shares.

G. Superior Stock.

The Corporation may issue stock with preferences superior or equal to the shares of the Series B Preferred Stock without the consent of the holders thereof.

H. Voting Rights.

Each share of the Series B Preferred Stock shall be entitled to equal voting rights, share for share, with each share of the Common Stock.

(b) ESOP Convertible Preferred Stock, Series C.

The shares of the ESOP Convertible Preferred Stock, Series C, of the Corporation shall be designated "ESOP Convertible Preferred Stock, Series C," and the number of shares constituting such series shall be 3,000,000. The ESOP Convertible Preferred Stock, Series C, shall hereinafter be referred to as the "ESOP Preferred Stock."

A. Special Purpose Restricted Transfer Issue.

Shares of ESOP Preferred Stock shall be issued only to a trustee acting on behalf of an employee stock ownership plan or other employee benefit plan of the Corporation or any subsidiary of the Corporation. In the event of any transfer of shares of ESOP Preferred Stock to any person other than any such plan trustee or the Corporation, the shares of ESOP Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder, shall be automatically converted into shares of Common Stock on the terms otherwise provided for the conversion of shares of ESOP Preferred Stock into shares of Common Stock pursuant to paragraph E hereof and no such transferee shall have any of the voting powers, preferences and relative, participating, optional or special rights ascribed to shares of ESOP Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of ESOP Preferred Stock shall be so converted. Certificates representing shares of ESOP Preferred Stock shall be legended to reflect such restrictions on transfer. Notwithstanding the foregoing provisions of this paragraph A, shares of ESOP Preferred Stock (i) may be converted into shares of Common Stock as provided by paragraph E hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law and (ii) shall be redeemable by the Corporation upon the terms and conditions provided by paragraphs F, G and H hereof.

B. Dividends and Distributions.

(1) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of ESOP Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefor, cash dividends ("Preferred Dividends") in an amount equal to $3.30 per share per annum, and no more, payable semi-annually, one-half on the first day of January and one-half on the first day of July of each year (each a "Dividend Payment Date") to holders of record at the

start of business on such Dividend Payment Date. Preferred Dividends shall accrue on a daily basis whether or not the Corporation shall have earnings or surplus at the time, but Preferred Dividends on the shares of ESOP Preferred Stock for any period less than a full semi-annual period between Dividend Payment Dates shall be computed on the basis of a 360-day year of 30-day months. Accumulated but unpaid Preferred Dividends shall accumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends.

(2) So long as any ESOP Preferred Stock shall be outstanding, no dividend shall be declared or paid or set apart for payment on any other series of stock ranking on a parity with the ESOP Preferred Stock as to dividends, unless there shall also be or have been declared and paid or set apart for payment on the ESOP Preferred Stock, like dividends for all dividend payment periods of the ESOP Preferred Stock ending on or before the dividend payment date of such parity stock, ratably in proportion to the respective amounts of dividends accumulated and unpaid through such dividend payment period on the ESOP Preferred Stock and accumulated and unpaid or payable on such parity stock through the dividend payment period on such parity stock next preceding such Dividend Payment Date. In the event that full cumulative dividends on the ESOP Preferred Stock have not been declared and paid or set apart for payment when due, the Corporation shall not declare or pay or set apart for payment any dividends or make any other distributions on, or make any payment on account of the purchase, redemption or other retirement of any other class of stock or series thereof of the Corporation ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding-up of the Corporation, junior to the ESOP Preferred Stock until full cumulative dividends on the ESOP Preferred Stock shall have been paid or declared and provided for; provided, however, that the foregoing shall not apply to (i) any dividend payable solely in any shares of any stock ranking, as to dividends or as to distributions in the event of the liquidation, dissolution or winding-up of the Corporation, junior to the ESOP Preferred Stock, or (ii) the acquisition of shares of any stock ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding-up of the Corporation, junior to the ESOP Preferred Stock either (A) pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted or (B) in exchange solely for shares of any other stock ranking junior to the ESOP Preferred Stock.

C. Voting Rights.

The holders of shares of ESOP Preferred Stock shall have the following voting rights:

(1) The holders of ESOP Preferred Stock shall be entitled to vote on all matters submitted to a vote of the holders of Common Stock of the Corporation, voting together with the holders of

Common Stock as one class. Each share of the ESOP Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such share of ESOP Preferred Stock could be converted on the record date for determining the shareholders entitled to vote, rounded to the nearest whole vote; it being understood that whenever the "Conversion Ratio" (as defined in paragraph E hereof) is adjusted as provided in paragraph I hereof, the voting rights of the ESOP Preferred Stock shall also be similarly adjusted.

(2) Except as otherwise required by the General Corporation Law of the State of Delaware or set forth in paragraph C(l), holders of ESOP Preferred Stock shall have no special voting rights and their consent shall not be required for the taking of any corporate action.

D. Liquidation, Dissolution or Winding-Up.

(1) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of ESOP Preferred Stock shall be entitled to receive out of the assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to shareholders and subject to the rights of the holders of any stock of the Corporation ranking senior to or on a parity with the ESOP Preferred Stock in respect of distributions upon liquidation, dissolution or winding-up of the Corporation, before any amount shall be paid or distributed among the holders of Common Stock or any other shares ranking junior to the ESOP Preferred Stock in respect of the distributions upon liquidation, dissolution or winding-up of the Corporation, liquidating distributions in the amount of $42.50 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for distribution, and no more. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the ESOP Preferred Stock and any other stock ranking as to any such distribution on a parity with the ESOP Preferred Stock are not paid in full, the holders of the ESOP Preferred Stock and such other stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount to which they are entitled as provided by the foregoing provisions of this paragraph D(l), the holders of shares of ESOP Preferred Stock shall not be entitled to any further right or claim to any of the remaining assets of the Corporation.

(2) Neither the merger or consolidation of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation with or into the Corporation, nor the sale, transfer or lease of all or any portion of the assets of the Corporation, shall be deemed to be a dissolution, liquidation or winding-up of the affairs of the Corporation for purposes of this paragraph D, but the holders of ESOP Preferred Stock shall nevertheless be entitled in the event of any such merger or consolidation to the rights provided by paragraph H hereof.

(3) Written notice of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of ESOP Preferred Stock in such circumstances shall be payable, shall be given by first-class mail, postage prepaid, mailed not less than twenty (20) days prior to any payment date stated therein, to the holders of ESOP Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the ESOP Preferred Stock.

E. Conversion into Common Stock.

(1) A holder of shares of ESOP Preferred Stock shall be entitled, at any time prior to the close of business on the date fixed for redemption of such shares pursuant to paragraph F, G or H hereof, to cause any or all of such shares to be converted into shares of Common Stock at a conversion rate equal to the ratio of 1.0 share of ESOP Preferred Stock to 1.68 shares of Common Stock (as adjusted as hereinafter provided, the "Conversion Ratio"). The Conversion Ratio set forth above is subject to adjustment pursuant to this Certificate of Incorporation.

(2) Any holder of shares of ESOP Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates representing the shares of ESOP Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), at the principal executive office of the Corporation or the offices of the transfer agent for the ESOP Preferred Stock or such office or offices in the continental United States of an agent for conversion as may from time to time be designated by notice to the holders of the ESOP Preferred Stock by the Corporation or the transfer agent for the ESOP Preferred Stock, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of ESOP Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for Common Stock and for any shares of ESOP Preferred Stock not to be so converted to be issued, and (ii) the address to which such holder wishes delivery to be made of such new certificates to be issued upon such conversion.

(3) Upon surrender of a certificate representing a share or shares of ESOP Preferred Stock for conversion, the Corporation shall issue and send by hand delivery (with receipt to be acknowledged) or by first-class mail, postage prepaid, to the holder thereof or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of ESOP Preferred Stock, only part of which are to be converted, the Corporation shall issue and deliver to such holder or such holder's designee a new certificate or certificates representing the number of shares of ESOP Preferred Stock which shall not have been converted.

(4) The issuance by the Corporation of shares of Common Stock upon a conversion of shares of ESOP Preferred Stock into shares of Common Stock made at the option of the holder thereof shall be effective as of the earlier of (i) the delivery to such holder or such holder's designee of the certificate or certificates representing the shares of Common Stock issued upon conversion thereof or (ii) the commencement of business on the second business day after the surrender of the certificate or certificates for the shares of ESOP Preferred Stock to be converted, duly assigned or endorsed for transfer to the corporation (or accompanied by duly executed stock powers relating thereto) as provided hereby. On and after the effective date of conversion, the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock, but no allowance or adjustment shall be made in respect of dividends payable to holders of Common Stock in respect of any period prior to such effective date. The Corporation shall not be obligated to pay any dividends which shall have been declared and shall be payable to holders of shares of ESOP Preferred Stock on a Dividend Payment Date if such Dividend Payment Date for such dividend shall coincide with or be on or subsequent to the effective date of conversion of such shares.

(5) The Corporation shall not be obligated to deliver to holders of ESOP Preferred Stock any fractional share or shares of Common Stock issuable upon any conversion of such shares of ESOP Preferred Stock, but in lieu thereof may make a cash payment in respect thereof in any manner permitted by law.

(6) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for issuance upon the conversion of shares of ESOP Preferred Stock as herein provided, free from any preemptive rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all shares of ESOP Preferred Stock then outstanding. The Corporation shall prepare and shall use its best efforts to obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all requirements as to registration or qualification of the Common Stock, in order to enable the Corporation lawfully to issue and deliver to each holder of record of ESOP Preferred Stock such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all shares of ESOP Preferred Stock then outstanding and convertible into shares of Common Stock.

F. Redemption At the Option of the Corporation.

(1) The ESOP Preferred Stock shall be redeemable, in whole or in part, at the option of the Corporation at any time, at a redemption price per share (except as to redemption pursuant to paragraph F(3)) of $42.83 prior to July 1, 1999 and $42.50 thereafter, plus, in each case, an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption. Payment of the redemption price shall be made by the Corporation

in cash or shares of Common Stock, or a combination thereof, as permitted by paragraph F(5). From and after the date fixed for redemption, dividends on shares of ESOP Preferred Stock called for redemption will cease to accrue, such shares will no longer be deemed to be outstanding and all rights in respect of such shares of the Corporation shall cease, except the right to receive the redemption price. If less than all of the outstanding shares of ESOP Preferred Stock are to be redeemed, the Corporation shall either redeem a portion of the shares of each holder determined pro rata based on the number of shares held by each holder or shall select the shares to be redeemed by lot, as may be determined by the Board of Directors of the Corporation.

(2) Unless otherwise required by law, notice of redemption will be sent to the holders of ESOP Preferred Stock at the address shown on the books of the Corporation or any transfer agent for the ESOP Preferred Stock by first-class mail, postage prepaid, mailed not less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Each such notice shall state: (i) the redemption date; (ii) the total number of shares of the ESOP Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date; and (vi) the conversion rights of the shares to be redeemed, the period within which conversion rights may be exercised, and the Conversion Ratio and number of shares of Common Stock issuable upon conversion of a share of ESOP Preferred Stock at the time. These notice provisions may be supplemented if necessary in order to comply with optional redemption provisions for preferred stock which may be required under the Internal Revenue Code of 1986, as amended, or the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Upon surrender of the certificates for any shares so called for redemption and not previously converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the date fixed for redemption and at the applicable redemption price set forth in this paragraph F.

(3) In the event of a change in the federal tax law of the United States of America which has the effect of precluding the Corporation from claiming any of the tax deductions for dividends paid on the ESOP Preferred Stock when such dividends are used as provided under Section 404(k)(2) of the Internal Revenue Code of 1986, as amended and in effect on the date shares of ESOP Preferred Stock are initially issued, the Corporation may, within 180 days following the effective date of such tax legislation and implementing regulations of the Internal Revenue Service, if any, in its sole discretion and notwithstanding anything to the contrary in paragraph F(l), elect to redeem any or all such shares for the amount payable in respect of the shares upon liquidation of the Corporation pursuant to paragraph D.

(4) In the event the C&S/Sovran Retirement Savings, ESOP and Profit Sharing Plan (as amended, together with any successor plan, the "Plan") is terminated, the Corporation shall, notwithstanding anything to the contrary in paragraph F(l), redeem all shares of ESOP Preferred Stock for the amount payable in respect of the shares upon redemption of the ESOP Preferred Stock pursuant to paragraph F(1) hereof.

(5) The Corporation, at its option, may make payment of the redemption price required upon redemption of shares of ESOP Preferred Stock in cash or in shares of Common Stock, or in a combination of such shares and cash, any such shares to be valued for such purpose at their Fair Market Value (as defined in paragraph I(7) hereof).

G. Other Redemption Rights.

Shares of ESOP Preferred Stock shall be redeemed by the Corporation at a price which is the greater of the Conversion Value (as defined in paragraph I) of the ESOP Preferred Stock on the date fixed for redemption or a redemption price of $42.50 per share plus accrued and unpaid dividends thereon to the date fixed for redemption, for shares of Common Stock (any such shares of Common Stock to be valued for such purpose as provided by paragraph F(5) hereof), at the option of the holder, at any time and from time to time upon notice to the Corporation given not less than five (5) business days prior to the date fixed by the Corporation in such notice for such redemption, when and to the extent necessary (i) to provide for distributions required to be made under, or to satisfy an investment election provided to participants in accordance with, the Plan to participants in the Plan or (ii) to make payment of principal, interest or premium due and payable (whether as scheduled or upon acceleration) on any indebtedness incurred by the holder or Trustee under the Plan for the benefit of the Plan.

H. Consolidation, Merger, etc.

(1) In the event that the Corporation shall consummate any consolidation or merger or similar transaction, however named, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting company (including the Corporation and any company that directly or indirectly owns all of the outstanding capital stock of such successor or resulting company) that constitutes "qualifying employer securities" with respect to a holder of ESOP Preferred Stock within the meaning of Section 409(1) of the Internal Revenue Code of 1986, as amended, and Section 407(d)(5) of ERISA, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of ESOP Preferred Stock of such holder shall be assumed by and shall become preferred stock of such successor or resulting company, having in respect of such company insofar as possible the same powers, preferences and relative, participating, optional or other special rights (including the redemption rights provided by paragraphs F, G and H hereof), and the qualifications,

limitations or restrictions thereon, that the ESOP Preferred Stock had immediately prior to such transaction, except that after such transaction each share of the ESOP Preferred Stock shall be convertible, otherwise on the terms and conditions provided by paragraph E hereof, into the qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such shares of ESOP Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of stock, securities, cash or other property (other than such qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares) receivable upon such transaction (provided that, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount of qualifying employer securities receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non- electing shares). The rights of the ESOP Preferred Stock as preferred stock of such successor or resulting company shall successively be subject to adjustments pursuant to paragraph I hereof after any such transaction as nearly equivalent to the adjustments provided for by such paragraph prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless all then outstanding shares of the ESOP Preferred Stock shall be assumed and authorized by the successor or resulting company as aforesaid.

(2) In the event that the Corporation shall consummate any consolidation or merger or similar transaction, however named, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than any such consideration which is constituted solely of qualifying employer securities (as referred to in paragraph H(l)) and cash payments, if applicable, in lieu of fractional shares, all outstanding shares of ESOP Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to paragraph H(3)), be deemed converted by virtue of such merger, consolidation or similar transaction immediately prior to such consummation into the number of shares of Common Stock into which such shares of ESOP Preferred Stock could have been converted at such time, and each share of ESOP Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind) receivable by a holder of the number of shares of Common Stock into which such shares of ESOP Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (provided that, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock,

securities, cash or other property receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(3) In the event the Corporation shall enter into any agreement providing for any consolidation or merger or similar transaction described in paragraph H(2), then the Corporation shall as soon as practicable thereafter (and in any event at least ten (10) business days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of ESOP Preferred Stock and each such holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation, in redemption and retirement of such ESOP Preferred Stock, a cash payment equal to the amount payable in respect of shares of ESOP Preferred Stock upon redemption pursuant to paragraph F(l) hereof. No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the second business day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the second business day prior to consummation of such transaction.

I. Anti-dilution Adjustments.

(1) In the event the Corporation shall, at any time or from time to time while any of the shares of the ESOP Preferred Stock are outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization effected by a merger or consolidation to which paragraph H hereof does not apply) or otherwise, the Conversion Ratio in effect immediately prior to such action shall be adjusted by multiplying such Conversion Ratio by the fraction the numerator of which is the number of shares of Common Stock outstanding immediately before such event and the denominator of which is the number of shares of Common Stock outstanding immediately after such event. An adjustment made pursuant to this paragraph I(1) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of shareholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(2) In the event that the Corporation shall, at any time or from time to time while any of the shares of ESOP Preferred Stock are outstanding, issue to holders of shares of Common Stock as a dividend or distribution, including by way of a reclassification of shares or a recapitalization of the Corporation, any right or

warrant to purchase shares of Common Stock (but not including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) at a purchase price per share less than the Fair Market Value (as hereinafter defined) of a share of Common Stock on the date of issuance of such right or warrant, then, subject to the provisions of paragraphs I(5) and I(6), the Conversion Ratio shall be adjusted by multiplying such Conversion Ratio by the fraction the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased at the Fair Market Value of a share of Common Stock at the time of such issuance for the maximum aggregate consideration payable upon exercise in full of all such rights or warrants and the denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock that could be acquired upon exercise in full of all such rights and warrants.

(3) In the event the Corporation shall, at any time and from time to time while any of the shares of ESOP Preferred Stock are outstanding, issue, sell or exchange shares of Common Stock (other than pursuant to any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) and other than pursuant to any dividend reinvestment plan or employee or director incentive or benefit plan or arrangement, including any employment, severance or consulting agreement, of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted) for a consideration having a Fair Market Value on the date of such issuance, sale or exchange less than the Fair Market Value of such shares on the date of such issuance, sale or exchange, then, subject to the provisions of paragraphs I(5) and (6), the Conversion Ratio shall be adjusted by multiplying such Conversion Ratio by the fraction the numerator of which shall be the sum of (i) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (ii) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of shares of Common Stock, and the denominator of which shall be the product of (i) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (ii) the sum of the number of shares of Common Stock outstanding on such day plus the number of shares of Common Stock so issued, sold or exchanged by the Corporation. In the event the Corporation shall, at any time or from time to time while any shares of ESOP Preferred Stock are outstanding, issue, sell or exchange any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock), other than any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation) and other than pursuant to any dividend reinvestment

plan or employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted, for a consideration having a Fair Market Value on the date of such issuance, sale or exchange less than the Non-Dilutive Amount (as hereinafter defined), then, subject to the provisions of paragraphs I(5) and (6), the Conversion Ratio shall be adjusted by multiplying such Conversion Ratio by a fraction the numerator of which shall be the sum of (a) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (b) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of such right or warrant plus (c) the Fair Market Value at the time of such issuance of the consideration which the Corporation would receive upon exercise in full of all such rights or warrants, and the denominator of which shall be the product of (a) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (b) the sum of the number of shares of Common Stock outstanding on such day plus the maximum number of shares of Common Stock which could be acquired pursuant to such right or warrant at the time of the issuance, sale or exchange of such right or warrant (assuming shares of Common Stock could be acquired pursuant to such right or warrant at such time).

(4) In the event the Corporation shall, at any time or from time to time while any of the shares of ESOP Preferred Stock are outstanding, make any Extraordinary Distribution (as hereinafter defined) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (including a recapitalization or reclassification effected by a merger or consolidation to which paragraph H hereof does not apply) or effect a Pro Rata Repurchase (as hereinafter defined) of Common Stock, the Conversion Ratio in effect immediately prior to such Extraordinary Distribution or Pro Rata Repurchase shall, subject to paragraphs I(5) and (6), be adjusted by multiplying such Conversion Ratio by a fraction the numerator of which shall be (a) the product of (i) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase multiplied by (ii) the Fair Market Value (as herein defined) of a share of Common Stock on the Valuation Date (as hereinafter defined) with respect to an Extraordinary Distribution, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase, or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be, minus (b) the Fair Market Value of the Extraordinary Distribution or the aggregate purchase price of the Pro Rata Repurchase, as the case may be, and the denominator of which shall be the product of (i) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase minus, in the case of a Pro Rata Repurchase, the number of shares of Common Stock repurchased by the Corporation multiplied by (ii) the Fair Market Value of a share of Common Stock on the record date with respect to an

Extraordinary Distribution or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be. The Corporation shall send each holder of ESOP Preferred Stock (x) notice of its intent to make any Extraordinary Distribution and (y) notice of any offer by the Corporation to make a Pro Rata Repurchase, in each case at the same time as, or as soon as practicable after, such offer is first communicated (including by announcement of a record date in accordance with the rules of any stock exchange on which the Common Stock is listed or admitted to trading) to holders of Common Stock. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, or the number of shares subject to such offer for a Pro Rata Repurchase and the purchase price payable by the Corporation pursuant to such offer, as well as the Conversion Ratio and the number of shares of Common Stock into which a share of ESOP Preferred Stock may be converted at such time.

(5) Notwithstanding any other provisions of this paragraph I, the Corporation shall not be required to make any adjustment of the Conversion Ratio unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Ratio. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1%) in the Conversion Ratio.

(6) If the Corporation shall make any dividend or distribution on the Common Stock or issue any Common Stock, other capital stock or other security of the Corporation or any rights or warrants to purchase or acquire any such security, which transaction does not result in an adjustment to the Conversion Ratio pursuant to the foregoing provisions of this paragraph I, the Board of Directors of the Corporation shall consider whether such action is of such a nature that an adjustment to the Conversion Ratio should equitably be made in respect of such transaction. If in such case the Board of Directors of the Corporation determines that the adjustment to the Conversion Ratio should be made, an adjustment shall be made effective as of such date, as determined by the Board of Directors of the Corporation. The determination of the Board of Directors of the Corporation as to whether an adjustment to the Conversion Ratio should be made pursuant to the foregoing provisions of this paragraph I(6), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all shareholders of the Corporation. The Corporation shall be entitled to make such additional adjustments in the Conversion Ratio, in addition to those required by the foregoing provisions of this paragraph I, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to holders of the Common Stock.

(7) For purposes of this paragraph I, the following definitions shall apply:

"Conversion Value" shall mean the Fair Market Value of the aggregate number of shares of Common Stock into which a share of ESOP Preferred Stock is convertible.

"Extraordinary Distribution" shall mean any dividend or other distribution (effected while any of the shares of ESOP Preferred Stock are outstanding) (a) of cash, where the aggregate amount of such cash dividend and distribution together with the amount of all cash dividends and distributions made during the preceding period of 12 months, when combined with the aggregate amount of all Pro Rata Repurchases (for this purpose, including only that portion of the aggregate purchase price of such Pro Rata Repurchase which is in excess of the Fair Market Value of the Common Stock repurchased as determined on the applicable expiration date (including all extensions thereof) of any tender offer or exchange offer which is a Pro Rata Repurchase, or the date of purchase with respect to any other Pro Rata Repurchase which is not a tender offer or exchange offer made during such period), exceeds Twelve and One- Half percent (12.5%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the record date for determining the shareholders entitled to receive such Extraordinary Distribution and (b) any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation (other than securities of the type referred to in paragraph I(2)), evidence of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation), or any combination thereof. The Fair Market Value of an Extraordinary Distribution for purposes of paragraph I(4) shall be the sum of the Fair Market Value of such Extraordinary Distribution plus the amount of any cash dividends which are not Extraordinary Distributions made during such twelve- month period and not previously included in the calculation of an adjustment pursuant to paragraph I(4).

"Fair Market Value" shall mean, as to shares of Common Stock or any other class of capital stock or securities of the Corporation or any other issuer which are publicly traded, the average of the Current Market Prices (as hereinafter defined) of such shares or securities for each day of the Adjustment Period (as hereinafter defined). "Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for a day shall mean the last reported sales price, regular way, or, in case

no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on The Nasdaq National Market or, if such security is not quoted on Nasdaq, the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by Nasdaq or, if bid and asked prices for such security on each such day shall not have been reported through Nasdaq, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm selected for such purpose by the Board of Directors of the Corporation or a committee thereof on each trading day during the Adjustment Period. "Adjustment Period" shall mean the period of five (5) consecutive trading days preceding the date as of which the Fair Market Value of a security is to be determined. The "Fair Market Value" of any security which is not publicly traded or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property selected in good faith by the Board of Directors of the Corporation or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors of the Corporation or such committee.

"Non-Dilutive Amount" in respect of an issuance, sale or exchange by the Corporation of any right or warrant to purchase or acquire shares of Common Stock (including any security convertible into or exchangeable for shares of Common Stock) shall mean the remainder of (a) the product of the Fair Market Value of a share of Common Stock on the day preceding the first public announcement of such issuance, sale or exchange multiplied by the maximum number of shares of Common Stock which could be acquired on such date upon the exercise in full of such rights and warrants (including upon the conversion or exchange of all such convertible or exchangeable securities), whether or not exercisable (or convertible or exchangeable) at such date, minus (b) the aggregate amount payable pursuant to such right or warrant to purchase or acquire such maximum number of shares of Common Stock; provided, however, that in no event shall the Non- Dilutive Amount be less than zero. For purposes of the foregoing sentence, in the case of a security convertible into or exchangeable for shares of Common Stock, the amount payable pursuant to a right or

warrant to purchase or acquire shares of Common Stock shall be the Fair Market Value of such security on the date of the issuance, sale or exchange of such security by the Corporation.

"Pro Rata Repurchase" shall mean any purchase of shares of Common Stock by the Corporation or any subsidiary thereof, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of a subsidiary of the Corporation), or any combination thereof, effected while any of the shares of ESOP Preferred Stock are outstanding, pursuant to any tender offer or exchange offer subject to Section 13(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision of law, or pursuant to any other offer available to substantially all holders of Common Stock; provided, however, that no purchase of shares by the Corporation or any subsidiary thereof made in open market transactions shall be deemed a Pro Rata Repurchase. For purposes of this paragraph I(7), shares shall be deemed to have been purchased by the Corporation or any subsidiary thereof "in open market transactions" if they have been purchased substantially in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act, on the date shares of ESOP Preferred Stock are initially issued by the Corporation or on such other terms and conditions as the Board of Directors of the Corporation or a committee thereof shall have determined are reasonably designed to prevent such purchases from having a material effect on the trading market for the Common Stock.

"Valuation Date" with respect to an Extraordinary Distribution shall mean the date that is five (5) business days prior to the record date for such Extraordinary Distribution.

(8) Whenever an adjustment to the Conversion Ratio is required pursuant hereto, the Corporation shall forthwith place on file with the transfer agent for the Common Stock and the ESOP Preferred Stock if there be one, and with the Secretary of the Corporation, a statement signed by two officers of the Corporation, stating the adjusted Conversion Ratio determined as provided herein and the voting rights (as appropriately adjusted) of the ESOP Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Ratio and the related voting rights of the ESOP Preferred Stock, the Corporation shall mail a notice thereof to each holder of shares of the ESOP Preferred Stock.

J. Ranking; Retirement of Shares.

(1) The ESOP Preferred Stock shall rank (a) senior to the Common Stock as to the payment of dividends and the distribution of assets on liquidation, dissolution and winding-up of the Corporation and (b) unless otherwise provided in the Articles of Incorporation of the Corporation or an amendment to such Articles of Incorporation relating to a subsequent series of Preferred Shares, junior to all other series of Preferred Shares as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding-up.

(2) Any shares of ESOP Preferred Stock acquired by the Corporation by reason of the conversion or redemption of such shares as provided hereby, or otherwise so acquired, shall be retired as shares of ESOP Preferred Stock and restored to the status of authorized but unissued shares of Preferred Shares, undesignated as to series, and may thereafter be reissued as part of a new series of such Preferred Shares as permitted by law.

K. Miscellaneous.

(1) All notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three (3) business days after the mailing thereof if sent by registered mail (unless first-class mail shall be specifically permitted for such notice under the terms hereof) with postage prepaid, addressed: (a) if to the Corporation, to its office at Bank of America Corporate Center, Charlotte, North Carolina 28255 (Attention: Treasurer) or to the transfer agent for the ESOP Preferred Stock, or other agent of the Corporation designated as permitted hereby or (b) if to any holder of the ESOP Preferred Stock or Common Stock, as the case may be, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of any transfer agent for the ESOP Preferred Stock or Common Stock, as the case may be) or (c) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

(2) The term “Common Stock” as used herein means the Corporation’s Common Stock, as the same existed at the date of filing of the Amendment to the Corporation’s Articles of Incorporation relating to the ESOP Preferred Stock or any other class of stock resulting from successive changes or reclassification of such Common Stock consisting solely of changes in par value, or from par value to no par value. In the event that, at any time as a result of an adjustment made pursuant to paragraph I hereof, the holder of any share of the ESOP Preferred Stock upon thereafter surrendering such shares for conversion shall become entitled to receive any shares or other securities of the Corporation other than shares of Common Stock, the Conversion Ratio in respect of such other shares or securities so receivable upon conversion of shares of ESOP Preferred Stock shall thereafter be adjusted, and shall be subject to further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions

with respect to Common Stock contained in paragraph I hereof, and the provisions of paragraphs A through H, J, and K hereof with respect to the Common Stock shall apply on like or similar terms to any such other shares or securities.

(3) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of ESOP Preferred Stock or shares of Common Stock or other securities issued on account of ESOP Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of ESOP Preferred Stock or Common Stock or other securities in a name other than that in which the shares of ESOP Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person with respect to any such shares or securities other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(4) In the event that a holder of shares of ESOP Preferred Stock shall not by written notice designate the name in which shares of Common Stock to be issued upon conversion of such shares should be registered or to whom payment upon redemption of shares of ESOP Preferred Stock should be made or the address to which the certificate or certificates representing such shares, or such payment, should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the holder of such ESOP Preferred Stock as shown on the records of the Corporation and to send the certificate or certificates representing such shares, or such payment, to the address of such holder shown on the records of the Corporation.

(5) The Corporation may appoint, and from time to time discharge and change, a transfer agent for the ESOP Preferred Stock. Upon any such appointment or discharge of a transfer agent, the Corporation shall send notice thereof by first-class mail, postage prepaid, to each holder of record of ESOP Preferred Stock.

(c) $2.50 Cumulative Convertible Preferred Stock, Series BB.

A. Designation.

The designation of this series is “$2.50 Cumulative Convertible Preferred Stock, Series BB” (hereinafter referred to as the “Series BB Preferred Stock”), and the initial number of shares constituting such series shall be 20,000,000, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by the Board of Directors. The Series BB Preferred Stock shall rank prior to each of the Common Stock, the Series B Preferred Stock and the ESOP Preferred

Stock with respect to the payment of dividends and the distribution of assets.

B. Dividend Rights.

(1) The holders of shares of Series BB Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available therefor, cumulative preferential cash dividends, accruing from January 1, 1998, at the annual rate of $2.50 per share, and no more, payable quarterly on the first day of January, April, July and October of each year (each of the quarterly periods ending on the last day of March, June, September and December being hereinafter referred to as a "dividend period"). Dividends on the Series BB Preferred Stock shall first become payable on the first day of January, April, July or October, as the case may be, next following the date of issuance; provided, however, that if the first dividend period ends within 20 days of the date of issuance, such initial dividend shall be payable at the completion of the first full dividend period.

(2) Dividends on shares of Series BB Preferred Stock shall be cumulative from January 1, 1998, whether or not there shall be funds legally available for the payment thereof. Accumulations of dividends on the Series BB Preferred Stock shall not bear interest. The Corporation shall not (i) declare or pay or set apart for payment any dividends or distributions on any stock ranking as to dividends junior to the Series BB Preferred Stock (other than dividends paid in shares of such junior stock) or (ii) make any purchase or redemption of, or any sinking fund payment for the purchase or redemption of, any stock ranking as to dividends junior to the Series BB Preferred Stock (other than a purchase or redemption made by issue or delivery of such junior stock) unless all dividends payable on all outstanding shares of Series BB Preferred Stock for all past dividend periods shall have been paid in full or declared and a sufficient sum set apart for payment thereof; provided, however, that any moneys theretofore deposited in any sinking fund with respect to any preferred stock of the Corporation in compliance with the provisions of such sinking fund may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund regardless of whether at the time of such application all dividends payable on all outstanding shares of Series BB Preferred Stock for all past dividend periods shall have been paid in full or declared and a sufficient sum set apart for payment thereof.

(3) All dividends declared on shares of Series BB Preferred Stock and any other class of preferred stock or series thereof ranking on a parity as to dividends with the Series BB Preferred Stock shall be declared pro rata, so that the amounts of dividends declared on the Series BB Preferred Stock and such other preferred stock for the same dividend period, or for the dividend period of the Series BB Preferred Stock ending within the dividend period of such other stock, shall, in all cases, bear to each other the same ratio that accrued dividends on the shares of Series BB Preferred Stock and such other stock bear to

each other.

C. Liquidation Preference.

(1) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of Series BB Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to $25 per share plus an amount equal to accrued and unpaid dividends thereon to and including the date of such distribution, and no more, before any distribution shall be made to the holders of any class of stock of the Corporation ranking junior to the Series BB Preferred Stock as to the distribution of assets.

(2) In the event the assets of the Corporation available for distribution to shareholders upon any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full the amounts payable with respect to the Series BB Preferred Stock and any other shares of preferred stock of the Corporation ranking on a parity with the Series BB Preferred Stock as to the distribution of assets, the holders of Series BB Preferred Stock and the holders of such other preferred stock shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

(3) The merger or consolidation of the Corporation into or with any other corporation, the merger or consolidation of any other corporation into or with the Corporation or the sale of the assets of the Corporation substantially as an entirety shall not be deemed a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this paragraph C.

D. Redemption.

(1) The Corporation, at its option, may redeem all or any shares of the Series BB Preferred Stock at any time at a redemption price (the “Redemption Price”) consisting of the sum of (i) $25 per share and (ii) an amount equal to accrued and unpaid dividends thereon to and including the date of redemption.

(2) If less than all the outstanding shares of Series BB Preferred Stock are to be redeemed, the shares to be redeemed shall be selected pro rata as nearly as practicable or by lot, as the Board of Directors may determine.

(3) Notice of any redemption shall be given by first class mail, postage prepaid, mailed not less than 60 nor more than 90 days prior to the date fixed for redemption to the holders of record of the shares of Series BB Preferred Stock to be redeemed, at their respective addresses appearing on the books of the Corporation. Notice so mailed shall be conclusively presumed to have been duly given whether or not actually received. Such notice shall state: (1) the date fixed for redemption; (2) the Redemption Price; (3) the right of the holders of Series BB Preferred Stock to convert such stock into Common Stock until the

close of business on the 15th day prior to the redemption date (or the next succeeding business day, if the 15th day is not a business day); (4) if less than all the shares held by such holder are to be redeemed, the number of shares to be redeemed from such holder; and (5) the place(s) where certificates for such shares are to be surrendered for payment of the Redemption Price. If such notice is mailed as aforesaid, and if on or before the date fixed for redemption funds sufficient to redeem the shares called for redemption are set aside by the Corporation in trust for the account of the holders of the shares to be redeemed, notwithstanding the fact that any certificate for shares called for redemption shall not have been surrendered for cancellation, on and after the redemption date the shares represented thereby so called for redemption shall be deemed to be no longer outstanding, dividends thereon shall cease to accrue, and all rights of the holders of such shares as shareholders of the corporation shall cease, except the right to receive the Redemption Price, without interest, upon surrender of the certificate(s) representing such shares. Upon surrender in accordance with the aforesaid notice of the certificate(s) for any shares so redeemed (duly endorsed or accompanied by appropriate instruments of transfer, if so required by the Corporation in such notice), the holders of record of such shares shall be entitled to receive the Redemption Price, without interest.

(4) At the option of the Corporation, if notice of redemption is mailed as aforesaid, and if prior to the date fixed for redemption funds sufficient to pay in full the Redemption Price are deposited in trust, for the account of the holders of the shares to be redeemed, with a bank or trust company named in such notice doing business in the Borough of Manhattan, the City of New York, State of New York or the City of Charlotte, State of North Carolina and having capital, surplus and undivided profits of at least $3 million, which bank or trust company also may be the Transfer Agent and/or Paying Agent for the Series BB Preferred Stock, notwithstanding the fact that any certificate for shares called for redemption shall not have been surrendered for cancellation, on and after such date of deposit the shares represented thereby so called for redemption shall be deemed to be no longer outstanding, and all rights of the holders of such shares as shareholders of the Corporation shall cease, except the right of the holders thereof to convert such shares in accordance with the provisions of paragraph F at any time prior to the close of business on the 15th day prior to the redemption date (or the next succeeding business day, if the 15th day is not a business day), and the right of the holders thereof to receive out of the funds so deposited in trust the Redemption Price, without interest, upon surrender of the certificate(s) representing such shares. Any funds so deposited with such bank or trust company in respect of shares of Series BB Preferred Stock converted before the close of business on the 15th day prior to the redemption date (or the next succeeding business day, if the 15th day is not a business day) shall be returned to the Corporation upon such conversion. Any funds so deposited with such a bank or trust company which shall remain unclaimed by the holders of shares called for redemption at the end of six years after the

redemption date shall be repaid to the Corporation, on demand, and thereafter the holder of any such shares shall look only to the Corporation for the payment, without interest, of the Redemption Price.

(5) Any provisions of paragraph D or E to the contrary notwithstanding, in the event that any quarterly dividend payable on the Series BB Preferred Stock shall be in arrears and until all such dividends in arrears shall have been paid or declared and set apart for payment, the Corporation shall not redeem any shares of Series BB Preferred Stock unless all outstanding shares of Series BB Preferred Stock are simultaneously redeemed and shall not purchase or otherwise acquire any shares of Series BB Preferred Stock except in accordance with a purchase offer made by the Corporation on the same terms to all holders of record of Series BB Preferred Stock for the purchase of all outstanding shares thereof.

E. Purchase by the Corporation.

(1) Except as provided in paragraph D(5), the Corporation shall be obligated to purchase shares of Series BB Preferred Stock tendered by the holder thereof for purchase hereunder, at a purchase price consisting of the sum of (i) $25 per share and (ii) an amount equal to accrued and unpaid dividends thereon to and including the date of purchase. In order to exercise his right to require the Corporation to purchase his shares of Series BB Preferred Stock, the holder thereof shall surrender the Certificate(s) therefor duly endorsed if the Corporation shall so require or accompanied by appropriate instruments of transfer satisfactory to the Corporation, at the office of the Transfer Agent(s) for the Series BB Preferred Stock, or at such other office as may be designated by the Corporation, together with written notice that such holder irrevocably elects to sell such shares to the Corporation. Shares of Series BB Preferred Stock shall be deemed to have been purchased by the Corporation immediately prior to the close of business on the date such shares are tendered for sale to the Corporation and notice of election to sell the same is received by the Corporation in accordance with the foregoing provisions. As of such date the shares so tendered for sale shall be deemed to be no longer outstanding, dividends thereon shall cease to accrue and all rights of the holder of such shares as a shareholder of the Corporation shall cease, except the right to receive the purchase price.

F. Conversion Rights.

The holders of shares of Series BB Preferred Stock shall have the right, at their option, to convert such shares into shares of Common Stock on the following terms and conditions:

(1) Shares of Series BB Preferred Stock shall be convertible at any time into fully paid and nonassessable shares of Common Stock (calculated as to each conversion to the nearest 1/1,000 of a share) at the initial rate of 6.17215 shares of Common Stock for

each share of Series BB Preferred Stock surrendered for conversion (the "Conversion Rate"). The Conversion Rate shall be subject to adjustment from time to time as hereinafter provided. No payment or adjustment shall be made on account of any accrued and unpaid dividends on shares of Series BB Preferred Stock surrendered for conversion prior to the record date for the determination of shareholders entitled to such dividends or on account of any dividends on the Common Stock issued upon such conversion subsequent to the record date for the determination of shareholders entitled to such dividends. If any shares of Series BB Preferred Stock shall be called for redemption, the right to convert the shares designated for redemption shall terminate at the close of business on the 15th day prior to the redemption date (or the next succeeding business day, if the 15th day is not a business day) unless default be made in the payment of the Redemption Price. In the event of default in the payment of the Redemption Price, the right to convert the shares designated for redemption shall terminate at the close of business on the business day immediately preceding the date that such default is cured.

(2) In order to convert shares of Series BB Preferred Stock into Common Stock, the holder thereof shall surrender the certificate(s) therefor, duly endorsed if the Corporation shall so require, or accompanied by appropriate instruments of transfer satisfactory to the Corporation, at the office of the Transfer Agent(s) for the Series BB Preferred Stock, or at such other office as may be designated by the Corporation, together with written notice that such holder irrevocably elects to convert such shares. Such notice shall also state the name(s) and address(es) in which such holder wishes the certificate(s) for the shares of Common Stock issuable upon conversion to be issued. As soon as practicable after receipt of the certificate(s) representing the shares of Series BB Preferred Stock to be converted and the notice of election to convert the same, the Corporation shall issue and deliver at said office a certificate or certificates for the number of whole shares of Common Stock issuable upon conversion of the shares of Series BB Preferred Stock surrendered for conversion, together with a cash payment in lieu of any fraction of a share, as hereinafter provided, to the person(s) entitled to receive the same. Shares of Series BB Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the date such shares are surrendered for conversion and notice of election to convert the same is received by the Corporation in accordance with the foregoing provisions, and the person(s) entitled to receive the Common Stock issuable upon such conversion shall be deemed for all purposes as record holder(s) of such Common Stock as of such date.

(3) No fractional shares of Common Stock shall be issued upon conversion of any shares of Series BB Preferred Stock. If more than one share of Series BB Preferred Stock is surrendered at one time by the same holder, the number of full shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If the conversion of any shares of Series BB Preferred Stock results in a fractional

share of Common Stock, the Corporation shall pay cash in lieu thereof in an amount equal to such fraction multiplied times the closing price of the Common Stock on the date on which the shares of Series BB Preferred Stock were duly surrendered for conversion, or if such date is not a trading date, on the next succeeding trading date. The closing price of the Common Stock for any day shall mean the last reported sales price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices, regular way, on the New York Stock Exchange, or, if the Common Stock is not then listed on such Exchange, on the principal national securities exchange on which the Common Stock is listed for trading, or, if not then listed for trading on any national securities exchange, the average of the closing bid and asked prices of the Common Stock as furnished by the National Quotation Bureau, Inc., or if the National Quotation Bureau, Inc. ceases to furnish such information, by a comparable independent securities quotation service.

(4) In the event the Corporation shall at any time (i) pay a dividend or make a distribution to holders of Common Stock in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock into a larger number of shares, or (iii) combine its outstanding shares of Common Stock into a smaller number of shares, the Conversion Rate in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision or combination shall be adjusted so that the holder of any shares of Series BB Preferred Stock surrendered for conversion after such record date or effective date shall be entitled to receive the number of shares of Common Stock which he would have owned or have been entitled to receive immediately following such record date or effective date had such shares of Series BB Preferred Stock been converted immediately prior thereto.

(5) Whenever the Conversion Rate shall be adjusted as herein provided (i) the Corporation shall forthwith keep available at the office of the Transfer Agent(s) for the Series BB Preferred Stock a statement describing in reasonable detail the adjustment, the facts requiring such adjustment and the method of calculation used; and (ii) the Corporation shall cause to be mailed by first class mail, postage prepaid, as soon as practicable to each holder of record of shares of Series BB Preferred Stock a notice stating that the Conversion Rate has been adjusted and setting forth the adjusted Conversion Rate.

(6) In the event of any consolidation of the Corporation with or merger of the Corporation into any other corporation (other than a merger in which the Corporation is the surviving corporation) or a sale of the assets of the Corporation substantially as an entirety, the holder of each share of Series BB Preferred Stock shall have the right, after such consolidation, merger or sale to convert such share into the number and kind of shares of stock or other securities and the amount and kind of property receivable upon such consolidation, merger or sale by a holder of the number of shares of Common Stock issuable upon conversion of such share of Series BB Preferred Stock immediately prior to such

consolidation, merger or sale. Provision shall be made for adjustments in the Conversion Rate which shall be as nearly equivalent as may be practicable to the adjustments provided for in paragraph F(4). The provisions of this paragraph F(6) shall similarly apply to successive consolidations, mergers and sales.

(7) The Corporation shall pay any taxes that may be payable in respect of the issuance of shares of Common Stock upon conversion of shares of Series BB Preferred Stock, but the Corporation shall not be required to pay any taxes which may be payable in respect of any transfer involved in the issuance of shares of Common Stock in a name other than that in which the shares of Series BB Preferred Stock so converted are registered, and the Corporation shall not be required to issue or deliver any such shares unless and until the person(s) requesting such issuance shall have paid to the Corporation the amount of any such taxes, or shall have established to the satisfaction of the Corporation that such taxes have been paid.

(8) The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable upon the conversion of all shares of Series BB Preferred Stock then outstanding.

(9) In the event that:

(i) The Corporation shall declare a dividend or any other distribution on its Common Stock, payable otherwise than in cash out of retained earnings; or

(ii) The Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(iii) The Corporation shall propose to effect any consolidation of the Corporation with or merger of the Corporation with or into any other corporation or a sale of the assets of the company substantially as an entirety which would result in an adjustment under paragraph F(6), the Corporation shall cause to be mailed to the holders of record of Series BB Preferred Stock at least 20 days prior to the applicable date hereinafter specified a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined or (y) the date on which such consolidation, merger or sale is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such consolidation, merger or sale. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, consolidation, merger or sale.

G. Voting Rights.

Holders of Series BB Preferred Stock shall have no voting rights except as required by law and as follows: in the event that any quarterly dividend payable on the Series BB Preferred Stock is in arrears, the holders of Series BB Preferred Stock shall be entitled to vote together with the holders of Common Stock at the Corporation's next meeting of shareholders and at each subsequent meeting of shareholders unless all dividends in arrears have been paid or declared and set apart for payment prior to the date of such meeting. For the purpose of this paragraph G, each holder of Series BB Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which his Series BB Preferred Stock is then convertible.

H. Reacquired Shares.

Shares of Series BB Preferred Stock converted, redeemed, or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

I. No Sinking Fund.

Shares of Series BB Preferred Stock are not subject to the operation of a sinking fund.

4. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

5. No holder of any stock of the Corporation of any class now or hereafter authorized shall have any preemptive right to purchase, subscribe for, or otherwise acquire any shares of stock of the Corporation of any class now or hereafter authorized, or any securities exchangeable for or convertible into any such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire any such shares whether such shares, securities, warrants or other instruments be unissued, or issued and thereafter acquired by the Corporation.

6. To the fullest extent permitted by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation, its shareholders or otherwise for monetary damage for breach of his duty as a director. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

7. In furtherance and not in limitation of the powers conferred

by law, the Board of Directors of the Corporation is expressly authorized and empowered to make, alter and repeal the Bylaws of the Corporation by a majority vote at any regular or special meeting of the Board of Directors or by written consent, subject to the power of the stockholders of the Corporation to alter or repeal any Bylaws made by the Board of Directors.

8. The Corporation reserves the right at any time from time to time to amend or repeal any provision contained in this Certificate of Incorporation, and to add any other provisions authorized by the laws of the State of Delaware at the time in force; and all rights, preferences and privileges conferred upon stockholders, directors or any other persons by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

9. Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

10. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation or may be effected by consent in writing in lieu of a meeting of such stockholders only if consents are signed by all stockholders of the Corporation entitled to vote on such action.

IN WITNESS WHEREOF, BankAmerica Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by Hugh L. McColl, Jr., its Chairman of the Board and Chief Executive Officer, and attested to by James W. Kiser, its Secretary, this 28th day of April, 1999.

BANKAMERICA CORPORATION

By: /s/ Hugh L. McColl, Jr.
Hugh L. McColl, Jr.
Chairman of the Board and Chief Executive Officer

ATTEST:

By: /s/ James W. Kiser
James W. Kiser
Secretary

CERTIFICATE OF AMENDMENT

OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

BANK OF AMERICA CORPORATION

Bank of America Corporation, a Delaware corporation (the "Corporation"), does hereby certify as follows:

FIRST: That at a meeting of the Board of Directors of the Corporation, resolutions were duly adopted setting forth a proposed amendment of the Amended and Restated Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of the Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that Article 3 of the Amended and Restated Certificate of Incorporation of the Corporation be amended by changing the number of shares of stock the Corporation is authorized to issue, so that, as amended, the first sentence of said Article 3 shall be and read as follows:

"3. The number of shares, par value $.01 per share, the Corporation is authorized to issue is Seven Billion Six Hundred Million (7,600,000,000), divided into the following classes:

Class	Number of Shares
Common	7,500,000,000
Preferred	100,000,000."

The balance of said Article 3 shall remain unchanged.

SECOND: That said amendment was duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by a duly authorized officer on this 26th day of March, 2004.

By: /s/ James H. Hance, Jr.
Name: James H. Hance, Jr.
Title: Vice Chairman and Chief Financial Officer

CERTIFICATE OF DESIGNATION

OF

FIXED/ADJUSTABLE RATE CUMULATIVE

PREFERRED STOCK

OF

Bank of America Corporation

(Pursuant to Section 151 of the Delaware Corporation Law)

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), hereby certifies that the following resolutions were adopted by the Board of Directors of the Corporation (the "Board of Directors") pursuant to the authority of the Board of Directors as required by Section 151 of the General Corporation Law of the State of Delaware, at a meeting duly convened and held on January 28, 2004:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors in accordance with the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, the Board of Directors hereby creates a series of the Corporation's previously authorized preferred stock, without par value (the "Preferred Stock") and hereby states the designation and number thereof and fixes the voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, as follows:

(a) Designation. The designation of the series of Preferred Stock shall be "Fixed/Adjustable Rate Cumulative Preferred Stock" (hereinafter called this "Series") and the number of shares constituting this Series is Eight Hundred Five Thousand (805,000).

(b) Dividend Rate.

(1) The holders of shares of this Series shall be entitled to receive dividends thereon at a rate of 6.60% per annum computed on the basis of an issue price thereof of $250 per share, and no more, payable quarterly out of the funds of the Corporation legally available for the payment of dividends. Such dividends shall be cumulative from the date of original issue of such shares and shall be payable, when, as and if declared by the Board, on January 1, April 1, July 1 and October 1 of each year, commencing July 1, 2004 (a "Dividend Payment Date") through April 1, 2006. Each such dividend shall be paid to the holders of record of shares of this Series as they appear on the stock register of the Corporation on such record date, not exceeding 30 days preceding the payment date thereof, as shall be fixed by the Board. Dividends on account of arrears for any past quarters may be declared and paid at any time, without reference to any regular dividend

payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board.

After April 1, 2006, dividends on this Series will be payable quarterly, as, if and when declared by the Board of Directors or a duly authorized committee thereof on each Dividend Payment Date at the Applicable Rate from time to time in effect. The Applicable Rate per annum for any dividend period beginning on or after April 1, 2006 will be equal to .50% plus the highest of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate (each as defined below under "Adjustable Rate Dividends"), as determined in advance of such dividend period. The Applicable Rate per annum for any dividend period beginning on or after April 1, 2006 will not be less than 7.0% nor greater than 13.0% (without taking into account any adjustments as described below in subsection (3) of this Section (b)).

(2) Except as provided below in this paragraph, the "Applicable Rate" per annum for any dividend period beginning on or after April 1, 2006 will be equal to .50% plus the Effective Rate (as defined below), but not less than 7.0% nor greater than 13.0% (without taking into account any adjustments as described below in subsection (3) of this Section (b)). The "Effective Rate" for any dividend period beginning on or after April 1, 2006 will be equal to the highest of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate (each as defined below) for such dividend period. In the event that the Corporation determines in good faith that for any reason:

(i) any one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate cannot be determined for any dividend period, then the Effective Rate for such dividend period will be equal to the higher of whichever two of such rates can be so determined;

(ii) only one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate can be determined for any dividend period, then the Effective Rate for such dividend period will be equal to whichever such rate can be so determined; or

(iii) none of the Treasury Bill Rate, the Ten Year Constant Maturity Rate or the Thirty Year Constant Maturity Rate can be determined for any dividend period, then the Effective Rate for the preceding dividend period will be continued for such dividend period.

Except as described below in this paragraph, the "Treasury Bill Rate" for each dividend period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period (as defined below)) for three-month U.S. Treasury bills, as published weekly by the Federal Reserve Board (as defined below) during the Calendar Period immediately preceding the last ten calendar days preceding the dividend period for which the dividend rate on this Series is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum market discount rate during any such Calendar Period, then the Treasury Bill Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for three-month U.S. Treasury bills, as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum market discount rate for three-month U.S. Treasury bills is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during

such Calendar Period, then the Treasury Bill Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for all of the U.S. Treasury bills then having remaining maturities of not less than 80 nor more than 100 days, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such rates, by any Federal Reserve Bank or by any U.S. Government Department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason no such U.S. Treasury Bill Rates are published as provided above during such Calendar Period, then the Treasury Bill Rate for such dividend period will be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable non-interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 nor more than 100 days from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Treasury Bill Rate for any dividend period as provided above in this paragraph, the Treasury Bill Rate for such dividend period will be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 nor more than 100 days, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described below in this paragraph, the “Ten Year Constant Maturity Rate” for each dividend period will be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (as defined below) (or the one weekly per annum Ten Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last ten calendar days preceding the dividend period for which the dividend rate on this Series is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Ten Year Average Yield during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only such yield is published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Ten Year Average Yield is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities (as defined below)) then having remaining maturities of not less than eight nor more than twelve years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the

Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Ten Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Ten Year Constant Maturity Rate for such dividend period will be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eight nor more than twelve years from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described below in this paragraph, the "Thirty Year Constant Maturity Rate" for each dividend period will be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (as defined below) (or the one weekly per annum Thirty Year Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last ten calendar days preceding the dividend period for which the dividend rate on this Series is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Thirty Year Average Yield during such Calendar Period, then the Thirty Year Constant Maturity Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (or the one weekly per annum Thirty Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Thirty Year Average Yield is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Thirty Year Constant Maturity Rate for such dividend period will be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) then having remaining maturities of not less than twenty-eight nor more than thirty years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Thirty Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Thirty Year Constant Maturity Rate for such dividend period will be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than twenty-eight nor more than thirty years from the date of such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

The Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate will each be rounded to the nearest five hundredths of a percent.

The Applicable Rate with respect to each dividend period beginning on or after April 1, 2006 will be calculated as promptly as practicable by the Corporation according to the appropriate method described above. The Corporation will cause notice of each Applicable Rate to be enclosed with the dividend payment checks next mailed to the holders of this Series.

As used above, the term "Calendar Period" means a period of fourteen calendar days; the term "Federal Reserve Board" means the Board of Governors of the Federal Reserve System; the term "Special Securities" means securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax or which provide tax benefits to the holder and are priced to reflect such tax benefits or which were originally issued at a deep or substantial discount; the term "Ten Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of ten years); and the term "Thirty Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of thirty years.)

(3) If one or more amendments to the Internal Revenue Code of 1986, as amended (the "Code"), are enacted that change the percentage of the dividends received deduction (currently 70%) as specified in Section 243(a)(1) of the Code or any successor provision (the "Dividends Received Percentage"), the amount of each dividend payable per share of this Series for dividend payments made on or after the date of enactment of such change shall be adjusted by multiplying the amount of the dividend payable determined as described above (before adjustment) by a factor which shall be the number determined in accordance with the following formula (the "DRD Formula"), and rounding the result to the nearest cent:

$$1 - .35(1 - .70)/1 - .35(1 - \text{DRP})$$

For the purposes of the DRD Formula, "DRP" means the Dividends Received Percentage applicable to the dividend in question. No amendment to the Code, other than a change in the percentage of the dividends received deduction set forth in Section 243(a)(1) of the Code or any successor provision, will give rise to an adjustment. Notwithstanding the foregoing provisions, in the event that, with respect to any such amendment, the Corporation shall receive either an unqualified opinion of independent recognized tax counsel or a private letter ruling or similar form of authorization from the Internal Revenue Service to the effect that such an amendment would not apply to dividends payable on shares of this Series, then any such amendment shall not result in the adjustment provided for pursuant to the DRD Formula. The Corporation's calculation of the dividends payable as so adjusted and as certified accurate as to calculation and reasonable as to method by the independent certified public accountants then regularly engaged by the Corporation shall be final and not subject to review.

If any amendment to the Code which reduces the Dividends Received Percentage is enacted after a dividend payable on a Dividend Payment Date has been declared, the amount of dividend payable on such Dividend Payment Date will not be increased; but instead, an amount, equal to the excess of (x) the product of the dividends paid by the Corporation on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the reduced Dividends Received Percentage) and (y) the dividends paid by the Corporation on such Dividend

Payment Date, will be payable to holders of record on the next succeeding Dividend Payment Date in addition to any other amounts payable on such date.

(4) No full dividends shall be declared or paid or set apart for payment on the Preferred Stock of any series ranking, as to dividends, on a parity with or junior to this Series for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on this Series for all dividend payment periods terminating on or prior to the date of payment of such full cumulative dividends. When dividends are not paid in full, as aforesaid, upon the shares of this Series and any other preferred stock ranking on a parity as to dividends with this Series, all dividends declared upon shares of this Series and any other class or series of preferred stock of the Corporation ranking on a parity as to dividends with this Series shall be declared pro rata so that the amount of dividends declared per share on this Series and such other preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of this Series and such other preferred stock bear to each other. Holders of shares of this Series shall not be entitled to any dividend, whether payable in cash, property or stocks, in excess of full cumulative dividends, as herein provided, on this Series. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on this Series which may be in arrears.

(5) So long as any shares of this Series are outstanding, no dividend (other than a dividend in Common Stock or in any other stock ranking junior to this Series as to dividends and upon liquidation and other than as provided in subsection (4) of this Section (b)) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other stock ranking junior to or on a parity with this Series as to dividends or upon liquidation, nor shall any Common Stock nor any other stock of the Corporation ranking junior to or on a parity with this Series as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to this Series as to dividends and upon liquidation) unless, in each case, the full cumulative dividends on all outstanding shares of this Series shall have been paid for all past dividend payment periods.

(6) Dividends payable on this Series for any period shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(c) Redemption.

(1) (A) The shares of this Series shall not be redeemable prior to April 1, 2006. On and after April 1, 2006, the Corporation, at its option, may redeem shares of this Series, in whole or in part, at any time or from time to time, at a redemption price or $250 per share, plus accrued and unpaid dividends thereon to the date fixed for redemption.

(B) In the event that fewer than all the outstanding shares of this Series are to be redeemed pursuant to subsection (1)(A), the number of shares to be redeemed shall be determined by the Board and the shares to be redeemed shall be determined by lot or pro rata as may be determined

by the Board or by any other method as may be determined by the Board in its sole discretion to be equitable.

(2) (A) Notwithstanding subsection (1) above, if the Dividends Received Percentage is equal to or less than 40% and, as a result, the amount of dividends on the shares of this Series payable on any Dividend Payment Date will be or is adjusted upwards as described in Section (b)(2) above, the Corporation, at its Option, may redeem all, but not less than all, of the outstanding shares of this Series; provided, that within sixty days of the date on which an amendment to the Code is enacted which reduces the Dividends Received Percentage to 40% or less, the Corporation sends notice to holders of shares of this Series of such redemption in accordance with subsection (3) below.

(B) Any redemption of this Series in accordance with this subsection (2) shall be at the applicable redemption price set forth in the following table, in each case plus accrued and unpaid dividends (whether or not declared) thereon to the date fixed for redemption, including any changes in dividends payable due to changes in the Dividends Received Percentage.

Redemption Period	Redemption Price Per Share	Redemption Price Per Depositary Share
April 2, 2004 to March 31, 2005	252.50	50.50
April 1, 2005 to March 31, 2006	251.25	50.25
On or after April 1, 2006	250.00	50.00

(3) In the event the Corporation shall redeem shares of this Series pursuant to subsections (1) or (2) above, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares of this Series to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(4) Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the redemption price) dividends on the shares of this Series so called for redemption under either subsection (1) or (2) above shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the applicable redemption price. In case fewer than all the shares represented by

any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(5) Notwithstanding the foregoing provisions of this Section (c), if any dividends on this Series are in arrears, no shares of this Series shall be redeemed unless all outstanding shares of this Series are simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any shares of this Series; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of this Series pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of this Series.

(d) Liquidation Rights.

(1) Upon the dissolution, liquidation or winding up of the Corporation, the holders of the shares of this Series shall be entitled to receive and be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to the shares of this Series upon liquidation, the amount of $250 per share, plus a sum equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution.

(2) Neither the sale of all or substantially all the property or business of the Corporation nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section (d).

(3) After the payment to the holders of the shares of this Series of the full preferential amounts provided for in this Section (d), the holders of this Series as such shall have no right or claim to any of the remaining assets of the Corporation.

(4) In the event the assets of the Corporation available for distribution to the holders of shares of this Series upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph (1) of this Section (d), no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

(e) Conversion or Exchange. The holders of shares of this Series shall not have any rights herein to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation.

(f) Voting. The shares of this Series shall not have any voting powers, either general or special, except that:

(1) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66 2/3% of all of the shares of this Series at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of this Series shall vote together as a separate class, shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of the Corporation's Amended and Restated Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any Certificate of the Voting Powers, Designations, Preferences and Relative, Participating, Optional or Other Special Rights, and the Qualifications, Limitations or Restrictions thereof, or any similar document relating to any series of Preferred Stock) which would adversely affect the preferences, rights, powers or privileges of this Series;

(2) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66 2/3% of all of the shares of this Series and all other series of Preferred Stock ranking on a parity with shares of this Series, either as to dividends or upon liquidation, at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of this Series and such other series of Preferred Stock shall vote together as a single class without regard to series, shall be necessary for authorizing, effecting, increasing or validating the creation, authorization or issue of any shares of any class of stock of the Corporation ranking prior to the shares of this Series as to dividends or upon liquidation, or the reclassification of any authorized stock of the Corporation into any such prior shares, or the creation, authorization or issue of any obligation or security convertible into or evidencing the right to purchase any such prior shares.

(3) If, at the time of any annual meeting of stockholders for the election of directors, a default in preference dividends on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation (other than any other class or series of the Corporation's preferred stock expressly entitled to elect additional directors to the Board by a vote separate and distinct from the vote provided for in this paragraph (3) ("Voting Preferred")) shall exist, the number of directors constituting the Board shall be increased by two (without duplication of any increase made pursuant to the terms of any other class or series of the Corporation's preferred stock other than any Voting Preferred) and the holders of the Corporation's preferred stock of all classes and series (other than any such Voting Preferred) shall have the right at such meeting, voting together as a single class without regard to class or series, to the exclusion of the holders of Common Stock and the Voting Preferred, to elect two directors of the Corporation to fill such newly created directorships. Such right shall continue until there are no dividends in arrears upon shares of any class or series of the Corporation's preferred stock ranking prior to or on a parity with shares of this Series as to dividends (other than any Voting Preferred). Each director elected by the holders of shares of any series of the Preferred Stock or any other class or series of the Corporation's preferred stock in an election provided for by this paragraph (3) (herein called a "Preferred Director") shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of the Corporation's preferred stock entitled to have originally voted for such director's election, voting together as a single class without regard to class or series, at a meeting of the stockholders, or of the holders of

shares of the Corporation's preferred stock, called for that purpose. So long as a default in any preference dividends on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation shall exist (other than any Voting Preferred) (A) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (B)) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (B) in the case of the removal of any Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding shares of the Corporation's preferred stock entitled to have originally voted for the removed director's election, voting together as a single class without regard to class or series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid shall be deemed for all purposes hereto to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and a default in preference dividends shall no longer exist, the number of directors constituting the Board shall be reduced by two. For purposes hereof, a "default in preference dividends" on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation shall be deemed to have occurred whenever the amount of accrued dividends upon such class or series of the Corporation's preferred stock shall be equivalent to six full quarterly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all such shares of the Corporation's preferred stock of each and every series then Outstanding (other than any Voting Preferred or shares of any class or series ranking junior to shares of this Series as to dividends) shall have been paid to the end of the last preceding quarterly dividend period.

(4) Without limiting the foregoing, under any circumstances in which the Series would have additional rights under Rhode Island law if the Corporation were incorporated under the Rhode Island Business Corporation Act (rather than the Delaware General Corporation Law), holders of shares of the Series shall be entitled to such rights, including, without limitation, voting rights under Chapter 7-1.1-55, voting and notice rights under Chapter 7-1.1-67 and dissenters' rights under Chapters 7-1.1-73 and 7-1.1-74 of the Rhode Island Business Corporation Act (as such Chapters may be amended from time to time).

(g) Reacquired Shares. Shares of this Series which have been issued and reacquired through redemption or purchase shall, upon compliance with an applicable provision of the Delaware General Corporation Law, have the status of authorized and unissued shares of Preferred Stock and may be reissued but only as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board.

(h) Relation to Existing Preferred Classes of Stock. Shares of this Series are equal in rank and preference with all other series of the Preferred Stock (other than the ESOP Convertible Preferred Stock, Series C) outstanding on the date of original issue of the shares of this Series and are senior in rank and preference to the Common Stock and the ESOP Convertible Preferred Stock, Series C of the Corporation.

(i) Relation to Other Preferred Classes of Stock. For purposes of this resolution, any stock of any class or classes of the Corporation shall be deemed to rank:

(1) prior to the shares of this Series, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts

distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of this Series;

(2) on a parity with shares of this Series, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Series, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Series; and

(3) junior to the shares of this Series, either as to dividends or upon liquidation, if such class shall be Common Stock or if the holders of shares of this Series shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or classes.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be duly executed by James H. Hance, Jr., its Vice Chairman and Chief Financial Officer, and attested to by Rachel R. Cummings, its Corporate Secretary, and has caused the corporate seal to be affixed hereto, this 26th day of March, 2004.

BANK OF AMERICA CORPORATION

By: /s/ James H. Hance, Jr.
Vice Chairman and Chief Financial Officer

ATTEST:

/s/ Rachel R. Cummings
Corporate Secretary

(Corporate Seal)

CERTIFICATE OF DESIGNATION

OF

6.75% PERPETUAL PREFERRED STOCK

OF

BANK OF AMERICA CORPORATION

(Pursuant to Section 151 of the Delaware Corporation Law)

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), hereby certifies that the following resolutions were adopted by the Board of Directors of the Corporation (the "Board of Directors") pursuant to the authority of the Board of Directors as required by Section 151 of the General Corporation Law of the State of Delaware, at a meeting duly convened and held on January 28, 2004:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors in accordance with the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, the Board of Directors hereby creates a series of the Corporation's previously authorized preferred stock, without par value (the "Preferred Stock") and hereby states the designation and number thereof and fixes the voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, as follows:

(a) Designation. The designation of the series of Preferred Stock shall be "6.75% Perpetual Preferred Stock" (hereinafter called this "Series") and the number of shares constituting this Series is Six Hundred Ninety Thousand (690,000).

(b) Dividend Rate.

(1) The holders of shares of this Series shall be entitled to receive dividends thereon at a rate of 6.75% per annum computed on the basis of an issue price thereof of $250 per share, and no more, payable quarterly out of the funds of the Corporation legally available for the payment of dividends. Such dividends shall be cumulative from the date of original issue of such shares and shall be payable, when, as and if declared by the Board, on January 15, April 15, July 15 and October 15 of each year, commencing April 15, 2004 (a "Dividend Payment Date"). Each such dividend shall be paid to the holders of record of shares of this Series as they appear on the stock register of the Corporation on such record date, not exceeding 30 days preceding the payment date

thereof, as shall be fixed by the Board. Dividends on account of arrears for any past quarters may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board.

(2) If one or more amendments to the Internal Revenue Code of 1986, as amended (the "Code"), are enacted that change the percentage of the dividends received deduction (currently 70%) as specified in Section 243(a)(1) of the Code or any successor provision (the "Dividends Received Percentage"), the amount of each dividend payable per share of this Series for dividend payments made on or after the date of enactment of such change shall be adjusted by multiplying the amount of the dividend payable determined as described above (before adjustment) by a factor which shall be the number determined in accordance with the following formula (the "DRD Formula"), and rounding the result to the nearest cent:

$$1 - .35(1 - .70)/1 - .35(1 - \text{DRP})$$

For the purposes of the DRD Formula, "DRP" means the Dividends Received Percentage applicable to the dividend in question. No amendment to the Code, other than a change in the percentage of the dividends received deduction set forth in Section 243(a)(1) of the Code or any successor provision, will give rise to an adjustment. Notwithstanding the foregoing provisions, in the event that, with respect to any such amendment, the Corporation shall receive either an unqualified opinion of independent recognized tax counsel or a private letter ruling or similar form of authorization from the Internal Revenue Service to the effect that such an amendment would not apply to dividends payable on shares of this Series, then any such amendment shall not result in the adjustment provided for pursuant to the DRD Formula. The Corporation's calculation of the dividends payable as so adjusted and as certified accurate as to calculation and reasonable as to method by the independent certified public accountants then regularly engaged by the Corporation shall be final and not subject to review.

If any amendment to the Code which reduces the Dividends Received Percentage is enacted after a dividend payable on a Dividend Payment Date has been declared, the amount of dividend payable on such Dividend Payment Date will not be increased; but instead, an amount, equal to the excess of (x) the product of the dividends paid by the Corporation on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the reduced Dividends Received Percentage) and (y) the dividends paid by the Corporation on such Dividend Payment Date, will be payable to holders of record on the next succeeding Dividend Payment Date in addition to any other amounts payable on such date.

(3) No full dividends shall be declared or paid or set apart for payment on the Preferred Stock of any series ranking, as to dividends, on a parity with or junior to this Series for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the

payment thereof set apart for such payment on this Series for all dividend payment periods terminating on or prior to the date of payment of such full cumulative dividends. When dividends are not paid in full, as aforesaid, upon the shares of this Series and any other preferred stock ranking on a parity as to dividends with this Series, all dividends declared upon shares of this Series and any other class or series of preferred stock of the Corporation ranking on a parity as to dividends with this Series shall be declared pro rata so that the amount of dividends declared per share on this Series and such other preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of this Series and such other preferred stock bear to each other. Holders of shares of this Series shall not be entitled to any dividend, whether payable in cash, property or stocks, in excess of full cumulative dividends, as herein provided, on this Series. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on this Series which may be in arrears.

(4) So long as any shares of this Series are outstanding, no dividend (other than a dividend in Common Stock or in any other stock ranking junior to this Series as to dividends and upon liquidation and other than as provided in subsection (3) of this Section (b)) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other stock ranking junior to or on a parity with this Series as to dividends or upon liquidation, nor shall any Common Stock nor any other stock of the Corporation ranking junior to or on a parity with this Series as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to this Series as to dividends and upon liquidation) unless, in each case, the full cumulative dividends on all outstanding shares of this Series shall have been paid for all past dividend payment periods.

(5) Dividends payable on this Series for any period shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(c) Redemption.

(1) (A) The shares of this Series shall not be redeemable prior to April 15, 2006. On and after April 15, 2006, the Corporation, at its option, may redeem shares of this Series, in whole or in part, at any time or from time to time, at a redemption price of $250 per share, plus accrued and unpaid dividends thereon to the date fixed for redemption.

(B) In the event that fewer than all the outstanding shares of this Series are to be redeemed pursuant to subsection (1)(A), the number of shares to be redeemed shall be determined by the Board and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board or by any other method as may be determined by the Board in its sole discretion to be equitable.

(2) (A) Notwithstanding subsection (1) above, if the Dividends Received Percentage is equal to or less than 40% and, as a result, the amount of dividends on the shares of this Series payable on any Dividend Payment Date will be or is adjusted upwards as described in Section (b)(2) above, the Corporation, at its option, may redeem all, but not less than all, of the outstanding shares of this Series; provided, that within sixty days of the date on which an amendment to the Code is enacted which reduces the Dividends Received Percentage to 40% or less, the Corporation sends notice to holders of shares of this Series of such redemption in accordance with subsection (3) below.

(B) Any redemption of the Perpetual Preferred Stock in accordance with this subsection (2) shall be at the applicable redemption price set forth in the following table, in each case plus accrued and unpaid dividends (whether or not declared) thereon to the date fixed for redemption, including any changes in dividends payable due to changes in the Dividends Received Percentage.

Redemption Period	Redemption Price Per Share	Redemption Price Per Depositary Share
April 2, 2004 to April 14, 2004	253.75	50.75
April 15, 2004 to April 14, 2005	252.50	50.50
April 15, 2005 to April 14, 2006	251.25	50.25
On or after April 15, 2006	250.00	50.00

(3) In the event the Corporation shall redeem shares of this Series pursuant to subsections (1) or (2) above, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (i) the redemption date; (ii) the number of shares of this Series to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(4) Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the redemption price) dividends on the shares of this Series so called for redemption under either subsection (1) or (2) above shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the applicable redemption price. In case fewer than all the shares represented by

any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(5) Notwithstanding the foregoing provisions of this Section (c), if any dividends on this Series are in arrears, no shares of this Series shall be redeemed unless all outstanding shares of this Series are simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any shares of this Series; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of this Series pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of this Series.

(d) Liquidation Rights.

(1) Upon the dissolution, liquidation or winding up of the Corporation, the holders of the shares of this Series shall be entitled to receive and be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to the shares of this Series upon liquidation, the amount of $250 per share, plus a sum equal to all dividends (whether or not earned or declared) on such shares accrued and unpaid thereon to the date of final distribution.

(2) Neither the sale of all or substantially all the property or business of the Corporation nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section (d).

(3) After the payment to the holders of the shares of this Series of the full preferential amounts provided for in this Section (d), the holders of this Series as such shall have no right or claim to any of the remaining assets of the Corporation.

(4) In the event the assets of the Corporation available for distribution to the holders of shares of this Series upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to paragraph (1) of this Section (d), no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

(e) Conversion or Exchange. The holders of shares of this Series shall not have any rights herein to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation.

(f) Voting. The shares of this Series shall not have any voting powers, either general or special, except that:

(1) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66 2/3% of all of the shares of this Series at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of this Series shall vote together as a separate class, shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of the Corporation's Amended and Restated Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any Certificate of the Voting Powers, Designations, Preferences and Relative, Participating, Optional or Other Special Rights, and the Qualifications, Limitations or Restrictions thereof, or any similar document relating to any series of Preferred Stock) which would adversely affect the preferences, rights, powers or privileges of this Series;

(2) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66 2/3% of all of the shares of this Series and all other series of Preferred Stock ranking on a parity with shares of this Series, either as to dividends or upon liquidation, at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of this Series and such other series of Preferred Stock shall vote together as a single class without regard to series, shall be necessary for authorizing, effecting, increasing or validating the creation, authorization or issue of any shares of any class of stock of the Corporation ranking prior to the shares of this Series as to dividends or upon liquidation, or the reclassification of any authorized stock of the Corporation into any such prior shares, or the creation, authorization or issue of any obligation or security convertible, into or evidencing the right to purchase any such prior shares.

(3) If, at the time of any annual meeting of stockholders for the election of directors, a default in preference dividends on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation (other than any other class or series of the Corporation's preferred stock expressly entitled to elect additional directors to the Board by a vote separate and distinct from the vote provided for in this paragraph (3) ("Voting Preferred")) shall exist, the number of directors constituting the Board shall be increased by two (without duplication of any increase made pursuant to the terms of any other class or series of the Corporation's preferred stock other than any Voting Preferred) and the holders of the Corporation's preferred stock of all classes and series (other than any such Voting Preferred) shall have the right at such meeting, voting together as a single class without regard to class or series, to the exclusion of the holders of Common Stock and the Voting Preferred, to elect two directors of the Corporation to fill such newly created directorships. Such right shall continue until there are no dividends in arrears upon shares of any class or series of the Corporation's preferred stock ranking prior to or on a parity with shares of this Series as to dividends (other than any Voting Preferred). Each director elected by the holders of shares of any series of the Preferred Stock or any other class or series of the Corporation's preferred stock in an election provided for by this paragraph (3) (herein called a "Preferred Director") shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of the Corporation's preferred stock entitled to have originally voted for such director's election, voting together as a single class without regard to class or series, at a meeting of the stockholders, or of the holders of

shares of the Corporation's preferred stock, called for that purpose. So long as a default in any preference dividends on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation shall exist (other than any Voting Preferred) (A) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (B)) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (B) in the case of the removal of any Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding shares of the Corporation's preferred stock entitled to have originally voted for the removed director's election, voting together as a single class without regard to class or series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid shall be deemed for all purposes hereto to be a Preferred Director.

Whenever the term of office of the Preferred Directors shall end and a default in preference dividends shall no longer exist, the number of directors constituting the Board shall be reduced by two. For purposes hereof, a "default in preference dividends" on any series of the Preferred Stock or any other class or series of preferred stock of the Corporation shall be deemed to have occurred whenever the amount of accrued dividends upon such class or series of the Corporation's preferred stock shall be equivalent to six full quarterly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all such shares of the Corporation's preferred stock of each and every series then outstanding (other than any Voting Preferred or shares of any class or series ranking junior to shares of this Series as to dividends) shall have been paid to the end of the last preceding quarterly dividend period.

(4) Without limiting the foregoing, under any circumstances in which the Series would have additional rights under Rhode Island law if the Corporation were incorporated under the Rhode Island Business Corporation Act (rather than the Delaware General Corporation Law), holders of shares of the Series shall be entitled to such rights, including, without limitation, voting rights under Chapter 7-1.1-55, voting and notice rights under Chapter 7-1.1-67 and dissenters' rights under Chapters 7-1.1-73 and 7-1.1-74 of the Rhode Island Business Corporation Act (as such Chapters may be amended from time to time).

(g) Reacquired Shares. Shares of this Series which have been issued and reacquired through redemption or purchase shall, upon compliance with an applicable provision of the Delaware General Corporation Law, have the status of authorized and unissued shares of Preferred Stock and may be reissued but only as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board.

(h) Relation to Existing Preferred Classes of Stock. Shares of this Series are equal in rank and preference with all other series of the Preferred Stock (other than the ESOP Convertible Preferred Stock, Series C) outstanding on the date of original issue of the shares of this Series and are senior in rank and preference to the Common Stock and the ESOP Convertible Preferred Stock, Series C of the Corporation.

(i) Relation to Other Preferred Classes of Stock. For purposes of this resolution, any stock of any class or classes of the Corporation shall be deemed to rank:

(1) prior to the shares of this Series, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of this Series;

(2) on a parity with shares of this Series, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Series, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Series; and

(3) junior to the shares of this Series, either as to dividends or upon liquidation, if such class shall be Common Stock or if the holders of shares of this Series shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or classes.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be duly executed by James H. Hance, Jr., its Vice Chairman and Chief Financial Officer, and attested to by Rachel R. Cummings, its Corporate Secretary, and has caused the corporate seal to be affixed hereto, this 26th day of March, 2004.

BANK OF AMERICA CORPORATION

By: /s/ James H. Hance, Jr.
Vice Chairman and Chief Financial Officer

ATTEST:

/s/ Rachel R. Cummings
Corporate Secretary

(Corporate Seal)

CERTIFICATE OF MERGER
OF
FLEETBOSTON FINANCIAL CORPORATION
INTO
BANK OF AMERICA CORPORATION

In accordance with Section 252 of the General Corporation Law of the State of Delaware, Bank of America Corporation, a Delaware corporation ("Bank of America"), does hereby certify as follows:

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger herein certified are as follows:

Name	State of Incorporation
FleetBoston Financial Corporation	Rhode Island
Bank of America Corporation	Delaware

SECOND: That an Agreement and Plan of Merger, dated as of October 27, 2003, by and between FleetBoston Financial Corporation ("FleetBoston"), a Rhode Island Corporation, and Bank of America, was approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of Section 252 of the General Corporation Law of the State of Delaware.

THIRD: That Bank of America will continue as the surviving corporation.

FOURTH: That the Amended and Restated Certificate of Incorporation of Bank of America at the effective time of the merger shall be the certificate of incorporation of the surviving corporation.

FIFTH: That a copy of the executed Agreement and Plan of Merger is on file at the offices of the surviving corporation at Bank of America Corporate Center, Charlotte, North Carolina 28255.

SIXTH: That a copy of the Agreement and Plan of Merger will be furnished by Bank of America, on request and without cost, to any stockholder of any constituent corporation.

SEVENTH: The authorized capital stock of FleetBoston consisted of 2,000,000,000 shares of Common Stock, $0.01 par value per share, and 16,000,000 shares of Preferred Stock, $1.00 par value per share, of which 690,000 shares were designated as Series VI 6.75% Perpetual Preferred Stock and 805,000 shares were designated as Series VII Fixed/Adjustable Rate Cumulative Preferred Stock.

EIGHTH: This Certificate of Merger shall become effective on April 1, 2004 at 12:01 a.m., Eastern Time.

IN WITNESS WHEREOF, Bank of America has caused this Certificate of Merger to be executed by a duly authorized officer on this 31st day of March, 2004.

BANK OF AMERICA CORPORATION

By: /s/ JAMES H. HANCE, JR.
Name: James H. Hance, Jr.
Title: Chief Financial Officer

CERTIFICATE OF MERGER

OF

MBNA CORPORATION
(a Maryland corporation)

with and into

BANK OF AMERICA CORPORATION
(a Delaware corporation)

Pursuant to Section 252 of the General Corporation Law of the State of Delaware (the "DGCL"), Bank of America Corporation, a Delaware corporation ("Bank of America"), hereby certifies the following information relating to the merger of MBNA Corporation, a Maryland corporation ("MBNA"), with and into Bank of America (the "Merger"):

FIRST: The name and state of incorporation of each of the constituent corporations (the "Constituent Corporations") in the Merger are:

Name:	State of Incorporation
Bank of America Corporation	Delaware
MBNA Corporation	Maryland

SECOND: The Agreement and Plan of Merger, dated as of June 30, 2005, by and between MBNA and Bank of America (the "Plan of Merger"), setting forth the terms and conditions of the Merger has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the requirements of Section 252 of the DGCL.

THIRD: The name of the surviving corporation of the Merger (the "Surviving Corporation") is Bank of America Corporation.

FOURTH: The Amended and Restated Certificate of Incorporation of Bank of America in effect immediately prior to the effective time of the Merger shall be the certificate of incorporation of the Surviving Corporation.

FIFTH: The executed Plan of Merger is on file at the principal place of business of the Surviving Corporation at Bank of America Corporate Center, 100 N. Tryon Street, Charlotte, North Carolina 28255.

SIXTH: A copy of the Plan of Merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of either Constituent Corporation.

SEVENTH: The authorized capital stock of MBNA consisted of 1,500,000,000 shares of

common stock, par value $0.01 per share, and 20,000,000 shares of preferred stock, par value $0.01 per share.

EIGHTH: The Merger shall become effective as of 12:01 a.m., Eastern time, on January 1, 2006.

IN WITNESS WHEREOF, Bank of America has caused this Certificate of Merger to be executed by its duly authorized officer on this 29 day of December, 2005.

BANK OF AMERICA CORPORATION

By: /s/ WILLIAM J. MOSTYN
Name: William J. Mostyn
Title: Secretary

CERTIFICATE OF ELIMINATION
OF
FIXED/ADJUSTABLE RATE CUMULATIVE PREFERRED STOCK
AND
6.75% PERPETUAL PREFERRED STOCK
OF
BANK OF AMERICA CORPORATION

Pursuant to Section 151(g)
of the General Corporation Law
of the State of Delaware

Bank of America Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Company"), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

1. That, pursuant to Section 151 of the DGCL and the authority granted in the Amended and Restated Certificate of Incorporation of the Company (the "Certificate of Incorporation"), the Board of Directors of the Company (the "Board"), by resolution duly adopted, authorized the issuance of a series of 805,000 shares of Fixed/Adjustable Rate Cumulative Preferred Stock, without par value (the "Fixed/Adjustable Preferred Stock"), and established the powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof, and, on March 29, 2004, filed a Certificate of Designation with respect to such Fixed/Adjustable Preferred Stock in the office of the Secretary of State of the State of Delaware (the "Secretary of State").

2. That, pursuant to Section 151 of the DGCL and the authority granted in the Certificate of Incorporation, the Board, by resolution duly adopted, authorized the issuance of a series of 690,000 shares of 6.75% Perpetual Preferred Stock, without par value (the "Perpetual Preferred Stock"), and established the powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof, and, on March 29, 2004, filed a Certificate of Designation with respect to such Perpetual Preferred Stock in the office of the Secretary of State.

3. That on May 26, 2006 the Special Preferred Stock Committee of the Board (the "Committee") authorized and approved the redemption of the issued and outstanding shares of Fixed/Adjustable Preferred Stock on July 3, 2006 and the redemption of the Fixed/Adjustable Preferred Stock on July 14, 2006.

4. That all of the issued and outstanding shares of Fixed/Adjustable Preferred Stock were redeemed on July 3, 2006 and all of the issued and outstanding shares of Perpetual Preferred Stock were redeemed on July 14, 2006, and, therefore, no shares of

Fixed/Adjustable Preferred Stock or Perpetual Preferred Stock are outstanding and no shares thereof will be issued subject to such Certificates of Designation.

5. That the Board has adopted the following resolutions:

WHEREAS, by resolution of the Board of Directors of the Company (the "Board") and by a Certificate of Designation filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on March 29, 2004, this Company authorized the issuance of a series of 805,000 shares of Fixed/Adjustable Rate Cumulative Preferred Stock, without par value, of the Company (the "Fixed/Adjustable Preferred Stock") and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof; and

WHEREAS, by resolution of the Board and by a Certificate of Designation filed in the office of the Secretary of State on March 29, 2004, this Company authorized the issuance of a series of 690,000 shares of 6.75% Perpetual Preferred Stock, without par value, of the Company (the "Perpetual Preferred Stock") and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations and restrictions thereof;

WHEREAS, on May 26, 2006, the Special Preferred Stock Committee of the Board (the "Committee") authorized and approved the redemption of all the issued and outstanding shares of the Fixed/Adjustable Preferred Stock on July 3, 2006 and the Perpetual Preferred Stock on July 14, 2006;

WHEREAS, all of the issued and outstanding shares of Fixed/Adjustable Preferred Stock were redeemed on July 3, 2006 and all issued and outstanding shares of Perpetual Preferred Stock were redeemed on July 14, 2006, and, therefore, no shares of Fixed/Adjustable Preferred Stock or Perpetual Preferred Stock are outstanding and no shares thereof will be issued subject to such Certificates of Designation;

WHEREAS, it is desirable that all matters set forth in the Certificates of Designation with respect to such Fixed/Adjustable Preferred Stock and Perpetual Preferred Stock be eliminated from the Amended and Restated Certificate of Incorporation, as heretofore amended, of the Company (the "Certificate of Incorporation").

NOW, THEREFORE, BE IT AND IT HEREBY IS:

RESOLVED, that all matters set forth in the Certificates of Designation with respect to such Fixed/Adjustable Preferred Stock and Perpetual Preferred Stock be eliminated from the Certificate of Incorporation; and it is further

RESOLVED, that the officers of the Company be, and hereby are,

authorized and directed to file a Certificate with the office of the Secretary of State setting forth a copy of these resolutions whereupon all matters set forth in the Certificates of Designation with respect to such Fixed/Adjustable Preferred Stock and Perpetual Preferred Stock shall be eliminated from the Certificate of Incorporation; and it is further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, for and on behalf of the Corporation, to take any and all actions, to perform all such acts and things, to execute, file, deliver or record in the name and on behalf of the Corporation, all such certificates, instruments, agreements or other documents, and to make all such payments as they, in their judgment, or in the judgment of any one or more of them, may deem necessary, advisable or appropriate in order to carry out the purpose and intent of the foregoing resolutions and the transactions contemplated therein or thereby, the authorization therefor to be conclusively evidenced by the taking of such action or the execution and delivery of such certificates, instruments, agreements or documents.

6. That, accordingly, all matters set forth in the Certificates of Designation with respect to such Fixed/Adjustable Preferred Stock and Perpetual Preferred Stock be, and hereby are, eliminated from the Certificate of Incorporation, as heretofore amended.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its duly authorized officer as of this 31st day of July, 2006.

BANK OF AMERICA CORPORATION

By: /s/ Teresa M. Brenner
Name: Teresa M. Brenner
Title: Associate General Counsel

CERTIFICATE OF DESIGNATIONS
OF
6.204% NON-CUMULATIVE PREFERRED STOCK, SERIES D
OF
BANK OF AMERICA CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. At a meeting duly convened and held on July 26, 2006, the Board of Directors of the Corporation (the "Board") duly adopted resolutions (a) authorizing the issuance and sale by the Corporation of one or more series of the Corporation's preferred stock, and (b) appointing a Committee (the "Committee") of the Board to act on behalf of the Board in establishing the number of authorized shares, the dividend rate and other powers, designations, preferences and rights of the preferred stock.

2. Thereafter, on September 6, 2006, the Committee duly adopted the following resolution by written consent:

"**RESOLVED**, that the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 6.204% Non-Cumulative Preferred Stock, Series D, including those established by the Board and the number of authorized shares and dividend rate established hereby, are authorized and approved as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 13th day of September, 2006.

BANK OF AMERICA CORPORATION

/s/ TERESA M. BRENNER
Name: Teresa M. Brenner
Title: Associate General Counsel

EXHIBIT A

TO

CERTIFICATE OF DESIGNATIONS

OF

6.204% NON-CUMULATIVE PREFERRED STOCK, SERIES D

OF

BANK OF AMERICA CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be "6.204% Non-Cumulative Preferred Stock, Series D" (the "*Series D Preferred Stock*"). Each share of Series D Preferred Stock shall be identical in all respects to every other share of Series D Preferred Stock. Series D Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series D Preferred Stock shall be 34,500. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series D Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation, the Committee or any other duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series D Preferred Stock.

Section 3. Definitions. As used herein with respect to Series D Preferred Stock:

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or in Charlotte, North Carolina.

"*Depositary Company*" shall have the meaning set forth in Section 6(d) hereof.

"*Dividend Payment Date*" shall have the meaning set forth in Section 4(a) hereof.

"*Dividend Period*" shall have the meaning set forth in Section 4(a) hereof.

"*DTC*" means The Depositary Trust Company, together with its successors and assigns.

"*Junior Stock*" means the Corporation's common stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which Series D Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*Parity Stock*" means (a) the Corporation's 7% Cumulative Redeemable Preferred Stock, Series B and (b) any other class or series of stock of the Corporation hereafter authorized that ranks on a par with the Series D Preferred Stock in the payment of dividends and in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"Senior Stock" means any class or series of stock of the Corporation now existing or hereafter authorized which has preference or priority over the Series D Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*Series D Preferred Stock*" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series D Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series D Preferred Stock, and no more, payable quarterly in arrears on each March 14, June 14, September 14 and December 14; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "*Dividend Payment Date*"). The period from and including the date of issuance of the Series D Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a *"Dividend Period."* Dividends on each share of Series D Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 6.204%. The record date for payment of dividends on the Series D Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Non-Cumulative Dividends. Dividends on shares of Series D Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series D Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series D Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such

dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series D Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series D Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in shares of Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a*pro rata* portion, of the Series D Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series D Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. The foregoing limitations do not apply to purchases or acquisitions of the Corporation's Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted.

Subject to the succeeding sentence, for so long as any shares of Series D Preferred Stock remain outstanding, no dividends shall be declared or paid or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series D Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series D Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation will allocate the dividend payments on a pro rate basis among the holders of the shares of Series D Preferred Stock and the holders of any Parity Stock. For purposes of calculating the pro rate allocation of partial dividend payments, the Corporation will allocate dividend payments based on the ratio between the then-current dividend payments due on the shares of Series D Preferred Stock and the aggregate of the current and accrued dividends due on the Parity Stock. No interest will be payable in respect of any dividend payment on shares of Series D Preferred Stock that may be in arrears. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series D Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series D Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series D Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation. The holders of Series D Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all holders of Series D Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series D Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any dividends which have been declared but not yet paid of Series D Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any dividends which have been declared but not yet paid has been paid in full to all holders of Series D Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem out of funds legally available therefor, in whole or in part, the shares of Series D Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after the Dividend Payment Date on September 14, 2011, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series D Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid.

(b) Notice of Redemption. Notice of every redemption of shares of Series D Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series D Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series D Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series D Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series D Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series D Preferred Stock at the time outstanding, the shares of Series D Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series D Preferred Stock in proportion to the number of Series D Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation, the Committee or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series D Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depositary Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to

the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) General. The holders of Series D Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by Delaware law.

(b) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series D Preferred Stock or any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(b) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of the such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the election of such directors must not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Corporation's securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends is a "*Preferred Director".*

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of stockholders or any special meeting of the holders of Series D Preferred Stock and any other class or series of our stock that ranks on parity with Series D Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series D Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends and for which dividends have not been paid for the election of the two directors to be

elected by them as provided in Section 7(b)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice of Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the stockholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series D Preferred Stock may (at our expense) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of our stockholders unless they have been previously terminated or removed pursuant to Section 7(b)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends, if any, for at least four quarterly Dividend Periods, then the right of the holders of Series D Preferred Stock to elect the Preferred Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate, and the number of directors constituting the board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(b).

Section 8. Preemption and Conversion. The holders of Series D Preferred Stock shall not have any rights of preemption or rights to convert such Series D Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation, the Committee or any authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series D Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or any class or series of Senior Stock or any other securities ranking senior to the Series D Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series D Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series D Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series D Preferred Stock are not subject to the operation of a sinking fund.

CERTIFICATE OF DESIGNATIONS
OF
FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES E
OF
BANK OF AMERICA CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. At a meeting duly convened and held on July 26, 2006, the Board of Directors of the Corporation (the "Board") duly adopted resolutions (a) authorizing the issuance and sale by the Corporation of one or more series of the Corporation's preferred stock, and (b) appointing a Committee (the "Committee") of the Board to act on behalf of the Board in establishing the number of authorized shares, the dividend rate and other powers, designations, preferences and rights of the preferred stock.

2. Thereafter, on October 30, 2006, the Committee duly adopted the following resolution by written consent:

"**RESOLVED**, that the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series E, including those established by the Board and the number of authorized shares and dividend rate established hereby, are authorized and approved as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 3rd day of November, 2006.

BANK OF AMERICA CORPORATION

/s/ TERESA M. BRENNER
Name: Teresa M. Brenner
Title: Associate General Counsel

EXHIBIT A

TO

CERTIFICATE OF DESIGNATIONS

OF

FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES E

OF

BANK OF AMERICA CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be "Floating Rate Non-Cumulative Preferred Stock, Series E" (the "*Series E Preferred Stock*"). Each share of Series E Preferred Stock shall be identical in all respects to every other share of Series E Preferred Stock. Series E Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series E Preferred Stock shall be 85,100. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series E Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation, the Committee or any other duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series E Preferred Stock.

Section 3. Definitions. As used herein with respect to Series E Preferred Stock:

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or in Charlotte, North Carolina.

"*Calculation Agent*" shall mean The Bank of New York Trust Company, N.A., or such other bank or entity as may be appointed by the Corporation to act as calculation agent for the Series E Preferred Stock.

"*Depositary Company*" shall have the meaning set forth in Section 6(d) hereof.

"*Dividend Determination Date*" shall have the meaning set forth below in the definition of "Three-Month LIBOR."

"*Dividend Payment Date*" shall have the meaning set forth in Section 4(a) hereof.

"*Dividend Period*" shall have the meaning set forth in Section 4(a) hereof.

"*DTC*" means The Depository Trust Company, together with its successors and assigns.

"*Junior Stock*" means the Corporation's common stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which Series E Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*London Banking Day*" means any day on which commercial banks are open for general business (including dealings in deposits in U.S. dollars) in London, England.

"*Parity Stock*" means (a) the Corporation's 7% Cumulative Redeemable Preferred Stock, Series B, (b) the Corporation's 6.204% Non-Cumulative Preferred Stock, Series D and (c) any other class or series of stock of the Corporation hereafter authorized that ranks on a par with the Series E Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"*Senior Stock*" means any class or series of stock of the Corporation now existing or hereafter authorized which has preference or priority over the Series E Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*Series E Preferred Stock*" shall have the meaning set forth in Section 1 hereof.

"*Telerate Page 3750*" means the display page so designated on the Moneyline/Telerate Service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

"*Three-Month LIBOR*" means, with respect to any Dividend Period, the offered rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period that appears on Telerate Page 3750 as of 11:00 a.m. (London time) on the second London Banking Day immediately preceding the first day of that Dividend Period (the "*Dividend Determination Date*"). If such rate does not appear on Telerate Page 3750, Three-Month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Corporation, at approximately 11:00 A.M., London time on the second London Banking Day immediately preceding the first day of that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of such quotations. If fewer than two quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of the rates quoted by three major banks in New York City selected by the Corporation, at approximately 11:00 a.m., New York City time, on the first day of that Dividend Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by the Corporation to provide quotations are not quoting as described above, Three-Month LIBOR for that Dividend Period will be the same as Three-Month LIBOR as determined for the previous Dividend Period, or in the case of the first Dividend Period, the most

recent rate that could have been determined in accordance with the first sentence of this paragraph had Series E Preferred Stock been outstanding. The calculation agent's establishment of Three-Month LIBOR and calculation of the amount of dividends for each Dividend Period will be on file at the principal offices of the Corporation, will be made available to any holder of Series E Preferred Stock upon request and will be final and binding in the absence of manifest error.

Section 4. Dividends.

(a) Rate. Holders of Series E Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series E Preferred Stock, and no more, payable quarterly in arrears on each February 15, May 15, August 15 and November 15; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "*Dividend Payment Date*"). The period from and including the date of issuance of the Series E Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "*Dividend Period.*" Dividends on each share of Series E Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to the greater of (i) Three-Month LIBOR plus a spread of 0.35% and (ii) 4.00%. The record date for payment of dividends on the Series E Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year and the actual number of days elapsed in a Dividend Period.

(b) Non-Cumulative Dividends. Dividends on shares of Series E Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series E Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of Series E Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series E Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series E Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in shares of Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of

any such Junior Stock by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a*pro rata* portion, of the Series E Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series E Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. The foregoing limitations do not apply to purchases or acquisitions of the Corporation's Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted. Subject to the succeeding sentence, for so long as any shares of Series E Preferred Stock remain outstanding, no dividends shall be declared or paid or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series E Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series E Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation will allocate the dividend payments on a pro rate basis among the holders of the shares of Series E Preferred Stock and the holders of any Parity Stock. For purposes of calculating the *pro rata* allocation of partial dividend payments, the Corporation will allocate dividend payments based on the ratio between the then-current dividend payments due on the shares of Series E Preferred Stock and the aggregate of the current and accrued dividends due on the Parity Stock. No interest will be payable in respect of any dividend payment on shares of Series E Preferred Stock that may be in arrears. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series E Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series E Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series E Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation. The holders of Series E Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all holders of Series E Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series E Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with

the respective aggregate liquidation preferences plus any dividends which have been declared but not yet paid of Series E Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any dividends which have been declared but not yet paid has been paid in full to all holders of Series E Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem out of funds legally available therefor, in whole or in part, the shares of Series E Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after the Dividend Payment Date on November 15, 2011, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series E Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid.

(b) Notice of Redemption. Notice of every redemption of shares of Series E Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series E Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series E Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series E Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series E Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series E Preferred Stock at the time outstanding, the shares of Series E Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series E Preferred Stock in proportion to the number of Series E Preferred Stock held by such holders or by lot or in such other manner as

the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation, the Committee or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series E Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depositary Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) General. The holders of Series E Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by Delaware law.

(b) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series E Preferred Stock or any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(b) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series E Preferred Stock (together with holders of any class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of the such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of

such directorships), provided that the election of such directors must not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Corporation's securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series E Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series E Preferred Stock as to payment of dividends is a "*Preferred Director*."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of stockholders or any special meeting of the holders of Series E Preferred Stock and any other class or series of our stock that ranks on parity with Series E Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series E Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series E Preferred Stock and any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends and for which dividends have not been paid for the election of the two directors to be elected by them as provided in Section 7(b)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice of Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the stockholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series E Preferred Stock may (at our expense) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of our stockholders unless they have been previously terminated or removed pursuant to Section 7(b)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series E Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series E Preferred Stock and any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends, if any, for at least four quarterly Dividend Periods, then the right of the holders of Series E Preferred Stock to elect the Preferred Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the board of directors will be reduced accordingly. Any Preferred Director may be removed at any

time without cause by the holders of record of a majority of the outstanding shares of the Series E Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(b).

Section 8. Preemption and Conversion. The holders of Series E Preferred Stock shall not have any rights of preemption or rights to convert such Series E Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation, the Committee or any authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series E Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or any class or series of Senior Stock or any other securities ranking senior to the Series E Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series E Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series E Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series E Preferred Stock are not subject to the operation of a sinking fund.

CERTIFICATE OF DESIGNATIONS
OF
FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES F
OF
BANK OF AMERICA CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "*Corporation*"), does hereby certify that:

1. At a meeting duly convened and held on April 26, 2006, the Board of Directors of the Corporation (the "*Board*") duly adopted resolutions (a) authorizing the issuance and sale by the Corporation of one or more series of the Corporation's preferred stock, and (b) appointing a Committee (the "*Committee*") of the Board to act on behalf of the Board in establishing the number of authorized shares, the dividend rate and other powers, designations, preferences and rights of the preferred stock.

2. Thereafter, on February 12, 2007, the Committee duly adopted the following resolution by written consent:

"**RESOLVED**, that the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series F, including those established by the Board and the number of authorized shares and dividend rate established hereby, are authorized and approved as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 15th day of February, 2007.

BANK OF AMERICA CORPORATION

/s/ TERESA M. BRENNER
Name: Teresa M. Brenner
Title: Associate General Counsel

EXHIBIT A

TO

CERTIFICATE OF DESIGNATIONS

OF

FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES F

OF

BANK OF AMERICA CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be "Floating Rate Non-Cumulative Preferred Stock, Series F" (the "*Series F Preferred Stock*"). Each share of Series F Preferred Stock shall be identical in all respects to every other share of Series F Preferred Stock. Series F Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series F Preferred Stock shall be 7,001. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series F Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation, the Committee or any other duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series F Preferred Stock.

Section 3. Definitions. As used herein with respect to Series F Preferred Stock:

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or in Charlotte, North Carolina.

"*Calculation Agent*" shall mean The Bank of New York Trust Company, N.A., or such other bank or entity as may be appointed by the Corporation to act as calculation agent for the Series F Preferred Stock.

"*Depositary Company*" shall have the meaning set forth in Section 6(d) hereof.

"*Dividend Determination Date*" shall have the meaning set forth below in the definition of "Three-Month LIBOR."

"*Dividend Payment Date*" shall have the meaning set forth in Section 4(a) hereof.

"*Dividend Period*" shall have the meaning set forth in Section 4(a) hereof.

"*DTC*" means The Depository Trust Company, together with its successors and assigns.

"*Junior Stock*" means the Corporation's common stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which Series F Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*London Banking Day*" means any day on which commercial banks are open for general business (including dealings in deposits in U.S. dollars) in London, England.

"*Parity Stock*" means (a) the Corporation's 7% Cumulative Redeemable Preferred Stock, Series B, (b) the Corporation's 6.204% Non-Cumulative Preferred Stock, Series D, (c) the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series E, (d) the Corporation's Adjustable Rate Non-Cumulative Preferred Stock, Series G and (e) any other class or series of stock of the Corporation hereafter authorized that ranks on a par with the Series F Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"*Senior Stock*" means any class or series of stock of the Corporation now existing or hereafter authorized which has preference or priority over the Series F Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*Series F Preferred Stock*" shall have the meaning set forth in Section 1 hereof.

"*Telerate Page 3750*" means the display page so designated on the Moneyline/Telerate Service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

"*Three-Month LIBOR*" means, with respect to any Dividend Period, the offered rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period that appears on Telerate Page 3750 as of 11:00 a.m. (London time) on the second London Banking Day immediately preceding the first day of that Dividend Period (the "*Dividend Determination Date*"). If such rate does not appear on Telerate Page 3750, Three-Month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Corporation, at approximately 11:00 a.m., London time on the second London Banking Day immediately preceding the first day of that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of such

quotations. If fewer than two quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of the rates quoted by three major banks in New York City selected by the Corporation, at approximately 11:00 a.m., New York City time, on the first day of that Dividend Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by the Corporation to provide quotations are not quoting as described above, Three-Month LIBOR for that Dividend Period will be the same as Three-Month LIBOR as determined for the previous Dividend Period, or in the case of the first Dividend Period, the most recent rate that could have been determined in accordance with the first sentence of this paragraph had Series F Preferred Stock been outstanding. The Calculation Agent's establishment of Three-Month LIBOR and calculation of the amount of dividends for each Dividend Period will be on file at the principal offices of the Corporation, will be made available to any holder of Series F Preferred Stock upon request and will be final and binding in the absence of manifest error.

Section 4. Dividends.

(a) Rate. Holders of Series F Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $100,000 per share of Series F Preferred Stock, and no more, payable quarterly in arrears on each March 15, June 15, September 15 and December 15; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "*Dividend Payment Date*"). The period from and including the date of issuance of the Series F Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "*Dividend Period.*" Dividends on each share of Series F Preferred Stock will accrue on the liquidation preference of $100,000 per share for each Dividend Period (1) from the date of issuance to, but excluding, the Dividend Payment Date in March 2012 (if issued prior to that date) at a rate per annum equal to Three-Month LIBOR plus a spread of 0.40% and (2) thereafter at a rate per annum equal to the greater of (i) Three-Month LIBOR plus a spread of 0.40% and (ii) 4.00%. The record date for payment of dividends on the Series F Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year and the actual number of days elapsed in a Dividend Period.

(b) Non-Cumulative Dividends. Dividends on shares of Series F Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series F Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of Series F Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such

dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series F Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series F Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in shares of Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a*pro rata* portion, of the Series F Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series F Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. The foregoing limitations do not apply to purchases or acquisitions of the Corporation's Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted. Subject to the succeeding sentence, for so long as any shares of Series F Preferred Stock remain outstanding, no dividends shall be declared or paid or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series F Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series F Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation will allocate the dividend payments on a *pro rata* basis among the holders of the shares of Series F Preferred Stock and the holders of any Parity Stock. For purposes of calculating the *pro rata* allocation of partial dividend payments, the Corporation will allocate dividend payments based on the ratio between the then-current dividend payments due on the shares of Series F Preferred Stock and the aggregate of the current and accrued dividends due on the Parity Stock. No interest will be payable in respect of any dividend payment on shares of Series F Preferred Stock that may be in arrears. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series F Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series F Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and

subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series F Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $100,000 per share, plus any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation. The holders of Series F Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all holders of Series F Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series F Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any dividends which have been declared but not yet paid of Series F Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any dividends which have been declared but not yet paid has been paid in full to all holders of Series F Preferred Stock and all holders of any Parity Stock, then the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem out of funds legally available therefor, in whole or in part, the shares of Series F Preferred Stock at the time outstanding, at any time on or after the later of March 15, 2012 and the date of original issuance of the Series F Preferred Stock, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series F Preferred Stock shall be $100,000 per share plus dividends that have been declared but not paid plus accrued and unpaid dividends for the then-current Dividend Period to the redemption date.

(b) Notice of Redemption. Notice of every redemption of shares of Series F Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 15 days and not more than 60 days

before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series F Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series F Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series F Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series F Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series F Preferred Stock at the time outstanding, the shares of Series F Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series F Preferred Stock in proportion to the number of Series F Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation, the Committee or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series F Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depositary Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of the Series F Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law.

Section 8. Preemption and Conversion. The holders of Series F Preferred Stock shall not have any rights of preemption or rights to convert such Series F Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation, the Committee or any authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series F Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or any class or series of Senior Stock or any other securities ranking senior to the Series F Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series F Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series F Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series F Preferred Stock are not subject to the operation of a sinking fund.

CERTIFICATE OF DESIGNATIONS
OF
ADJUSTABLE RATE NON-CUMULATIVE PREFERRED STOCK, SERIES G
OF
BANK OF AMERICA CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Bank of America Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "*Corporation*"), does hereby certify that:

1. At a meeting duly convened and held on April 26, 2006, the Board of Directors of the Corporation (the "*Board*") duly adopted resolutions (a) authorizing the issuance and sale by the Corporation of one or more series of the Corporation's preferred stock, and (b) appointing a Committee (the "*Committee*") of the Board to act on behalf of the Board in establishing the number of authorized shares, the dividend rate and other powers, designations, preferences and rights of the preferred stock.

2. Thereafter, on February 12, 2007, the Committee duly adopted the following resolution by written consent:

"**RESOLVED**, that the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Adjustable Rate Non-Cumulative Preferred Stock, Series G, including those established by the Board and the number of authorized shares and dividend rate established hereby, are authorized and approved as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 15th day of February, 2007.

BANK OF AMERICA CORPORATION

/s/ TERESA M. BRENNER
Name: Teresa M. Brenner
Title: Associate General Counsel

EXHIBIT A

TO

CERTIFICATE OF DESIGNATIONS

OF

ADJUSTABLE RATE NON-CUMULATIVE PREFERRED STOCK, SERIES G

OF

BANK OF AMERICA CORPORATION

Section 13. Designation. The designation of the series of preferred stock shall be "Adjustable Rate Non-Cumulative Preferred Stock, Series G" (the "*Series G Preferred Stock*"). Each share of Series G Preferred Stock shall be identical in all respects to every other share of Series G Preferred Stock. Series G Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 14. Number of Shares. The number of authorized shares of Series G Preferred Stock shall be 8,501. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series G Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation, the Committee or any other duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series G Preferred Stock.

Section 15. Definitions. As used herein with respect to Series G Preferred Stock:

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or in Charlotte, North Carolina.

"*Calculation Agent*" shall mean The Bank of New York Trust Company, N.A., or such other bank or entity as may be appointed by the Corporation to act as calculation agent for the Series G Preferred Stock.

"*Depositary Company*" shall have the meaning set forth in Section 6(d) hereof.

"*Dividend Determination Date*" shall have the meaning set forth below in the definition of "Three-Month LIBOR."

"*Dividend Payment Date*" shall have the meaning set forth in Section 4(a) hereof.

"*Dividend Period*" shall have the meaning set forth in Section 4(a) hereof.

"*DTC*" means The Depository Trust Company, together with its successors and assigns.

"*Junior Stock*" means the Corporation's common stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which Series G Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*London Banking Day*" means any day on which commercial banks are open for general business (including dealings in deposits in U.S. dollars) in London, England.

"*Parity Stock*" means (a) the Corporation's 7% Cumulative Redeemable Preferred Stock, Series B, (b) the Corporation's 6.204% Non-Cumulative Preferred Stock, Series D, (c) the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series E, (d) the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series F and (e) any other class or series of stock of the Corporation hereafter authorized that ranks on a par with the Series G Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"*Senior Stock*" means any class or series of stock of the Corporation now existing or hereafter authorized which has preference or priority over the Series G Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"*Series G Preferred Stock*" shall have the meaning set forth in Section 1 hereof.

"*Telerate Page 3750*" means the display page so designated on the Moneyline/Telerate Service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

"*Three-Month LIBOR*" means, with respect to any Dividend Period, the offered rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period that appears on Telerate Page 3750 as of 11:00 a.m. (London time) on the second London Banking Day immediately preceding the first day of that Dividend Period (the "*Dividend Determination Date*"). If such rate does not appear on Telerate Page 3750, Three-Month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Corporation, at approximately 11:00 a.m., London time on the second London Banking Day immediately preceding the first day of that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of such

quotations. If fewer than two quotations are provided, Three-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of the rates quoted by three major banks in New York City selected by the Corporation, at approximately 11:00 a.m., New York City time, on the first day of that Dividend Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by the Corporation to provide quotations are not quoting as described above, Three-Month LIBOR for that Dividend Period will be the same as Three-Month LIBOR as determined for the previous Dividend Period, or in the case of the first Dividend Period, the most recent rate that could have been determined in accordance with the first sentence of this paragraph had Series G Preferred Stock been outstanding. The Calculation Agent's establishment of Three-Month LIBOR and calculation of the amount of dividends for each Dividend Period will be on file at the principal offices of the Corporation, will be made available to any holder of Series G Preferred Stock upon request and will be final and binding in the absence of manifest error.

Section 16. Dividends.

(a) Rate. Holders of Series G Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $100,000 per share of Series G Preferred Stock, and no more, payable as follows: (i) if the Series G Preferred Stock is issued prior to March 15, 2012, semi-annually in arrears on each March 15 and September 15 through March 15, 2012; and (ii) from and including the later of March 15, 2012 and the date of issuance, quarterly in arrears on each March 15, June 15, September 15 and December 15; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "*Dividend Payment Date*"). The period from and including the date of issuance of the Series G Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "*Dividend Period.*" Dividends on each share of Series G Preferred Stock will accrue on the liquidation preference of $100,000 per share for each Dividend Period (1) from the date of issuance to, but excluding, the Dividend Payment Date in March 2012 (if issued prior to that date) at a rate per annum equal to 5.63% and (2) thereafter at a rate per annum equal to the greater of (x) Three-Month LIBOR plus a spread of 0.40% and (y) 4.00%. The record date for payment of dividends on the Series G Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year and the actual number of days elapsed in a Dividend Period.

(b) Non-Cumulative Dividends. Dividends on shares of Series G Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series G Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of

Series G Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series G Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series G Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in shares of Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a*pro rata* portion, of the Series G Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series G Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. The foregoing limitations do not apply to purchases or acquisitions of the Corporation's Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted. Subject to the succeeding sentence, for so long as any shares of Series G Preferred Stock remain outstanding, no dividends shall be declared or paid or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series G Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series G Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation will allocate the dividend payments on a *pro rata* basis among the holders of the shares of Series G Preferred Stock and the holders of any Parity Stock. For purposes of calculating the *pro rata* allocation of partial dividend payments, the Corporation will allocate dividend payments based on the ratio between the then-current dividend payments due on the shares of Series G Preferred Stock and the aggregate of the current and accrued dividends due on the Parity Stock. No interest will be payable in respect of any dividend payment on shares of Series G Preferred Stock that may be in arrears. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series G Preferred Stock shall not be entitled to participate in any such dividend.

Section 17. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series G Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series G Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $100,000 per share, plus any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation. The holders of Series G Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all holders of Series G Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series G Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any dividends which have been declared but not yet paid of Series G Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any dividends which have been declared but not yet paid has been paid in full to all holders of Series G Preferred Stock and all holders of any Parity Stock, then the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 18. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem out of funds legally available therefor, in whole or in part, the shares of Series G Preferred Stock at the time outstanding, at any time on or after the later of March 15, 2012 and the date of original issuance of the Series G Preferred Stock, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series G Preferred Stock shall be $100,000 per share plus

dividends that have been declared but not paid plus accrued and unpaid dividends for the then-current Dividend Period to the redemption date.

(b) Notice of Redemption. Notice of every redemption of shares of Series G Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 15 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series G Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series G Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series G Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series G Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series G Preferred Stock at the time outstanding, the shares of Series G Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series G Preferred Stock in proportion to the number of Series G Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation, the Committee or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series G Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depositary Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any

interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 19. Voting Rights. The holders of the Series G Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law.

Section 20. Preemption and Conversion. The holders of Series G Preferred Stock shall not have any rights of preemption or rights to convert such Series G Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 21. Rank. Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation, the Committee or any authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series G Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or any class or series of Senior Stock or any other securities ranking senior to the Series G Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 22. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series G Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 23. Unissued or Reacquired Shares. Shares of Series G Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 24. No Sinking Fund. Shares of Series G Preferred Stock are not subject to the operation of a sinking fund.

Exhibit 4(d)

AMENDED AND RESTATED
AGENCY AGREEMENT

relating to

BANK OF AMERICA CORPORATION

U.S. $30,000,000,000

Euro Medium-Term Note Program

among

BANK OF AMERICA CORPORATION

and

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
as Issuing and Principal Paying Agent

DATED AS OF AUGUST 21, 2006

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THIS AMENDED AND RESTATED AGENCY AGREEMENT (this "Agreement") dated as of August 21, 2006 is made by and among:

(i) Bank of America Corporation, a Delaware corporation (the "Issuer"); and

(ii) JPMorgan Chase Bank, N.A., London Branch (the "Agent" and the "Issuing and Principal Paying Agent").

WHEREAS, the Issuer and the Agent wish to update the arrangements originally agreed among them pursuant to an Amended and Restated Agency Agreement dated August 4, 2005 (the "Original Agency Agreement");

WHEREAS, the Issuer proposes to issue up to U.S. $30,000,000,000 (or its equivalent in other currencies) in aggregate principal amount of Euro Medium-Term Notes (the "Notes") outstanding at any one time as provided in an Amended and Restated Program Agreement of even date among the Issuer, the Arranger and the Dealers named therein (the "Program Agreement") and as described in an Offering Circular of even date (the "Offering Circular");

WHEREAS, Notes will be issued in the denominations specified in the applicable Final Terms; and

WHEREAS, unless otherwise determined by the Issuer and specified in the applicable Final Terms, beneficial interests in each Tranche of Notes initially will be represented by a Temporary Global Note, exchangeable, as provided in such Temporary Global Note, for beneficial interests in a Permanent Global Note and, only under limited circumstances, beneficial interests in a Global Note may be exchangeable for Definitive Notes, in each case in accordance with the terms of the Global Notes.

NOW, THEREFORE, it is agreed as follows:

1. Definitions and Interpretation

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

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

"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;

"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;

"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;

"outstanding" means, in relation to the Notes, all the Notes issued other than (a) those which have been redeemed in accordance with the Terms and Conditions, (b) those in respect of which the redemption date in accordance with the Terms and Conditions has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest or other amounts payable under the Terms and Conditions after such date) have been duly paid to the Agent as provided in this Agreement and remain available for payment against presentation and surrender of Notes and/or Receipts and/or Coupons, as the case may be, (c) those which have become void under Condition 8, (d) those which have been purchased and canceled as provided in

Condition 5 (or as provided in the Global Notes), (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 10, (f) (for purposes only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 10, (g) any Temporary Global Note to the extent that it shall have been exchanged for a Permanent Global Note, 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 Noteholders and (ii) the determination of how many Notes are outstanding for the purposes of Schedule 7, those Notes 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 such paying agent or agents as may be appointed from time to time hereunder; and

(3) The term "Notes" as used in this Agreement shall include the Temporary Global Note and the Permanent Global Note, Definitive Notes and Coupons. The term "Global Note" as used in this Agreement shall include both the Temporary Global Note and the Permanent Global Note, each of which is a "Global Note." The term "Noteholders" as used in this Agreement shall mean the several persons who are for the time being the holders of the Notes, which expression, while the Notes are represented by a Global Note, shall mean (other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested as against the Issuer solely in the bearer of such Global Note in accordance with and subject to its terms) the persons for the time being shown in the records of (a) in the case of a Global Note issued in CGN form, a common depositary and (b) in the case of a Global Note issued in NGN form, a common safekeeper, in each case for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clear stream Banking, société anonyme ("Clearstream,Luxembourg") (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the Noteholders of particular principal amounts of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes standing to the credit of the account of any person shall be conclusive and binding for all purposes).

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

(5) All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by the Issuer under this Agreement shall have the meaning set out in Condition 4.

(6) All references in this Agreement to the "relevant currency" shall be construed as references to the currency in which the relevant Notes and/or Coupons are denominated (or payable in the case of 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 Notes and any Terms and 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 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 Notes.

2. Appointments of Agent, Paving Agents and Calculation Agents

(1) The Issuer hereby continues the appointment of JPMorgan Chase Bank, N.A., London Branch, as issuing and principal paying agent, and JPMorgan Chase Bank, N.A., London Branch, hereby acknowledges its continued acceptance of such appointment as issuing and principal paying 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 Notes and (if required) authenticating and delivering Definitive Notes;

(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, in accordance with the terms of such Temporary Global Notes and, in respect of such exchange, (i) making all notations on Global Notes which are CGNs 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 Notes for Definitive Notes in accordance with the terms of such Permanent Global Notes and, in respect of such exchange, (i) making all notations on Permanent Global Notes which are CGNs 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 Notes and Definitive Notes, 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;

(f) determining the end of the Restricted Period applicable to each Tranche;

(g) unless otherwise specified in the applicable Final Terms, determining the interest or other amounts payable in respect of the Notes in accordance with the Terms and Conditions;

(h) arranging on behalf of the Issuer for notices to be communicated to the Noteholders;

(i) 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 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 Notes to be issued under the Program;

(j) subject to the Procedures Memorandum, submitting to the appropriate stock exchange such number of copies of each Final Terms which relate to Notes which are to be listed on that stock exchange as it may reasonably require;

(k) receiving notice from Euroclear or Clearstream, Luxembourg relating to the certificates of non-United States beneficial ownership of the Notes; and

(l) performing all other obligations and duties imposed upon it by the Terms and Conditions, this Agreement or as may be agreed between the Issuer and the Agent in connection with a particular Series or Tranche of Notes.

(2) The Issuer, in its 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 Section 7 of the Terms and Conditions) on the Notes. 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 Notes, and such further powers and authority, acceptable to it, to act on behalf of the Issuer as the Issuer 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 Issuer as provided elsewhere herein.

(3) The Issuer will appoint an agent to make certain calculations with respect to the Notes (the "Calculation Agent") pursuant to the Terms and Conditions.

(4) 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 Issuer and the Agent may agree to vary this election. The Issuer 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.

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

3. Issue of Temporary Global Notes

(1) Subject to sub-clause (2), following receipt of a notification from the Issuer in respect of an issue of Notes (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 Note in accordance with such Confirmation by attaching a copy of the applicable Final Terms to a copy of the relevant master Temporary Global Note;

(b) to authenticate (or cause to be authenticated) such Temporary Global Note;

(c) to deliver the Temporary Global Note to the specified common depositary (if the Temporary Global Note is a CGN) 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, 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 Notes on a non-syndicated basis, to credit the notes represented by such Notes to the Agent's distribution account, and (B) in the case of an issue of Notes on a syndicated basis, to hold such Notes 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;

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

(e) 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 Notes, 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 Notes in accordance with Clause 3(l)(a); and

(b) master Permanent Global Notes, 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 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 or Definitive Notes and Determination of Restricted Period

(1) (a) The Agent shall determine the Exchange Date for each Temporary Global Note 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 or Definitive Notes, as the case may be, in accordance with the terms of the Temporary Global Note, 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 for an interest in a Permanent Global Note, the Agent is hereby authorized on behalf of the Issuer:

(i) for the first Tranche of any Series of Notes, to prepare and complete a Permanent Global Note in accordance with the terms of the Temporary Global Note applicable to such Tranche by attaching a copy of the applicable Final Terms to a copy of the relevant master Permanent Global Note;

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

(iii) for the first Tranche of any Series of Notes where the Permanent Global Note is a CGN, to deliver such Permanent Global Note to the common depositary which is holding the Temporary Global Note 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, in the case of a partial exchange, on entering details of such partial exchange of the Temporary Global Note in the relevant spaces in Schedule 2 of both the Temporary Global Note and the Permanent Global Note, and in either case against receipt from the common depositary of confirmation that such common depositary is holding the Permanent Global Note 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 if the Permanent Global Note is a CGN, to attach a copy of the applicable Final Terms to the Permanent Global Note 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 if 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 day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes 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 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 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 day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes 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 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 for an interest in a Permanent Global Note or upon any exchange of all or a part of an interest in a Global Note for Definitive Notes, the Agent shall (i) procure that the relevant Global Note shall, if it is a CGN, 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 Note 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 (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 Note shall in all respects be entitled to the same benefits under this Agreement as the holder of Definitive Notes, Receipts and Coupons authenticated and delivered under this Agreement, subject as set out in the Conditions. The Agent is authorised on behalf of the Issuer and instructed (a) in the case of any Global Note which is a CGN, to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented by it by the amount so exchanged and, if appropriate, to endorse the Permanent Global Note 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 Note recording the exchange and reduction or increase, (b) in the case of any Global Note which is a NGN, to instruct Euroclear and Clearstream 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 Note.

(4) Where the Agent delivers any authenticated Global Note to a common safekeeper for effectuation using electronic means, it is authorised 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 for an interest in a Permanent Global Note or any exchange of all or a part of an interest in a Global Note for Definitive Notes shall be made only outside the United States and its possessions.

5. Issue of Definitive Notes

(1) Unless otherwise provided in the applicable Final Terms, interests in a Global Note will be exchangeable for Definitive Notes with Coupons attached: (i) as to Permanent Global Notes in bearer form, on not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in the Global Note), (ii) if an Event of Default (as defined in the Terms and 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 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 Noteholders is available, or (iv) if the Issuer, after notice to the Agent, determines to issue Notes in Definitive form. Upon the occurrence of these events, the Agent shall deliver the relevant Definitive Note(s) in accordance with the terms of the relevant Global Note. For this purpose, the Agent is hereby authorized on behalf of the Issuer:

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

(b) to deliver such Definitive Note(s) to or to the order of Euroclear and/or Clearstream, Luxembourg in exchange for such Global Note.

The Agent shall notify the Issuer forthwith upon receipt of a request for issue of Definitive Note(s) in accordance with the provisions of a Global Note and this Agreement (and the aggregate principal amount of such Temporary Global Note or Permanent Global Note, 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 Notes 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 Notes, Permanent Global Notes and Definitive Notes that are delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that such Notes are issued only in accordance with the provisions of this Agreement and the relevant Global Note and Terms 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 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 Note 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 Notes 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 Notes, and the Issuer hereby warrants to the Agent that such Notes 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 Notes. Upon receipt of such replacement Notes the Agent shall cancel and destroy the Notes held by it which are signed by such person and shall provide to the Issuer a confirmation of destruction in respect thereof specifying the Notes 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 tested 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 Notes being issued, if on the relevant Issue Date, a Dealer does not pay the full purchase price due from it in respect of any Note (the "Defaulted Note") and, as a result, the Defaulted Note 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 Note 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 Note and, subsequently, shall notify the Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Note and to pay to the Issuer the amount so received.

7. Payments

(1) The Agent shall advise the Issuer, no later than 10 Business Days (as defined below) immediately 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. New York time on each date on which any payment in respect of any Notes 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.

(3) The Agent shall ensure that payments of both principal and interest in respect of any Temporary Global Note 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 the payment confirmation as provided in sub-clause (2) above, the Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due in respect of the Notes on behalf of the Issuer in the manner provided in the Terms and 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 Notes 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 Notes, 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 Notes 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 of Notes, Receipts or Coupons or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Notes 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 Notes properly made by such Paying Agent in accordance with this Agreement and the Terms and 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 Notes 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 Notes, that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Notes.

(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 Terms and Conditions as to subordination shall not apply to the Issuer's obligations under this sub-clause (8).

(9) While any Notes are represented by a Global Note or Global Notes, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Global Note or Global Notes, subject to, and in accordance with, the provisions of the Global Note or Global Notes. In the case of a CGN, the Paying Agent to which any Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Note to be annotated so as to evidence the amounts and dates of such payments of principal and/or interest 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 Note 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 Issuing and Principal Paying Agent, or any Paying Agent.

(11) If the amount of principal and/or interest 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 Note is presented for the purpose of making such payment shall, unless the Note is a NGN, make a record of such shortfall on the Note 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.

8. Determinations and Notifications in Respect of Notes and Interest Determination

(a) Determinations and Notifications

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

(2) The Agent or the Calculation Agent, as the case may be, shall not be responsible to the Issuer 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 Issuer, the other Paying Agents and (in respect of a Series of Notes 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 Terms and Conditions as soon as practicable after the determination thereof (and in any event no later than the tenth 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(1)) and of any subsequent amendment thereto pursuant to the Terms and 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 Terms and Conditions to be published as required in accordance with the Terms and 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 Issuer and the Paying Agents of such fact.

(6) Determinations with regard to Notes (including, without limitation, Indexed Notes and 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 Issuer and the relevant Dealer, such determinations shall be made on the basis of a Calculation Agency Agreement substantially in the form of Schedule 9 to this Agreement.

(7) For the purposes of monitoring the aggregate principal amount of Notes issued under the Program, the Agent shall determine the U.S. Dollar equivalent of the principal amount of each issue of Notes denominated in another currency, each issue of Dual Currency Notes, each Issue of Partly Paid Notes and each issue of Indexed Notes as follows:

(a) the U.S. Dollar equivalent of Notes denominated in a currency other than U.S. Dollars shall be determined as of the Agreement Date for such Notes 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 Dual Currency Notes and Indexed Notes (other than Indexed Redemption Amount Notes) shall be calculated as specified above by reference to the original nominal amount of such Notes;

(c) the U.S. Dollar equivalent of Zero Coupon Notes, other Notes issued at a discount or premium and Indexed Redemption Amount Notes shall be calculated as specified above by reference to the net proceeds received by the Issuer for the relevant issue; and

(d) 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.

(b) Interest Determination, Screen Rate Determination including Fallback Provisions

(1) Where screen rate determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined ("Screen Rate Determination"), the Rate of Interest for each Interest Period will be, subject as provided below, either:

(a) the offered quotation (if there is only one quotation on the relevant screen page (the "Relevant Screen Page")), whatever its designation; or

(b) 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 the Margin, if any (as indicated in the applicable Final Terms), 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.

(2) If the Relevant Screen Page is not available or if, in the case of sub-clause (b)(l)(a) above, no such offered quotation appears or, in the case of sub-clause (b)(l)(b) above, fewer than two such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall at its sole discretion request the principal London office of each of the Reference Banks (defined below) 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.

(3) 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).

(4) If the Reference Rate from time to time in respect of 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.

In this Clause 8(b), the expression "Reference Banks" means, in the case of sub-clause (b)(l)(a) 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 sub-clause (b)(l)(b) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

The expression "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 Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

9. Notice of any Withholding or Deduction

If the Issuer, in respect of any payment, is compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Terms and Conditions, the Issuer shall give 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. Duties of the Agent in Connection with Early Redemption

(1) Unless otherwise provided in the applicable Final Terms, if the Issuer decides to redeem any outstanding Notes (in whole or in part) for the time being outstanding prior to their Maturity Date or the Interest Payment Date falling in the Redemption Month (as the case may be) in accordance with the Terms and Conditions, the Issuer shall give 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 Noteholders in accordance with the Terms and Conditions in order to enable the Agent to undertake its obligations herein and in the Terms and Conditions.

(2) If only some of the Notes of like tenor and of the same.Scries are to be redeemed on such date, the Agent shall make the required drawing in accordance with the Terms and 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 Notes outstanding, the Issuing and Principal Paying Agent will select by lot the Notes to be redeemed from the outstanding Notes 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 Notes outstanding, the rights of Noteholders will be governed by the standard provisions of Euroclear and Clearstream, Luxembourg. Notice of any partial redemption and, when there are Definitive Notes outstanding, of the serial numbers of the Notes so drawn, will be given by the Agent to the Noteholders in accordance with the terms of the Notes 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 Notes previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers of the Notes to be redeemed. Such notice will be published in accordance with the Terms and Conditions. The Agent also will notify the other Paying Agents of any date fixed for redemption of any Notes.

(4) Immediately prior to the date on which any notice of redemption is to be given to the Noteholders, 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 Terms and Conditions.

(5) Each Paying Agent will keep a stock of notices (each, a "Put Notice") in the form set out in Schedule 8 and will make such notices available on demand to Noteholders of Notes for which the Terms and Conditions provide for redemption at the option of Noteholders. Upon receipt of any Note deposited in the exercise of such option in accordance with the Terms and 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 Noteholder (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, it shall present such Note (and any such Coupons, if any) to itself for payment of the amount due thereon together with any interest due on such date in accordance with the Terms and Conditions and shall pay such moneys in accordance with the directions of the Noteholder 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 Noteholder unless the Noteholder 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 as may have been given by the Noteholder 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.

11. Receipt and Publication of Notices; Receipt of Certificates

(1) Upon the receipt by the Agent of a demand or notice from any Noteholder in accordance with the Terms and Conditions, the Agent shall forward a copy thereof to the Issuer.

(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 Noteholders in accordance with the Terms and Conditions.

(3) The Agent shall have no responsibility to obtain the certificate of the Issuer delivered by the Issuer to the Agent pursuant to Condition 5 if such a certificate is required to be issued, nor shall the Agent have any responsibility to notify the Issuer that the Agent has not obtained such a certificate from the Issuer if such a certificate is required to be issued.

12. Cancellation of Notes, Receipts, Coupons and Talons

(1) All Notes which are redeemed, 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, the Issuer shall notify the Agent in writing of all Notes which are purchased by or on behalf of the Issuer or any of its subsidiaries and all such Notes surrendered to the Agent for cancellation, together (in the case of Notes in Definitive form) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, shall be canceled by the Agent.

(2) The Issuer shall have the right to request that the Agent provide, without limitation, the following information:

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

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

(c) the aggregate amount paid in respect of interest on the Notes;

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

(e) in the case of Definitive Notes, if any, the serial numbers of such Notes, 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 Notes, Receipts, Coupons and Talons.

(4) The Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons (other than serial numbers of Coupons, except those which have been replaced pursuant to Condition 10) and of all replacement Notes, Receipts, Coupons or Talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes, 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 Notes, Receipts, Coupons and Talons of each Series.

(6) The Agent is authorised by the Issuer and instructed to (a) in the case of any Global Note which is a CGN, to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented by it by the amount so redeemed 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.

13. Issue of Replacement Notes, Receipts, Coupons and Talons

(1) The Issuer will cause a sufficient quantity of additional forms of Notes, Receipts, Coupons and Talons to be available, upon request to the Agent in London (in such capacity, the "Replacement Agent") at its specified office for the purpose of issuing replacement Notes, Receipts, Coupons and Talons as provided below.

(2) The Replacement Agent will, subject to, and in accordance with, the Terms and 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 Notes, Receipts, Coupons and Talons which the Issuer may determine to issue in place of Notes, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.

(3) In the case of a mutilated or defaced Note, the Replacement Agent shall ensure that (unless otherwise covered by such indemnity as the Issuer may reasonably require) any replacement Note will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.

(4) The Replacement Agent shall not issue any replacement Note, 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 Issuer may reasonably require; and

(c) in the case of any mutilated or defaced Note, Receipt, Coupon or Talon, surrendered it to the Replacement Agent.

(5) The Replacement Agent shall cancel any mutilated or defaced Notes, Receipts, Coupons and Talons in respect of which replacement Notes, 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 Notes, Receipts, Coupons and Talons so canceled and, unless otherwise instructed by the Issuer in writing, shall destroy such canceled Notes, Receipts, Coupons and Talons and furnish the Issuer with a destruction certificate stating the serial number of the Notes (in the case of Definitive Notes) and the number by maturity date of Receipts, Coupons and Talons so destroyed.

(6) The Replacement Agent, on issuing any replacement Note, Receipt, Coupon or Talon, forthwith shall inform the Issuer, the Agent and the other Paying Agents of the serial number of such replacement Note, Receipt, Coupon or Talon issued and (if known) of the serial number of the Note, Receipt, Coupon or Talon in place of which such replacement Note, 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 Notes, 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 Note, Receipt, Coupon or Talon for which a replacement Note, 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 Issuer;

(2) the latest available audited consolidated financial statements of the Issuer and its consolidated subsidiaries, beginning with such financial statements for the fiscal year ended December 31, 2005;

(3) the Program Agreement and this Agreement;

(4) the Offering Circular; and

(5) any future offering circulars, information memoranda and supplements (except that the Final Terms relating to any unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to ownership) to the Offering Circular and any other documents incorporated therein by reference and in the case of a syndicated issue of listed Notes, the syndication agreement (or equivalent document).

For this purpose, the Issuer shall furnish the Agent and the Paying Agents with sufficient copies of each of such documents.

15. Meetings of Noteholders

(1) The provisions of Schedule 7 hereto shall apply to meetings of the Noteholders 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 Noteholder shall issue voting certificates and block voting instructions in accordance with Schedule 7

and shall forthwith give notice to the Issuer 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 in respect of any Notes pursuant to the relevant Terms and 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 Issuer 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 Issuer for any interest thereon.

(2) In acting hereunder and in connection with the Notes, 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 of the Notes, Receipts, Coupons or Talons.

(3) The Agent and the Paying Agents hereby undertake to the Issuer to perform such obligations and duties, and shall be obliged to perform such duties and only such duties as are herein, in the Terms and Conditions and in the Procedures Memorandum specifically set forth and no implied duties or obligations shall be read into this Agreement or the Notes 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 the Issuer 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.

(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 Notes, 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 Issuer and may act on, or as depositary, safekeeper, trustee or agent for, any committee or body of Noteholders or Couponholders or in connection with any other obligations of the Issuer as freely as if the Agent or the relevant Paying Agent, as the case may be, were not appointed hereunder.

(7) The Issuer 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 Issuer'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 the Issuer and the Noteholders, 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 Issuer agrees that, for so long as any Note is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Notes have been made available to the Agent or have been returned to the Issuer as provided herein:

(a) so long as any 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 continental Europe; and

(c) there will at all times be an Agent.

In addition, the Issuer shall appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(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 days' prior notice thereof shall have been given to the Noteholders in accordance with the Terms and Conditions.

(2) The Agent may (subject as provided in sub-clause (4)) at any time resign as Agent by giving at least 90 days' written notice to the Issuer 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 Issuer unless the Issuer agrees to accept less notice.

(3) The Agent may (subject as provided in sub-clause (4)) be removed at any time on at least 45 days' notice by the filing with it of an instrument in writing signed on behalf of the Issuer, 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 Issuer 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 Issuer agrees with the Agent that if, by the day falling ten days before the expiration of any notice under sub-clause (2), the Issuer has not appointed a successor Agent, then the Agent shall be entitled, on behalf of the Issuer, 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 Issuer 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 (1):

(a) the Issuer 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 Issuer may in respect of the Program, or in respect of any Series of Notes, 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 45 days' notice in writing to that effect.

(7) Subject to sub-clause (1), all or any of the Paying Agents may resign their respective appointments hereunder at any time by giving the Issuer and the Agent at least 45 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 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 Issuer, 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 Issuer 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 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Terms and Conditions.

22. Change of Specified Office

If the Agent or any Paying Agent determines to change its specified office, it shall give to the Issuer 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 days thereafter. The Agent (on behalf and at the expense of the Issuer) shall within 15 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 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Terms and 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, postage prepaid, addressed to any party hereto as follows:

	Address
The Issuer:	Bank of America Corporation Bank of America Corporate Center NCI-007-07-06 100 North Tryon Street Charlotte, North Carolina 28255-0065 U.S.A. Attn: Corporate Treasury – Securities Administration Facsimile: (704) 386-0270 E-mail: securities.administration@bankofamerica.com with a copy to: Bank of America Corporation Legal Department NCI-002-29-01 101 South Tryon Street Charlotte, North Carolina 28255 U.S.A. Attn: General Counsel Facsimile: (704) 386-1670
The Agent:	JPMorgan Chase Bank, N.A., London Branch Trinity Tower 9 Thomas More Street London E1W1YT United Kingdom Attn: Manager, Worldwide Securities Services Facsimile: 44-1202-34-7945

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 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 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 Issuer 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) 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.

27. Reporting

(1) The Agent shall upon receipt of a written request therefor from the Issuer and after the payment of any further remuneration agreed between the Issuer and the Agent (on behalf of the Issuer 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 Notes or (ii) any other relevant governmental regulatory authority in respect of the issue and purchase of Notes 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 Yen Notes or other currency in which Notes are denominated 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 Notes, 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 Issuer 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, any Note, Receipt, Coupon or Talon, as the case may be (together, the "Proceedings"). The Issuer 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 Issuer and the Agent each agree that final judgment in the Proceedings brought in such a court shall be conclusive and binding upon the Issuer or the Agent, as the case may be, and may be enforced in any court of the jurisdiction to which the Issuer or the Agent is subject by a suit upon such judgment, provided that the service of process is effected upon the Issuer and the Agent in the manner specified in subsection (3) below or as otherwise permitted by law.

(3) As long as any of the Notes, Receipts, Coupons or Talons remains outstanding, the Issuer 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 at its offices or upon such agent with written notice of such service mailed or delivered to the Issuer shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon the Issuer in the Proceedings. The Issuer hereby continues the appointment of 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 the Issuer 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 Noteholders, Receiptholders or Couponholders, the Agent and the Issuer may agree to modifications of or amendments to this Agreement, the Notes, 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 in this Agreement, the Notes, Receipts or Coupons;

(B) to add to the covenants of the Issuer for the benefit of the Noteholders, the Receiptholders or the Couponholders, or to surrender any right or power herein conferred upon the Issuer;

(C) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes, Receipts or Coupons in the United States and its possessions, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders, 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 or this Agreement, provided such action pursuant to this sub-clause (E) shall not adversely affect the interests of the Noteholders, 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 Noteholders, the Receiptholders and the Couponholders and any such modification or amendment shall be notified to the Noteholders, the Receiptholders or the Couponholders in accordance with Condition 13 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.

BANK OF AMERICA CORPORATION
as Issuer

By /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
as Agent and Principal Paying Agent

By _____
Name: Title:

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.

BANK OF AMERICA CORPORATION
as Issuer

By _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
as Agent and Principal Paying Agent

By /s/ Dean Kennedy
Name: DEAN KENNEDY
Title:
AUTHORISED SIGNATORY

Schedule 1 to
Amended and Restated 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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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 AMENDED AND RESTATED 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 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.]

BANK OF AMERICA CORPORATION

EURO MEDIUM-TERM 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 Euro Medium-Term Notes (the "Notes") of Bank of America Corporation (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 Terms and Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 4 to the Amended and Restated 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 Terms and 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 Terms and Conditions and an Amended and Restated Agency Agreement (the "Amended and Restated 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 August 21, 2006 and made among Bank of America Corporation, JPMorgan Chase Bank, N.A., London Branch (the "Agent"), and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the Terms and 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 or, as the case may be, on the Interest Payment Date, or on such earlier date as any of the Notes represented by this Global Note may become due and payable in accordance with the Terms and Conditions, the amount payable on redemption of such Notes then represented by this Global Note becoming so due and payable, and to pay interest (if any) on the Notes from time to tune represented by this Global Note calculated and payable as provided in the Terms and Conditions together with any other sums payable under the Terms and Conditions, upon presentation 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 Terms and 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.

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., as operator of the Euroclear system ("Euroclear") and Clearstream Banking, societe 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 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 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 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 Schedule 2 hereto recording any such redemption, payment 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 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 or by the amount of such installment so paid.

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 5 to the Amended and Restated 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 6 to the Amended and Restated Agency Agreement. Payments 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 Part II of Schedule 2 to the Amended and Restated 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 Parts III, IV, V and VI respectively of Schedule 2 to the Amended and Restated 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 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 5 to the Amended and Restated 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 6 to the Amended and Restated 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 Schedule 2 hereto and 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 Parts III, Part IV, Part V and Part VI, respectively, of Schedule 3 to the Amended and Restated Agency Agreement.

Notwithstanding any provision to the contrary contained in this Temporary Global Note, the Issuer irrevocably agrees, for the benefit of such Noteholders and their successors and assigns, that each Noteholder 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 Noteholder'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 Amended and Restated 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 Amended and Restated 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.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Temporary Global Note is authenticated by or on behalf of the Agent.

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
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 Note[2]

PART I

INTEREST PAYMENTS

Interest Payment Date	Date of Payment	Total Amount of Interest Payable	Amount of Interest Paid	Confirmation of payment by or on behalf of the Issuer
*First				

[2] Schedule 1 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note.
* Continue numbering until the appropriate number of interest payment dates for the particular Tranche of Notes is reached.

PART II

INSTALLMENT PAYMENTS

Installment Date	Date of Payment	Total of Installment Amounts Payable	Amount of Installment Amounts Paid	Remaining principal amount of this Global Note following such payment[3]	Confirmation of payment by or on behalf of the Issuer
*First					

3 See most recent entry in Part II, III or IV of Schedule 1 or Schedule 2 in order to determine this amount.

* Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART III

REDEMPTIONS

Date of Redemption	Total principal amount of this Global Note to be redeemed	Principal amount redeemed	Remaining principal amount of this Global Note following such redemption[4]	Confirmation of redemption by or on behalf of the Issuer

4 See most recent entry in Part II, III, IV of Schedule 1 or Schedule 2 in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

Date of purchase and cancellation	Part of principal amount of this Global Note purchased and canceled	Remaining principal amount of this Global Note following such purchase and cancellation[5]	Confirmation of purchase and cancellation by or on behalf of the Issuer

5 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
Temporary Global Note[6]

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[7]	Notation made by or on behalf of the Issuer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

6 Schedule 2 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note.
7 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
Amended and Restated Agency Agreement

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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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.]

BANK OF AMERICA CORPORATION

EURO MEDIUM-TERM 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 Euro Medium-Term Notes (the "Notes") of Bank of America Corporation (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 Terms and Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 4 to the Amended and Restated 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 Terms and 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 Terms and Conditions and an Amended and Restated Agency Agreement (the "Amended and Restated 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 August 21, 2006 and made among Bank of America Corporation, JPMorgan Chase Bank, N.A., London Branch (the "Agent"), and the other agents named therein.

For value received the Issuer, subject to and in accordance with the Terms and 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 or, as the case may be, on the Interest Payment Date, or on such earlier date as any of the Notes represented by this Global Note may become due and payable in accordance with the Terms and Conditions, the amount payable on redemption of such Notes then represented by this Global Note becoming so due and payable, and to pay interest (if any) on the Notes from time to time represented by this Global Note calculated and payable as provided in the Terms and Conditions together with any other sums payable under the Terms and Conditions, upon presentation 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 Terms and 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.

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., as operator of the Euroclear system (“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 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 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 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 Schedule 2 hereto recording any such redemption, payment 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 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 or by the amount of such installment so paid.

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 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 in whole, but not in part (free of charge), for security-printed Definitive Notes, in the circumstances provided for in the Terms and Conditions, and (if applicable) Coupons, Receipts and/or Talons in the form set out in Part III, Part IV, Part V and Part VI, respectively, of Schedule 2 to the Amended and Restated 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 40 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 Schedule 2 hereto (if the applicable Final Terms indicate that this Global Note is not intended to be a New Global Note), provided that, subject as aforesaid, the first notice given to the Agent by Euroclear and Clearstream, Luxembourg shall give rise to the issue of Definitive Notes in exchange for the total amount of the Notes represented by this 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 Part III, Part IV, Part V and Part VI, respectively, or Schedule 2 to the Amended and Restated Agency Agreement (on the basis that all appropriate, details have been included on the fact 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 bis 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 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 Amended and Restated 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.

BANK OF AMERICA CORPORATION

By. _____
Duly authorized officer

[CERTIFICATE OF AUTHENTICATION OF THE AGENT]

This Permanent Global Note is authenticated by or on behalf of the Agent.

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
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 Note[2]

PART I

INTEREST PAYMENTS

Interest Payment Date	Date of Payment	Total Amount of Interest Payable	Amount of Interest Paid	Confirmation of payment by or on behalf of the Issuer
*First				

[2] Schedule 1 should only be completed where the applicable Final Terms indicates that this Global Note is intended to be a Classic Global Note.
* Continue numbering until the appropriate number of interest payment dates for the particular Tranche of Notes is reached.

PART II

INSTALLMENT PAYMENTS

Installment Date	Date of Payment	Total of Installment Amounts Payable	Amount of Installment Amounts Paid	Remaining principal amount of this Global Note following such payments[3]	Confirmation of payment by or on behalf of the Issuer
*First					

3 See most recent entry in Part II, III or IV of Schedule 1 or Schedule 2 in order to determine this amount.

* Continue numbering until the appropriate number of installment payment dates for the particular Tranche of Notes is reached.

PART III

REDEMPTIONS

Date of Redemption	Total principal amount of this Global Note to be redeemed	Principal amount redeemed	Remaining principal amount of this Global Note following such redemption[4]	Confirmation of redemption by or on behalf of the Issuer

4 See most recent entry in Part II, III, IV of Schedule 1 or Schedule 2 in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

Date of purchase and cancellation	Part of principal amount of this Global Note purchased and canceled	Remaining principal amount of this Global Note following such purchase and cancellation[5]	Confirmation of purchase and cancellation by or on behalf of the Issuer

5 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 Note[6]

SCHEDULE OF EXCHANGES

The following exchanges of a part of this Global Note for Definitive Notes 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[7]	Notation made by or on behalf of the Issuer

6 Schedule 2 should only be completed where the applicable Final Terms indicates that this Global note is intended to be a Classic Global Note.
7 If this Global Note has a maturity of one year from the Issue Date, the amount must be at least GBP £100,000 (or its equivalent in any other currency or currencies).

Schedule 3 to
Amended and Restated Agency Agreement

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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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 AMENDED AND RESTATED 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]

1 [This language is applicable only to Notes with maturities of 183 days or less from the date of original issue.]

BANK OF AMERICA CORPORATION

[Specified Currency and Principal Amount of Tranche]
EURO MEDIUM-TERM 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 Euro Medium-Term Notes (the "Notes") of Bank of America Corporation (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 Terms and Conditions shall be to the Terms and Conditions of the Notes 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 Terms and 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 Terms and Conditions and an Amended and Restated Agency Agreement (the "Amended and Restated 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 August 21, 2006 and made among Bank of America Corporation, JPMorgan Chase Bank, N.A., London Branch (the "Agent"), and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the Terms and Conditions, promises to pay to the bearer hereof on each Installment Date the amount payable on such Installment Date (if this Note is an Installment Note) and on the Maturity Date or, as the case may be, on the Interest Payment Date, or on such earlier date as this Note may become due and repayable in accordance with the Terms and Conditions, the amount payable on redemption of this Note, and to pay interest (if any) on this Note calculated and payable as provided in the Terms and Conditions together with any other sums payable under the Terms and Conditions.

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 Amended and Restated Agency Agreement.

IN WITNESS WHEREOF the Issuer has caused this Note to be duly signed on its behalf.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

CERTIFICATE OF AUTHENTICATION OF THE AGENT

This Note is authenticated by or on behalf of the Agent.

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
as Agent

By: _____
Authorized Signatory
For the purposes of authentication only.

(REVERSE OF NOTE)

The Terms and Conditions of the Notes, attached to or endorsed upon this Note, are set forth in Schedule 4 of the Amended and Restated Agency Agreement dated as of August 21, 2006 by and among Bank of America Corporation, JPMorgan Chase Bank, N.A., London Branch (the "Agent") and the other agents named therein.

PART IV
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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS COUPON IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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.

BANK OF AMERICA CORPORATION

[Specified Currency and Principal Amount of Tranche]
EURO MEDIUM-TERM NOTES DUE [Year of Maturity]

Series No. [ ]

COMMON CODE: ISIN:

Part A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes.

Coupon No. _____
Coupon for
[ ]
due on
[ ], 20[ ]]

Part B

[For Floating Rate Notes:-

Coupon No. _____

Coupon for the amount due in accordance with the Terms and Conditions on the said Notes on the Interest Payment Date falling in [20[ ]]

Coupon due in [ ], [20[ ]]

This Coupon is payable to bearer, separately negotiable and subject to such Terms and 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).][2]

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

[2] [Appears only on Coupons relating to Notes with maturities of 183 days or less from the date of original issue.]

(Reverse of Coupon)

AGENT

JPMorgan Chase Bank, N.A., London Branch
Trinity Tower
9 Thomas More Street
London E1W 1YT
United Kingdom

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 Noteholders.

(On the front)

PART V

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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS RECEIPT IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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).][3]

[3] [Appears only on Receipts relating to Notes with maturities of 183 days or less from the date or original issue.]

BANK OF AMERICA CORPORATION

[Specified Currency and Principal Amount of Tranche]

EURO MEDIUM-TERM 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 endorsed on the Note to which this Receipt appertains (the "Conditions") on [ ].

This Receipt is issued subject to and in accordance with the Terms and 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 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 Noteholders).

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.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

PART VI

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 REGULATION S UNDER THE SECURITIES ACT, UNLESS THIS TALON IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

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).][4]

[4] [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]
EURO MEDIUM-TERM NOTES DUE [Year of Maturity]

Series No. [ ]

COMMON CODE: ISIN:

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 Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Notes to which this Talon appertains.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

(Reverse of Receipt and Talon)

AGENT

JPMorgan Chase Bank, N.A., London Branch
Trinity Tower
9 Thomas More Street
London E1W 1YT
United Kingdom

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 Noteholders.

Schedule 4 to
Amended and Restated Agency Agreement

TERMS AND CONDITIONS OF THE NOTES

This Note is one of a series of Notes issued by Bank of America Corporation (the **"Issuer"),** pursuant to the Amended and Restated Agency Agreement dated as of August 21, 2006 (the "**Agency Agreement"),** by and among the Issuer, JPMorgan Chase Bank, N.A., London Branch, as issuing and principal paying agent (the **"Agent"** and **"Issuing and Principal Paying Agent**"), which term shall include any successor agent, and the other paying agents named therein (together with the Issuing and Principal Paying 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 (as defined below) 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 (as defined below), and the Coupons (as defined below) have the benefit of the Agency Agreement. Each Note will be the obligation of the Issuer only and will not be an obligation of, or guaranteed by, any subsidiaries or affiliates of the Issuer.

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, free of charge to Noteholders, 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 only 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 **"Noteholders"** 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 (1) as to Permanent Global Notes in bearer form, on not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in the Global Note), (2) if an Event of Default (as defined herein) occurs and is continuing, (3) if the Issuer is notified that either Euroclear Bank S.A./N.V., as operator of the Euroclear System **("Euroclear")** or Clearstream Banking, société anonyme **("Clearstream, Luxembourg")** has been closed for business for a continuous period of 14 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 Noteholders 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 a part of an interest in a Global Note for Definitive Notes shall be made only outside the United States and its possessions.

Subject to applicable laws and regulations, the Issuer may agree to issue Notes in registered form to non-United States persons (**"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 Amended and Restated Program. Agreement, dated as of August 21, 2006 among the Issuer and the Dealers named or to be appointed thereunder (the **"Program Agreement"),** and the Final Terms applicable to the Notes are available for inspection without charge at the specified offices of each of the Issuing and Principal Paying Agent, except that the applicable Final Terms relating to an unlisted Note only will be available for inspection by a Noteholder upon proof satisfactory to the relevant Paying Agent as to ownership of the Note. Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the office of the Issuing and Principal Paying Agent. The Noteholders, 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 and the applicable Final Terms, which are binding on them.

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 on a non-interest bearing basis (a **"Zero Coupon 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, 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 (an **"Indexed Redemption Amount Note"**), premium, if any, interest (an **"Interest Indexed Note"**) or any other amounts payable is determined by reference, either directly or

indirectly, to the price or performance of one or more securities, debt obligations, currencies or composite currencies, commodities, interest rates, stock indices, or other indices or formulae, in each case as specified in the applicable Final Terms (each, an "**Indexed Note**"). The appropriate provisions of these Terms and Conditions will apply accordingly.

With respect to credit-linked Indexed Notes, unless otherwise specified in the applicable Final Terms, the definitions and provisions in the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), and as amended, updated, or replaced as at the Issue Date of the first Tranche of the Notes of the relevant Series, are incorporated into these Terms and Conditions. A "**credit-linked Indexed Note**" is a Note for which principal, premium, if any, interest, or any other amounts payable may be based on the change in value of one or more debt obligations, a spread on indices of similar debt obligations, a swap or embedded swap with payments on one side mirroring a basket of debt obligations, or any other similar reference asset or basket of debt obligations, if one or more of certain events relating to the creditworthiness of the issuer or issuers (which do not include the Issuer) of such debt obligations occurs before the scheduled Maturity Date.

This Note is either a Senior Note (as defined herein) or a Subordinated Note (as defined herein), as specified in the applicable Final Terms.

Definitive Notes will be issued with Coupons attached, unless they are Zero Coupon Notes, 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 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 Issuing and Principal Paying 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 the Notes, the bearer of the relevant Global Note shall be treated by the Issuer, the Issuing and Principal Paying 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 "**Noteholder**" 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.

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. The minimum denomination of each Note admitted to trading on a European Economic Area exchange and/or offered to the public within the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (Directive 2003/71/EC) will be €1,000 (or the equivalent amount in another currency).

Unless permitted by then current laws and regulations, any Notes (including Notes denominated in Sterling) for which the proceeds are to be accepted by the Issuer in the United Kingdom and which have a maturity of less than one year from their date of issue, shall (1) be issued to a limited class of professional investors, (2) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (3) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or an equivalent amount in other currencies).

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 (as defined below) 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**" is defined as any indebtedness for money borrowed (including all indebtedness of the Issuer for borrowed and purchased money of the Issuer, all obligations arising from off-balance sheet guarantees by the Issuer and direct credit substitutes and obligations of the Issuer 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 the Issuer 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 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 the Issuer.

(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 Subordinated Notes.

The Issuer shall not make any payment on account of principal of, premium, if any, interest, or any other amounts payable on 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% 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 will be paid 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. **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 arrears 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 Condition 4(c)), then payment on a Fixed-Rate Note shall be paid as provided in Condition 4(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 (as defined below) ending on (but excluding) such date will be the Fixed Coupon Amount as specified irrespective of any calculation based on the Rates of Interest (as defined in Condition 3(g)) and any applicable Fixed Day Count Fraction (as defined below) (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 to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Fixed Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

(i) if **"Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) for Notes where the Accrual Period (as defined below) is equal to or shorter than the Determination Period (as defined below) 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

(3) 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

(i) *Interest Payment Dates*

Each Floating-Rate Note 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 arrears 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 Notes of the relevant Series.

(ii) *Rate of Interest*

The Rate of Interest payable on the Floating-Rate Notes and the Interest Indexed 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 Issuing and Principal Paying 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 Issuing and Principal Paying 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 (as defined herein) 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.

"**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 LTBOR or Euribor, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *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 (as defined herein) or Maximum Interest Rate (as defined herein)) and calculate the amount of interest (the **"Interest Amount")** payable on the Floating-Rate Notes or the Interest Indexed 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 (as defined herein) and rounding the resulting figure to the nearest U.S. Cent (or its approximate equivalent in the relevant Specified Currency), with $.005 (or its approximate equivalent in the relevant Specified Currency) being rounded upwards. 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.

(iv) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will notify the Issuer and any stock exchange on which the Floating-Rate Notes or the Interest Indexed 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 determined or calculated by it in accordance with the applicable Final Terms. The Calculation Agent also shall publish such notice in accordance with Condition 13 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 or Indexed 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 or Indexed Notes are listed will be notified promptly of any amendment in accordance with Condition 13. 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.

(v) *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 Calculation Agent, the other Paying Agents, and all Noteholders, Receiptholders and Couponholders and (in the absence of the aforesaid) the Calculation Agent shall not be liable to the Issuer, the Noteholders, the Receiptholders, or the Couponholders in connection with the exercise by it of its powers, duties, and discretions pursuant to such provisions.

(c) Indexed Notes and Dual Currency Notes

For Indexed Notes or Dual Currency Notes, for which the rate or amount of interest or any other amounts payable is to be determined by reference to the price or performance, either directly or indirectly, of one or more securities, debt obligations, currencies or composite currencies, commodities, interest rates, stock indices, or other indices or formulae, or an exchange rate, the rate or amount of interest on any other amounts payable shall be determined in the manner specified in the applicable Final Terms and payment shall be made in accordance with Condition 4.

(d) 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 Condition 5(f) of such Note as determined in accordance with Condition 5(f)(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.

(e) Partly Paid Notes

For Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up principal amount of such Notes and otherwise as specified in the applicable Final Terms.

(f) 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 Issuing and Principal Paying Agent has received the full amount of the monies payable and notice to that effect has been given in accordance with Condition 13 or individually.

(g) 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 Condition 3 or as specified in the applicable Final Terms.

(h) Limitations on Interest

The applicable Final Terms may specify a minimum rate at which the Notes bear interest (a "**Minimum Interest Rate**"). If the Rate of Interest determined in accordance with the provisions of this Condition 3 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 Condition 3 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 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.

4. **Payments**

(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 Issuing and Principal Paying 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 Issuing and Principal Paying 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, but without prejudice to the provisions of Condition 7.

(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 me 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 or Indexed Redemption Amount 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 Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed-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 Fixed-Rate Note.

Upon the date on which any Floating-Rate Note, Dual Currency Note, or Indexed 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 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) 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 in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note for each amount so paid. 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 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 on 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, adverse tax consequences for the Issuer.

(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 Condition 3(b)(i)).

This Condition 4(c) is applicable, if at all, to Floating-Rate Notes only after the applicable business day convention, as specified in Condition 3(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 Condition 7) which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount (as defined in Condition 5(a)) of the Notes;

(iii) the redemption amount (the "**Early Redemption Amount**") of the Notes payable on redemption for 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, Condition 5(f);

(iv) each redemption amount (the **"Optional Redemption Amount")**, if any, of the Notes;

(v) for Installment Notes, the amount (expressed as a percentage of the principal amount of each Note) of such installment (each, an**"Installment Amount");**

(vi) for Amortizing Notes, the amount of unpaid principal;

(vii) for Zero Coupon Notes, the Amortized Face Amount;

(viii) for Indexed Notes, the current indexed redemption amount; and

(ix) 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 Condition 7.

(e) Imposition of Exchange Controls

If the Issuer, 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.

5. **Redemption and Purchase**

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, the Issuer will redeem each Note at an amount (the **"Final Redemption Amount**") specified in, or determined in the manner specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating-Rate Notes) or on any Interest Payment Date (in the case of Floating-Rate Notes), on giving not less than 30 nor more than 60 calendar days' notice (which notice shall be irrevocable) to the Issuing and Principal Paying Agent and to the Noteholders, in accordance with Condition 13, if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obligated to pay Additional Amounts as discussed in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) the Issuer cannot avoid such obligation by taking reasonable measures available to it;

provided that, no such redemption notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due. Prior to the publication of any redemption notice pursuant to this Condition 5(b), the Issuer shall deliver a certificate to the Issuing and Principal Paying Agent signed by the Chief Financial Officer or a Senior Vice President of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent, if any, to the redemption have occurred.

Notes redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in paragraph (g) below together (if appropriate) with interest accrued to (but excluding) the redemption date.

(c) Special Tax Redemption

If the Issuer determines that any payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Note (other than in respect of a Registered Note) or Coupon, 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, 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 (as defined herein) (other than a

requirement (1) that would not be applicable to a payment by the Issuer or any one of its 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 (l)(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), the Issuer shall at its option either:

(i) redeem the Notes in whole, but not in part, at any time (in the case of Notes other than Floating-Rate Notes) or on any Interest Payment Date (in the case of Floating-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 (c), 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 Issuing and Principal Paying Agent at least 45 calendar days before the redemption date. Notice of such redemption of the Notes will be given to the Noteholders not more than 60 nor less than 30 calendar days prior to the redemption date by publication in accordance with Condition 13. Notwithstanding the foregoing, the Issuer shall not redeem the Notes if the Issuer shall subsequently determine not less than 30 calendar days prior to the redemption date, 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 shall give prompt notice of its subsequent determination by publication in accordance with 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 may elect to pay as additional interest such 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 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, 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 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 Notes other than Floating-Rate Notes) or on any Interest Payment Date (in the case of Floating-Rate Notes), subject to the provisions of the last two sentences of the immediately preceding paragraph. If the Issuer 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 purposes of this paragraph (c), the terms **"Additional Amounts"** and **"United States Alien"** have the meanings given in Condition 7.

(d) Call Option-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 Condition 13 to the Noteholders (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 Issuing and Principal Paying 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 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 Noteholders in accordance with Condition 13 at least 10 calendar days prior (or any other period as is specified in the applicable Final Terms) to the Selection Date.

(e) Put Option-Redemption at the Option of the Noteholders (Investor Put Option)

If the applicable Final Terms specify that the Noteholders have an option to redeem the Notes, upon the Noteholder giving the Issuer, in accordance with 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 Noteholder must deliver such Notes at the specified office of any Paying Agent outside the United States during normal business hours of such Paying Agent failing 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 Condition 5(e).

(f) Early Redemption Amounts

For purposes of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) for Notes with a Final Redemption Amount equal to 100.00% of the principal amount, at the Final Redemption Amount thereof; or

(ii) for Notes (other than Zero Coupon Notes, but including Amortizing Notes, Indexed Notes, Installment Notes, and Partly Paid Notes) with a Final Redemption Amount different from the nominal amount or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or

(iii) for Zero Coupon Notes, at an amount (the **"Amortized Face Amount")** equal to:

(A) the sum of (1) the Reference Price specified in the applicable Final Terms multiplied by the face amount of the Note (the **"Reference Price Amount")** and (2) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price Amount from (and including) the Issue Date to (but excluding) the date fixed for redemption or the date upon which such Note becomes due and repayable (as the case may be); or

(B) if the amount payable with respect to any Zero Coupon Note upon redemption pursuant to Condition 5(b), (c), (d), or (e) above or upon its becoming due and repayable as provided in Condition 9 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 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 which is not a whole number of years, 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 or such other calculation basis as may be specified in the applicable Final Terms.

(g) 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 (f) 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.

(h) 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 Condition 5 and the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (f) above.

(i) Indexed Notes

If the Notes are Indexed Notes, they will be redeemed, whether at maturity, early redemption, or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(j) Repurchases

The Issuer and 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.

(k) 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 (j) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Issuing and Principal Paying Agent and cannot be reissued or resold.

6. **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 Noteholders, Receiptholders, or Couponholders, on giving at least 30 calendar days' prior notice to Noteholders, Receiptholders, Couponholders, the Issuing and Principal Paying Agent, Euroclear, and Clearstream, Luxembourg in accordance with 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 Condition 6 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 the Conditions:

(i) 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 Noteholders, any stock exchange on which the Notes may be listed, and any Paying Agent of such deemed amendment;

(ii) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €50,000, and such other denominations as the Issuing and Principal Paying Agent determines and gives notice of to the Noteholders;

(iii) 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 Issuing and Principal Paying Agent may specify and shall be stated to Noteholders in the Exchange Notice;

(iv) 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;

(v) 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

(vi) 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, after consultation with the Issuing and Principal Paying 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 Noteholders have been given notice in accordance with Condition 13.

The circumstances and consequences described in this Condition 6 and any resulting amendment to the Terms and Conditions of the Notes will not entitle any Noteholder (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.

7. **Taxation**

The Issuer will pay a United States Alien such additional amounts of interest**("Additional Amounts")** as may be necessary so that every net payment of the principal of and interest on any Note or any Coupon appertaining thereto, after deduction or withholding for or on account of any present or future tax, assessment, or other governmental charge imposed upon such holder by the United States or any political subdivision or taxing authority thereof or therein (other than any territory or possession) upon or as a result of such payment, will not be less than the amount provided for in such Note and the Coupons appertaining thereto; provided, however, that the foregoing obligation to pay Additional Amounts shall not apply to:

(a) any tax, assessment, or other governmental charge which would not have been so imposed but for:

  (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member, or stockholder of, or a person holding a power over, such holder, if such holder is an estate, trust, partnership, or corporation) and the United States or any of its possessions, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, stockholder, or person holding a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein or having or having had a qualified business unit which has the U.S. Dollar as its functional currency;

  (ii) such holder's present or former status as a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax-exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax; or

  (iii) such holder's status as a bank extending credit pursuant to a loan agreement entered into in the ordinary course of business;

(b) any tax, assessment, or governmental charge that would not have been so imposed but for the failure of the holder to comply with certification, identification, or information reporting requirements under United States income tax laws, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity, or connection with the United States or any of its possessions of the holder or a beneficial owner of such Note or Coupon, if such compliance is required by United States income tax laws, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment, or governmental charge;

(c) any tax, assessment, or governmental charge that would not have been so imposed but for the presentation by the holder of such Note or Coupon for payment on a date more than 30 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(d) any estate, inheritance, gift, sales, transfer, excise, wealth, or personal property tax or any similar tax, assessment, or governmental charge;

(e) any tax, assessment, or governmental charge which is payable otherwise than by withholding by the Issuer or a Paying Agent from the payment of the principal of or interest on any Note or Coupon;

(f) any tax, assessment, or governmental charge imposed solely because the payment is to be made by a particular Paying Agent or a particular office of a Paying Agent and would not be imposed if made by another Agent or by another office of this Agent;

(g) any tax, assessment, or other governmental charge imposed on interest received by a person holding, actually or constructively, 10.00% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;

(h) any tax, assessment, or other governmental charge imposed on a payment of principal or interest (or any other payment) on any Dual Currency Note or Indexed Note unless the applicable Final Terms expressly provides that the Issuer will pay Additional Amounts with respect to such Note;

(i) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC (the **"Directive")** or any law implementing or complying with, or introduced in order to conform to, such Directive;

(j) any Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or

(k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i), or (j); nor shall Additional Amounts be paid with respect to any payment of the principal of or interest on any Note or Coupon to a person other than the sole beneficial owner of such payment or that is a partnership or fiduciary to the extent either (i) such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary would not have been entitled to the payment of Additional Amounts had such beneficial owner, member, beneficiary, or settlor been the Noteholder or Couponholder, or (ii) the Noteholder does not provide a statement, in the form, manner, and time required by applicable United States income tax laws, from such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary concerning its nationality, residence, identity, or connection with the United States.

"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.

Except as specifically provided herein and in the Agency Agreement, the Issuer shall not be required to make any payment with respect to any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

Whenever any Additional Amounts are to be paid on Notes or Coupons, the Issuer will give notice to the Issuing and Principal Paying Agent and the other Paying Agents, as provided in the Agency Agreement.

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 Issuing and Principal Paying 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 Noteholders in accordance with 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 Condition or Condition 4(b) or any Talon which would be void pursuant to Condition 4(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) the Issuer shall fail to pay the principal amount of any of such Notes when due whether at maturity or upon early redemption or otherwise; or

(ii) the Issuer shall fail 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) the Issuer shall fail duly to perform or observe any other term, covenant, or agreement applicable to such Senior Notes contained in any of such Notes or in the Agency Agreement for a period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Issuer and the Issuing and Principal Paying Agent by the Noteholders of at least 33.00% in aggregate principal amount of such Notes at the time outstanding; provided, however, that in the event the Issuer within the aforesaid period of 90 calendar days shall commence legal action in a court of competent jurisdiction seeking a determination that the Issuer 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 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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.

(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 Issuer 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 Issuer 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 Issuer 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 Issuer 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.

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 and the Issuing and Principal Paying 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. 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.

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 shall notify the Issuing and Principal Paying 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 Issuing and Principal Paying Agent thereupon promptly shall notify all of the Noteholders 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 Issuing and Principal Paying 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 Condition 5(f)) together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with Condition 3.

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 Issuing and Principal Paying Agent in London (or such other place outside the United States as may be notified to Noteholders) 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 may reasonably require. Mutilated or defaced Notes, Receipts, Coupons, or Talons must be surrendered before replacements will be issued.

11. **Agent and Paying Agents**

JPMorgan Chase Bank, N.A., London Branch, Trinity Tower, 9 Thomas More Street, London ElW 1YT, United Kingdom shall be the initial Issuing and Principal Paying 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 the Directive (as defined in Condition 7) 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 Condition 4(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 Noteholders in accordance with 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 Issuing and Principal Paying 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 Condition 8. Each Talon, for purposes of these Terms and 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**

All notices regarding the Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer also shall ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will 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 of Notes shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this paragraph.

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 Noteholders 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 Noteholders on the seventh day after the day on which that notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Issuing and Principal Paying Agent. While any of the Notes are represented by a Global Note, that notice may be given by any Noteholder to the Issuing and Principal Paying Agent through Euroclear or Clearstream, Luxembourg as the case may be, in such manner as the Issuing and Principal Paying Agent and Euroclear or Clearstream, Luxembourg as the case may be, may approve for this purpose.

14. **Meetings of Noteholders, Modification, and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders 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 or Noteholders holding not less than 33.00% in principal amount of the Notes 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 that at such time remain outstanding, or at any adjourned meeting one or more persons being or representing Noteholders 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 cancelling 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 that at such time remain outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

Without the consent of the Noteholders, Receiptholders, or Couponholders, the Agent and the Issuer may agree to modifications of or amendments to the Agency Agreement, the Notes, 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 in the Agency Agreement, the Notes, Receipts, or Coupons;

(b) to add to the covenants of the Issuer for the benefit of the Noteholders, the Receiptholders, or the Couponholders, or to surrender any right or power herein conferred upon the Issuer;

(c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes, Receipts, or Coupons in the United States, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders, 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, or the Agency Agreement, provided such action pursuant to this subclause (e) shall not adversely affect the interests of the Noteholders, the Receiptholders, or the Couponholders; and

(f) 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 Noteholders, the Receiptholders, and the Couponholders and any such modification or amendment shall be notified to the Noteholders, the Receiptholders, or the Couponholders in accordance with Condition 13 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, 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 Noteholders, 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, 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.

The Issuer 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 any Coupon, Receipt, or Talon. As long as any Note or Coupon remains outstanding, the Issuer 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 at its office or upon such agents with written notice of such service mailed or delivered to the Issuer shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding. The Issuer continues the appointment 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 or any Coupon, Receipt, or Talon appertaining hereto, and with a copy to the Issuer at Bank of America Corporation, Bank of America Corporate Center, NC1-007-07-06, 100 North Tryon Street, Charlotte, North Carolina 28255, Attn: Corporate Treasury – Securities Administration, and with an additional copy to Bank of America Corporation, Legal Department, NC1-002-29-01, 101 South Tryon Street, Charlotte, North Carolina 28255-0065, Attn: General Counsel.

Schedule 5 to
Amended and Restated Agency Agreement

FORM OF CERTIFICATE TO BE PRESENTED
BY EUROCLEAR OR CLEARSTREAM, LUXEMBOURG

BANK OF AMERICA CORPORATION
(the "Issuer")

EURO MEDIUM-TERM NOTES DUE [YEAR OF MATURITY DATE/
REDEMPTION MONTH]

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 amount set forth below (our "Member Organizations") substantially to the effect set forth in the Amended and Restated Agency Agreement, as of the date hereof, $_____ principal 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 or 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)(l)(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 Amended and Restated 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.,
as operator of the
Euroclear System]

or

[Clearstream Banking, société anonyme]

By: _____

[1] To be dated no earlier than the Exchange Date.

Schedule 6 to
Amended and Restated Agency Agreement

FORM OF CERTIFICATE OF BENEFICIAL OWNER

BANK OF AMERICA CORPORATION
(the "Issuer")

EURO MEDIUM-TERM NOTES DUE [YEAR OF MATURITY DATE/
REDEMPTION MONTH]

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 or 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)(l)(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 U.S. 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.

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1 To be dated no earlier than the fifteenth day prior to the Exchange Date.

Schedule 7 to
Amended and Restated Agency Agreement

PROVISION FOR MEETINGS OF NOTEHOLDERS

1. 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 Notes (not being Notes 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 Notes 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 Notes 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 Notes (not being Notes 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 Notes 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 Note which is to be released or (as the case may require) the Note or Notes 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 Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes 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 Notes) the serial numbers of the Notes 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 Notes 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 Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction related and the Paying Agent with which such Notes 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 Notes.

(iii) References herein to the "Notes" are to the Notes in respect of which the relevant meeting is convened.

2. The Agent may at any time and, upon a requisition in writing of Noteholders holding not less than 33% in principal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders 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 Noteholders shall be published on behalf and at the expense of the Issuer in accordance with Condition 13 of the Terms and Conditions of the Notes. 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 Notes 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 outstanding shall have requested the Fiscal and Principal Paying Agent to call a meeting of Noteholders, 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 Noteholders of Notes in the amount above specified may determine the tune 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 Noteholder) 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 Noteholders present shall choose one of their number to be Chairman. To be entitled to vote at any meeting of Noteholders, a person shall be (i) a Noteholder of one or more Notes, or (ii) a person appointed by an instrument in writing as proxy for a Noteholder or Noteholders by such Noteholder or Noteholders, which proxy need not be a Noteholder. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders 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 Notes or voting certificates or being proxies and holding or representing in the aggregate not less than a majority in principal amount of the Notes 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 Notes or voting certificates or being proxies and holding or representing in the aggregate 67% in principal amount of the Notes 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 or, as the case may be, Redemption Month of the Notes or reduction or cancellation of the principal amount payable upon maturity; or

(ii) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Rate of Interest in respect of the Notes; 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

(iv) modification of the currency in which payment under the Notes and/or the 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;

the quorum shall be one or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of Notes will be binding on all holders of Notes whether or not they are present at the meeting, and on all holders of Coupons appertaining to such Notes.

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 Noteholders (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 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 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 Condition 14) shall be effectively passed and decided if passed or decided by the persons entitled to vote a majority in principal amount of the Notes represented and voting at such meeting, provided that such amount shall be not less than 33% in principal amount of the Notes outstanding. Any Noteholder 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 Noteholder 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 Noteholders duly held in accordance with this paragraph 7 shall be binding on all Noteholders whether or not present or represented at the meeting and whether or not notation of such decision is made upon the Notes.

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 Notes or voting certificates or being proxies at the adjournment meeting whatever the principal amount of the Notes 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 Noteholder 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 Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two percent in principal amount of the Notes 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 Noteholders or join with others in requisitioning the convening of such a meeting unless he either produces the Note or Notes 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 Notes 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 Notes 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 Note 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; and

(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.

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 Noteholders.

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 Noteholders' 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 Noteholders 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 Noteholders, the Receiptholders and the Couponholders or any of them.

(B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders, the Receiptholders and the Couponholders against the Issuer or against any of its property whether such rights shall arise under this Agreement, the Notes, the Receipts or the Coupons or otherwise.

(C) Power to assent to any modification of the provisions contained in this Agreement or the Terms and Conditions, the Notes, the Receipts or the Coupons which shall be proposed by the Issuer.

(D) Power to give any authority or sanction which under the provisions of this Agreement or the Notes is required to be given by Extraordinary Resolution.

(E) Power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interest of the Noteholders and to confer upon such committee or committees any powers or descriptions which the Noteholders could themselves exercise by Extraordinary Resolution.

(F) Power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes 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 Notes, the Receipts and the Coupons.

20. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Agreement shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and upon all Receiptholders and Couponholder 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 Noteholders shall be published in accordance with Condition 13 of the Terms and Conditions of the Notes 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 or the Terms and Conditions means a resolution passed at a meeting of the Noteholders 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 Noteholders shall be by written ballots on which shall be subscribed the signatures of Noteholders or of their representatives by proxy (and the serial number or numbers of the Notes 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 Noteholders 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 Noteholders or the Couponholders prescribe such further regulations regarding the requisition and/or the holding of meetings of Noteholders and attendance and voting thereat as the Agent may in its sole discretion think fit.

Schedule 8 to
Amended and Restated Agency Agreement

FORM OF PUT NOTICE

BANK OF AMERICA CORPORATION

EURO MEDIUM-TERM NOTES DUE
[year of Maturity Date/Redemption Month]

Series No. [ ]

Tranche No. [ ]

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 [as are surrendered/ in respect of which an authority to Euroclear or Clearstream, Luxembourg is delivered] with this Notice and referred to below irrevocably exercises its options to have such Notes redeemed on [ ] under Condition 5(e) of the Notes.

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(4) of the Amended and Restated Agency Agreement, they should be returned by post to:

_____

_____

_____

Payment Instructions

Please make payment in respect of the above-mentioned Notes as follows:

(A) by [specify currency] check drawn on a bank in the place of payment determined in accordance with Condition 4(a) mailed to the above address.

(B) by transfer to the following [specify currency] account in the place of payment determined in accordance with Condition 4(a):

Bank: _____

Branch Address: _____

Branch Code: _____

Account Number: _____

Signature of holder: _____

[To be completed by recipient Paying Agent]

Received by: _____

[Signature and stamp of Paying Agent]

At its office at: _____

On: _____

Notes

(1) The Amended and Restated Agency Agreement provides that Notes or authorities so returned will be sent by post, uninsured and at the risk of the Noteholder, unless the Noteholder 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 Noteholder 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 9 to
Amended and Restated Agency Agreement

FORM OF AMENDED AND RESTATED
CALCULATION AGENCY AGREEMENT

THIS AMENDED AND RESTATED CALCULATION AGENCY AGREEMENT (this "Agreement") is made as of •, • AMONG:

(A) [•] (the "Issuer"); and

(B) [•] (the "Calculation Agent", which expression shall include its successor or successors as calculation agent hereunder).

WHEREAS:

(C) The Issuer has entered into an Amended and Restated Program Agreement (the "Program Agreement") with the Dealers named therein dated as of August 21, 2006, under which the Issuer may issue Euro Medium-Term Notes (the "Notes"). The Issuer and the Dealers may amend and restate the Program Agreement from time to time in order to, inter alia, increase the aggregate principal amount of Notes that the Issuer may have outstanding at any one time under the Program.

(D) The Notes will be issued subject to and with the benefit of an Amended and Restated Agency Agreement (the "Amended and Restated Agency Agreement") dated as of August 21, 2006 and entered into among the Issuer, JPMorgan Chase Bank, N.A., London Branch, as Agent (the "Agent" which expression shall include its successor or successors under the Amended and Restated Agency Agreement) and any paying agent appointed thereunder. The Amended and Restated Agency Agreement may be further amended and restated from time to time in connection with any amendment and restatement of the Program Agreement.

NOW IT IS HEREBY AGREED that:

1. Appointment of the Calculation Agent

(1) The Issuer hereby appoints [•] as Calculation Agent in respect of each Series of Notes described in the Schedule hereto (the "Relevant Notes") 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 Notes shall be evidenced by the manuscript annotation and signature in counterpart of the Schedule hereto. As used herein, "Series" means a Tranche of Notes, together with any further Tranche or Tranche of Notes 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 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) and/or the price (expressed as a percentage of the principal amount of the Notes) at which such Notes will be issued. As used herein "Tranche" means Notes (whether global or Definitive form or both) which are identical in all respects (including as to listing).

(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 Notes perform all the functions and duties imposed on the Calculation Agent by the terms and conditions of the Relevant Notes (the "Terms and Conditions"), including endorsing the Schedule hereto appropriately in relation to each Series of Relevant Notes.

3. Fees

The Issuer shall continue the same fee arrangements agreed to with the Calculation Agent pursuant to the Calculation Agency Agreement, dated as of [•], between the Issuer, Bank of America, N.A. and the Calculation Agent.

4. Indemnity

(1) The Issuer 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 any of its 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 may reasonably incur or which may be made against the Issuer as a result of the Calculation 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.

5. Conditions of Appointment

(1) In acting hereunder and in connection with the Relevant Notes, the Calculation Agent shall act as agent of the Issuer 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 Notes or the receipts or coupons (if any) appertaining thereto (the "Receipts" and the "Coupons", respectively).

(2) In relation to each issue of Relevant Notes, the Calculation Agent hereby undertakes to the Issuer 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.

(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 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 notification by any Reference Bank (as defined in the Amended and Restated Agency Agreement).

(5) The Calculation Agent, and any of its officers, directors and employees, may become the owner of, or acquire any interest in, any Notes, 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 and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons (if any) or in connection with any other obligations of the Issuer as freely as if the Calculation Agent were not appointed hereunder.

6. Termination of Appointment

(1) The issuer may terminate the appointment of the Calculation Agent at any time by giving to the Calculation Agent at least 45 days' prior written notice to that effect, provided that, so long as any of the Relevant Notes are outstanding:

(a) such notice shall not expire less than 45 days before any date upon which any payment is due in respect of any Relevant Notes; and

(b) notice shall be given in accordance with Condition 13 of the Terms and Conditions to the holders of the Relevant Notes at least 30 days prior to any removal of the 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 of 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 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 Notes in accordance with Condition 13 of the Terms and Conditions 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 at least 90 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 Notes in accordance with Condition 13.

(5) Notwithstanding the provisions of sub-clauses (1), (2) and (4) above, so long as any of the Relevant Notes are outstanding, the termination of the appointment of the Calculation Agent (whether by the Issuer 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 agrees with the Calculation Agent that if, by the day falling 10 days before the expiration of any notice under sub-clause (1) or (4) above, the Issuer has not appointed a replacement Calculation Agent, the Calculation Agent, on behalf of the Issuer, shall be entitled to appoint as a successor Calculation Agent in its place a reputable financial institution of good standing.

(6) Upon its appointment becoming effective, a successor Calculation Agent shall without further act, deed or conveyance, shall 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 by the resignation of the Calculation Agent), the Calculation Agent shall on the day on which such termination takes effect shall deliver to the successor Calculation Agent all records concerning the Relevant Notes 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 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 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. Every communication shall be irrevocable save 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 agreement and any party may enter into this Agreement by executing a counterpart.

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 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 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 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 or the Calculation Agent is subject by a suit upon such judgment, provided that the service of process is effected upon the Issuer and the Calculation Agent 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 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 at its offices or upon such agent with written notice of such service mailed or delivered to the Issuer shall, to the fullest extent permitted by law, be deemed in every respect effective service of process upon the Issuer in the Proceedings. The Issuer hereby appoints the [•] as its agent for such purposes, and covenant and agree that service of process in the Proceedings may be made upon the Issuer 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 the Issuer 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.

BANK OF AMERICA CORPORATION
[*insert address details*]
Telephone: [•]
Facsimile: [•]
Attention: [•]

By: _____
Name:
Title:

[CALCULATION AGENT]
[*insert address details*]
Telephone: [•]
Facsimile: [•]
Attention: [•]

By: _____
Name:
Title:

SCHEDULE TO THE CALCULATION AGENCY AGREEMENT

Series Number	Issue Date	Maturity Date	Title and Principal Amount	Annotation by Calculation Agent/Issuer

ISSUING AND PAYING AGENCY AGREEMENT

between

BANK OF AMERICA, N.A.,
as Issuer

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Issuing and Paying Agent

Dated as of May 23, 2006

Senior Bank Notes and Subordinated Bank Notes
Due Seven Days or More From Date of Issue

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BANK OF AMERICA, N.A.

ISSUING AND PAYING AGENCY AGREEMENT

THIS ISSUING AND PAYING AGENCY AGREEMENT dated as of May 23, 2006 is made between BANK OF AMERICA, N.A., a national banking association organized under the laws of the United States (the "Issuer"), as Issuer, and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation (the "Issuing and Paying Agent"), as Issuing and Paying Agent.

SECTION 1. Statement of Purpose. Subject to the limitations described herein, the Issuer proposes to issue up to U.S. $50,000,000,000 in aggregate principal amount of bank notes (the "Notes") outstanding at any one time as provided in a Distribution Agreement of even date herewith between the Issuer and the agents named therein (the "Distribution Agreement") and as described in an Offering Circular of even date herewith (the "Offering Circular"). The Notes will be issued in the denominations specified in the applicable Pricing Supplement (as defined below) issued in connection with each series and tranche of Notes. Unless otherwise determined by the Issuer and specified in the applicable Pricing Supplement, beneficial interests in each tranche of Notes will be represented by a Global Note (as defined below) and may be exchangeable for a Certificated Note (as defined below) only under limited circumstances.

SECTION 2. Definitions. Except as otherwise expressly provided herein or in the applicable Note or unless the context otherwise requires: (1) the words and phrases with initial capitals used herein have the meanings specified in this Section, Section 1 or the preamble; and (2) the words "herein," "hereof" and "hereunder" and other words of similar impact refer to this Issuing and Paying Agency Agreement as a whole and not to any particular section or other subdivision. Capitalized terms used herein, but not otherwise defined herein, shall have the same meanings specified in the applicable Note.

Additional Responsibilities - Has the meaning given such term in Section 28.

Administrative Procedures - The Administrative Procedures applicable to the Notes, as set forth in Exhibit B, as amended and supplemented from time to time.

Agent or Agents - Any of the Issuing and Paying Agent, any paying agent, any Transfer Agent, any Calculation Agent, or the Registrar, as the context indicates.

Agreement - This Issuing and Paying Agency Agreement, including the exhibits hereto, as amended or supplemented from time to time.

Amortizing Note - Any Note in which payments are based on an amortization table.

Authorized Denomination - Has the meaning given such term in Section 4(a)(v).

Authorized Representative - With respect to the Issuer, any duly authorized representative of the Issuer as set forth in Exhibit G, and any other representative of the Issuer which the Issuer may certify in writing to the Issuing and Paying Agent.

Business Day - Unless otherwise specified in a Pricing Supplement relating to a particular Note, with respect to any Note, any day that is not a Saturday or Sunday and that is not a day on which banking institutions in New York City or Charlotte, North Carolina or any other place of payment with respect to the applicable Note are authorized or obligated by law to close. "Business Day" also means, with respect to Notes where the base rate is LIBOR (as defined in the Note), a London Banking Day.

Calculation Agent - With respect to the Notes, such Person appointed by the Issuer to calculate the interest rates, amounts of payments due, and other fixed amounts payable, and performing any other duties specified in the applicable Pricing Supplement as being duties required to be performed by the Calculation Agent, as further described in Section 3(e).

Certificate of Authentication - Has the meaning given such term in Section 4(a)(vi).

Certificated Notes - Any Notes issued in fully registered, certificated form.

Depository - With respect to Notes issued in the form of one or more Global Notes, the Person designated as depository by the Issuer, which Depository at all times shall be a trust company validly existing and in good standing (at the time of its appointment) under the laws of the United States or any state thereof and shall be a clearing agency duly registered under the Securities Exchange Act.

Distribution Agreement - The Distribution Agreement, dated as of May 23, 2006, among the Issuer, Banc of America Securities LLC, Bear, Stearns & Co. Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Morgan Stanley & Co. Incorporated, as amended and supplemented from time to time.

DTC - The Depository Trust Company or its successors and assigns.

Event of Default - Has the meaning given such term in Section 14.

Extension Period(s) – The period or periods by which the Issuer may extend the Stated Maturity of Notes which provide for such extension.

FDIC – Federal Deposit Insurance Corporation.

Final Maturity Date - The latest date designated on the face of a Note which provides for the maturity thereof.

Fixed Rate Notes - Any Notes bearing interest at one or more designated rates of interest payable in arrears and substantially in the form of Exhibit C-1, if such Note is a Senior Note, or Exhibit C-2, if such Note is a Subordinated Note.

Floating Rate Notes - Any Notes that bear interest at a rate that is determined by reference to an interest rate basis or by one or more interest rate formulas, as specified by the Issuer in the applicable Pricing Supplement and on the related Floating Rate Note, and substantially in the form of Exhibit D-1, if such Note is a Senior Note, or Exhibit D-2, if such Note is a Subordinated Note.

Global Note - A Note, in the form provided by Section 4(a), issued to the Depository or its nominee, and registered in the Register in the name of the Depository or its nominee.

Holder - The Person in whose name a Note is registered in the Register.

Indexed Notes - Any Notes for which the amount of principal, premium, if any, interest, or other amounts payable is determined, either directly or indirectly, by reference to the price or performance of one or more (a) securities, (b) debt obligations or basket of debt obligations; (c) currencies or composite currencies, (d) commodities, (e) interest rates, (f) stock indices, or (g) other indices or formulae, as specified by the Issuer on the related Indexed Note and substantially in the form of Exhibit E. Subject to compliance with all applicable legal, regulatory and clearing system settlement requirements, the Issuer may issue Indexed Notes which may be settled by delivery of non-cash payments such as securities, loans or other instruments.

Initial Redemption Date - With respect to a Note that is subject to an Optional Redemption, the date specified as the Initial Redemption Date on such Note and after which, but prior to the Stated Maturity, an Optional Redemption of such Note may occur as specified in such Note.

Interest Payment Date - A date for payment of interest on a Note, as provided in the Note.

Issuer – Has the meaning given such term in the preamble.

Issuing and Paying Agent – Has the meaning given such term in the preamble.

Letters of Representations - The letters from the Issuing and Paying Agent and Issuer, as appropriate, to be furnished to DTC in accordance with Section 3(a), substantially in the forms set forth in Exhibit A.

London Banking Day - Any day on which commercial banks are open for business (including dealings in U.S. dollars) in London, England.

Note or Notes - Any of the Issuer's Senior Notes or Subordinated Notes, each with maturities of seven days or more from their respective dates of issue, which may be issued, authenticated and delivered under this Agreement.

OCC - Office of the Comptroller of the Currency.

Offering Circular - The Offering Circular of the Issuer relating to the Notes dated May 23, 2006, as the same may be amended or supplemented from time to time.

Officer's Certificate - A certificate of the Issuer signed by an Authorized Representative and delivered to the Issuing and Paying Agent.

Optional Redemption - A redemption of a Note on or after the date designated on such Note as the Initial Redemption Date at the option of the Issuer as set forth in such Note at a Redemption Price as set forth in such Note.

Original Issue Date - As to any Note, the date on which the Note was issued and the purchase price was paid by the related Holder; except that with respect to a Reopened Note, the Original Issue Date for all portions of that Note shall be the date on which the first portion of that Note was issued and the purchase price was paid by the related Holder.

Original Issue Discount Note - Any Note issued at an issue price representing more than a de minimis discount from the principal amount payable at its Stated Maturity for United States federal income tax purposes.

Outstanding - For purposes of the provisions of this Agreement and the Notes, any Note authenticated and delivered pursuant to this Agreement, as of any date of determination, shall be deemed to be "Outstanding," except: (i) Notes that have been canceled or delivered to the Issuing and Paying Agent for cancellation; (ii) Notes that have become due and payable on their Principal Payment Date and with respect to which monies sufficient to pay the principal or Redemption Price, as the case may be, and interest thereon shall have been made available to the Issuing and Paying Agent; or (iii) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to this Agreement.

Payment Date - A date for payment of principal of and interest on an Amortizing Note as provided in the Note.

Person - Any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency, instrumentality or political subdivision.

Predecessor Notes - With respect to any particular Note, every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purpose of this definition, any Note authenticated and delivered under Section 17 or the terms of a Note in lieu of or in exchange for a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note, and any Note issued upon registration of transfer of or in exchange for any other Note shall be deemed to evidence all or a portion of the same debt evidenced by such other Note.

Prepayment Option Price – With respect to any Note subject to prepayment at the option of the Holder, the amount payable to the Holder upon prepayment of the Note together with any accrued interest to the date of prepayment, as specified in the applicable Note.

Pricing Supplement - A supplement to the Offering Circular for a particular Note or Notes containing the particular terms and conditions of that series of Notes.

Principal Office - Subject to the right of each to change its office, by advance written notice to the Issuer, such term means, (1) for the Issuing and Paying Agent, its principal corporate trust office at 60 Wall Street, 27th Floor, Mail Stop, NYC 60-2710, New York, New York 10005, Attention: Corporate Trust and Agency Group; and (2) for any successor or additional Agents, their offices specified in writing to the Issuer and the Issuing and Paying Agent.

Principal Payment Date - The date provided on the face of the Note on which the principal, or Redemption Price of the Note, as the case may be, becomes due and payable.

Redemption Price - With respect to any Note subject to an Optional Redemption, the amount specified in such Note as payable, when such Note is redeemed on or after the Initial Redemption Date.

Register - The register for the registration and transfer of the Notes maintained pursuant toSection 15.

Registrar – Deutsche Bank Trust Company Americas, or any successor or successors as Registrar, appointed by the Issuer, who shall perform the duties as Registrar under this Agreement.

Regular Record Date – Unless otherwise specified in the Note, the date on which a Holder must hold a Note in order to receive an interest payment on the next Interest Payment Date or Payment Date, as applicable. Unless otherwise specified in the Note, the Regular Record Date for any Interest Payment Date or Payment Date is the date that is 15 calendar days (whether or not a Business Day) prior to that Interest Payment Date or Payment Date, as the case may be.

Renewable Note - A Note the maturity of which may be renewed at the option of the Holder in accordance with the terms of the Note.

Reopened Note - A Note issued after the Original Issue Date of a series of Notes with the same terms as the original Note and which makes up a single series of Notes with the previously issued Note and increases the total principal amount of that series of Notes.

Securities Exchange Act - The Securities Exchange Act of 1934, as amended.

Selling Agent - Any party, other than the Issuer, to the Distribution Agreement, including any party added to such agreement after its initial date of execution. The initial Selling Agents are: Banc of America Securities LLC, Bear, Stearns & Co. Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Morgan Stanley & Co. Incorporated.

Senior Note – A Note evidencing the senior obligations of the Issuer, which shall be substantially in the form of Exhibit C-1 (if such Note is a Fixed Rate Note) or Exhibit D-1 (if such Note is a Floating Rate Note).

Stated Maturity - The date specified as the fixed date on which the principal of any Note, or any installment of principal and interest of an Amortizing Note, is due and payable.

Subordinated Note – A Note evidencing the subordinated obligations of the Issuer, which shall be substantially in the form of Exhibit C-2 (if such Note is a Fixed Rate Note) or Exhibit D-2 (if such Note is a Floating Rate Note).

Transfer Agent - Any Person or Persons appointed by the Issuer to exchange or transfer Notes issued by the Issuer.

SECTION 3. Appointment of Agents.

(a) Issuing and Paying Agent. The Issuer hereby confirms its appointment of Deutsche Bank Trust Company Americas, as Issuing and Paying Agent of the Issuer in respect to the Notes upon the terms and subject to the conditions herein set forth, and Deutsche Bank Trust Company Americas hereby confirms its acceptance of such appointment, upon and subject to the terms and conditions set forth below, for the purposes of:

(i) completing, authenticating and delivering Global Notes and (if required) authenticating and delivering Certificated Notes;

(ii) paying sums due on Global Notes and Certificated Notes;

(iii) unless otherwise specified in the applicable Pricing Supplement, determining the interest or other amounts payable in respect of the Notes in accordance with the terms and conditions of the Notes;

(iv) arranging on behalf of the Issuer for notices to be communicated to the Holders; and

(v) performing all other obligations and duties imposed upon it by the terms and conditions of the Notes, this Agreement or as may be agreed between the Issuer and the Issuing and Paying Agent in connection with a particular series or tranche of Notes.

The Issuer further appoints and authorizes Deutsche Bank Trust Company Americas as Issuing and Paying Agent to act as its Issuing and Paying Agent in executing the Letters of Representations to be delivered to the Depository, in substantially the forms set forth in Exhibit A.

The Issuing and Paying Agent shall at all times be a bank or trust company organized under the laws of the United States or any jurisdiction in the United States and authorized and empowered under such laws to fulfill and perform all the duties and obligations of the Issuing and Paying Agent hereunder.

The Issuing and Paying Agent represents that it is a bank or trust company meeting the foregoing requirements and that it promptly shall notify the Issuer of any occurrence or event that renders it unable to continue to make the representations in this Agreement.

(b) Selling Agents. The Issuer has appointed Banc of America Securities LLC, Bear, Stearns & Co. Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Morgan Stanley & Co. Incorporated, as Selling Agents for the Notes by and under the terms of the Distribution Agreement, under which the Issuer may, from time to time, appoint other Selling Agents.

(c) Registrar. The Issuer hereby appoints Deutsche Bank Trust Company Americas as Registrar of the Issuer in respect of the Notes upon the terms and conditions set forth herein, and Deutsche Bank Trust Company Americas hereby accepts such appointment. The Registrar will keep the Register and otherwise act as Registrar in accordance with the terms of this Agreement.

The Registrar will keep a record of all Notes, at its Principal Office or at such other location as it may choose and as to which it will give advance notice to the Issuer. The Registrar will include in such record a notation as to whether such Notes have been paid or cancelled or, in the case of mutilated, destroyed, stolen or lost Notes, whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Registrar will keep a record of the Notes so replaced and the Notes issued in replacement thereof.

(d) Transfer Agents. The Issuer (at its sole cost and expense) may appoint from time to time one or more Transfer Agents for one or more of the Notes. The Issuer shall solicit written acceptance of the appointment from any entity so appointed as Transfer Agent. Such written acceptance shall be in a form satisfactory to the Issuing and Paying Agent and shall state that by the Transfer Agent's acceptance of such appointment, it agrees to act as a Transfer Agent pursuant to the terms and conditions of this Agreement. The Issuer hereby confirms its appointment of Deutsche Bank Trust Company Americas as the initial Transfer Agent for the Notes, and Deutsche Bank Trust Company Americas hereby confirms its acceptance of such appointment.

(e) Calculation Agents.

1. Appointment of Calculation Agent: The Issuer (at its sole cost and expense) may appoint from time to time one or more Calculation Agents for one or more of the Notes. The Issuer shall solicit written acceptance of the appointment from any entity so appointed as Calculation Agent. Such written acceptance shall be in a form satisfactory to the Issuing and Paying Agent and shall state that by the Calculation Agent's acceptance of such appointment, it agrees to act as a Calculation Agent pursuant to the terms and conditions of this Agreement.

   (a) Floating Rate Notes: Except as otherwise specified in a Pricing Supplement relating to a particular Note, the Issuer hereby appoints Deutsche Bank Trust Company Americas as the initial Calculation Agent for the Floating Rate Notes, and Deutsche Bank Trust Company Americas hereby accepts such appointment.

   (b) Indexed Notes: Before issuing an Indexed Note, the Issuer shall appoint a Calculation Agent for the purpose of calculating the principal payable at maturity, the rate of interest or other amounts payable on the Indexed Notes, all in accordance with the terms of the Indexed Notes. With respect to Indexed Notes, at such times as shall be specified in the Indexed Note and the related Pricing Supplement, the Calculation Agent shall determine the index (if required), principal, premium, if any, rate of interest, interest payable or other amounts payable. Upon the request of the Holder of any Indexed Note, the Calculation Agent will provide, if applicable, the current index, principal, premium, if any, rate of interest, interest payable or other amounts payable in connection with such Indexed Note.

2. Duties and Responsibilities: The duties and responsibilities of the Calculation Agent shall be as specified herein, in the Administrative Procedures attached as Exhibit B, in the applicable Note and in a calculation agency agreement between the Issuer and the Calculation Agent. As promptly as practicable after each Interest Determination Date for a Floating Rate Note or an Indexed Note, the Calculation Agent will notify the Issuer of the interest rate, if any, which will become effective on the next Interest Reset Date (as such terms are defined in the applicable Floating Rate Note or Indexed Note). Upon the request of the Holder of a Floating Rate Note or an Indexed Note, the Calculation Agent will provide to the Holder the interest rate then in effect and, if

determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note or such Indexed Note.

SECTION 4. The Notes.

(a) Note Form. Except as otherwise provided in Section 4(d) and except with respect to a Reopened Note, and subject to any maximum principal amount of a Global Note required by the Depository, each Note issued by the Issuer with the same Original Issue Date and otherwise having identical terms shall be represented by a single master Global Note certificate. Fixed Rate Notes will be substantially in the form of Exhibit C-1 or Exhibit C-2; Floating Rate Notes will be substantially in the form of Exhibit D-1 or Exhibit D-2; and Indexed Notes will be substantially in the form of Exhibit E. The Notes may contain such insertions, omissions, substitutions and other variations as the Issuer determines to be required or permitted by this Agreement and may have such letters, numbers or other marks of identification and such legend or legends or endorsements placed thereon as any officer of the Issuer executing such Notes may determine to be necessary or appropriate, as evidenced by such officer's execution of such Notes by manual or facsimile signature, including, without limitation, any legends or endorsements that may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange on which the Notes may be listed or to conform to general usage.

(i) Global Note Legend. Any Global Note issued hereunder, in addition to the provisions contained in Exhibits C-1, C-2, D-1, D-2 or E, as the case may be, shall bear a legend in substantially the following form:

"This Note is a Global Note within the meaning of the Issuing and Paying Agency Agreement hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Note is not exchangeable for Notes registered in the name of a person other than the Depository or its nominee except in the limited circumstances described in the Issuing and Paying Agency Agreement, and no transfer of this Note (other than a transfer as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in the limited circumstances described in the Issuing and Paying Agency Agreement."

(ii) Depository Legend. Furthermore, each Global Note issued hereunder to DTC or its nominee shall bear a legend in substantially the following form:

"Unless this Note is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate

issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein."

(iii) Subordinated Note Legends. Each Global Note representing a Subordinated Note issued hereunder shall contain on its face the legends substantially in the form of Exhibit C-2 or Exhibit D-2, as applicable.

(iv) Original Issue Discount Notes. Each Original Issue Discount Note shall contain on its face a legend substantially in the form of Exhibit F.

(v) Denominations. Unless otherwise indicated in the applicable Notes and the applicable Pricing Supplement, except as provided in Section 4(d) or if the Issuer elects to issue Notes in certificated form, the Notes shall be issuable only in book-entry form, without coupons. Unless otherwise indicated in the applicable Notes and the applicable Pricing Supplement, the Notes will be issued in minimum denominations of $250,000 and integral multiples of $1,000 in excess of $250,000 (the "Authorized Denominations").

(vi) Certificate of Authentication. Only Notes that bear thereon a certificate of authentication substantially in a form set forth below (a "Certificate of Authentication"), executed by the Issuing and Paying Agent by two manual signatures, and dated the date of authentication, will be valid:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Issuing and Paying Agency Agreement.

Dated: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS
as Issuing and Paying Agent

By Deutsche Bank National Trust Company

By: _____
Authorized Signatory

By: _____
Authorized Signatory

(vii) Signature. Each Note will be signed manually or by facsimile by an Authorized Representative. The Notes will have a Stated Maturity of not less than

seven days from date of issue and will be issued in the respective order of the serial numbers imprinted thereon. The Issuing and Paying Agent shall maintain in safe custody all blank Notes that the Issuer delivers to it and that it holds hereunder, and in accordance with its customary practices and procedures. The Issuing and Paying Agent shall complete and issue such Notes only in accordance with the terms of this Agreement.

(viii) Certificated Notes. The Issuer from time to time and upon request will furnish the Issuing and Paying Agent with an adequate supply of Certificated Notes (senior and subordinated), without coupons, serially numbered, which will have the applicable terms which may be specified with respect to such Notes in accordance with the Administrative Procedures left blank.

(b) Issuance of Global Notes

(i) Following receipt of a notification from the Issuer in respect of an issue of Notes, the Issuing and Paying Agent will take the steps required of the Issuing and Paying Agent in the Administrative Procedures to issue the Global Note. For this purpose, the Issuing and Paying Agent is authorized on behalf of the Issuer:

(A) to prepare a Global Note in accordance with such notification by attaching a copy of the applicable Pricing Supplement to the relevant master Global Note;

(B) to authenticate (or cause to be authenticated) such Global Note;

(C) to deliver such Global Note to the specified Depository (or such Global Note may be held by the Issuing and Paying Agent as custodian for such Depository) in accordance with the notification against receipt from the Depository of confirmation that such Depository is holding the Global Note in safe custody for the account of the participants and to credit the Notes against appropriate accounts; and

(D) to ensure that the Notes of each series are assigned a CUSIP number, which will be provided to the Issuing and Paying Agent by the Issuer.

(ii) Notwithstanding the foregoing, any Global Note issued by the Issuer shall be exchangeable for Certificated Notes registered in the name of Persons other than the Depository for such Note or its nominee only if (i) such Depository notifies the Issuing and Paying Agent that it is unwilling or unable to continue as Depository for such Global Note or if at any time such Depository ceases to be a clearing agency registered under the Securities Exchange Act and in either such case a successor Depository is not appointed by the Issuer within 90 calendar days, or (ii) the Issuer, in its sole discretion, executes and delivers to the

Issuing and Paying Agent a written notification that such Global Note shall be so exchangeable or (iii) an Event of Default occurs and is continuing with respect to such Global Note. Any Global Note that is exchangeable pursuant to the preceding sentence shall be exchangeable for Certificated Notes registered in such names as such Depository shall direct. Notwithstanding any other provision in this Agreement, a Global Note may not be transferred except as a whole by the Depository with respect to such Global Note to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository.

(c) Aggregate Principal Amount Outstanding. As of the date hereof, the Issuer has authorized the offer and issuance from time to time of Notes with maturities of seven days or more up to a maximum principal amount at any one time outstanding of $50,000,000,000. In order to comply with the registration and prospectus regulations of the OCC, not more than $50,000,000,000 aggregate principal amount of Notes with maturities of more than 270 days may be issued under this Agreement. However, Notes with maturities of 270 days or less are exempt from the registration and prospectus regulations of the OCC. Accordingly, the Issuer is selling the Notes subject to the following limitations: (a) under the program, the Issuer may not issue more than $50,000,000,000 aggregate principal amount of Notes with maturities of more than 270 days from their respective issue dates; and (b) not more than $50,000,000,000 aggregate principal amount of all Notes may be issued and outstanding at any one time. Notwithstanding the foregoing, if the Issuer authorizes the offer and issuance of additional Notes and, to the extent necessary, registers such Notes with the OCC, such additional Notes may be sold to or through the Agents pursuant to the terms of this Agreement and the Distribution Agreement, all as though the offer and issuance of such notes were authorized as of the date hereof.

(d) Certificated Notes. If at any time the Depository notifies the Issuer or the Issuing and Paying Agent that it is unwilling or unable to continue to act as Depository for any of the Global Notes, or if at any time such Depository ceases to be a clearing agency registered under the Securities Exchange Act and in either such case a successor Depository is not appointed by the Issuer within 90 calendar days, the Issuer will execute and the Issuing and Paying Agent, upon the receipt of procedures for certificated securities in form and substance satisfactory to the Issuer and the Issuing and Paying Agent and upon receipt of instructions in writing from the Issuer, will authenticate and deliver to the Holder or the Holder's designee Notes of like tenor and terms in definitive form in an aggregate principal amount equal to the Global Notes then outstanding in exchange for such Global Notes.

(e) Ranking. The Senior Notes will be unsecured and will rank equally with all of the Issuer's other unsecured and unsubordinated indebtedness, except obligations, including deposits, that are subject to any priorities or preferences by law. In the event of the Issuer's insolvency, the holders of the Senior Notes could receive a significantly lesser proportion of the claims evidenced by their Notes than holders of the Issuer's deposit obligations. The Subordinated Notes are subordinated and rank junior in right of payment to the extent described in Section 12. The Subordinated Notes are unsecured and are ineligible as collateral for a loan by the Issuer.

SECTION 5. Authorized Representatives. The Issuer hereby certifies that each person named in Exhibit G hereto and designated as affiliated with the Issuer is a duly Authorized Representative of the Issuer and that the signature set forth opposite such representative's name is his or her true and genuine signature. The Issuing and Paying Agent shall be entitled to rely on the information set forth in Exhibit G for purposes of determining an Authorized Representative until such time as the Issuing and Paying Agent receives a subsequent Officer's Certificate from the Issuer deleting or amending any of the information set forth therein. The Issuing and Paying Agent shall not have any responsibility to the Issuer to determine whether any signature on a Note purporting to be that of an Authorized Representative named in Exhibit G with respect to the Issuer is genuine, so long as such signature resembles the specimen signature set forth in Exhibit G or in a subsequent certificate delivered to the Issuing and Paying Agent by the Issuer. Any Note bearing the signature of a person who is an Authorized Representative named in Exhibit G with respect to the Issuer on the date he or she signs such Note shall be a binding obligation of the Issuer upon the completion and authentication thereof by the Issuing and Paying Agent, notwithstanding that such person shall have ceased to be an Authorized Representative on the date such Note is completed, authenticated or delivered by the Issuing and Paying Agent.

SECTION 6. Completion, Authentication and Delivery of Notes.

(a) Upon the issuance of Notes hereunder, the Issuer shall deliver instructions as to the completion of the Notes (as described below) to a duly authorized representative of the Issuing and Paying Agent named in Exhibit H hereto, or to any additional authorized representative which may be named by the Issuing and Paying Agent (of which the Issuer shall be notified in writing). Such instructions shall be delivered from time to time through the use of a facsimile transmission (confirmed by guaranteed delivery of overnight courier) from any Authorized Representative. Such instructions shall include the following (each term as used or defined in the related form of Note attached to such instructions):

1. Issue Price, Principal Amount of the Note, CUSIP Number and, whether such Note is a Senior Note or a Subordinated Note.
2. (a) Fixed Rate Notes:
    - (i) Interest Rate,
    - (ii) Interest Payment Dates, and
    - (iii) Regular Record Dates.

(b) Floating Rate Notes:

(i) Base Rate or Rates,

(ii) Initial Interest Rate,

(iii) Spread and/or Spread Multiplier, if any,

(iv) Interest Reset Date or Dates,

(v) Interest Reset Period,

(vi) Interest Payment Dates,

(vii) Regular Record Dates,

(viii) Index Maturity,

(ix) Maximum and Minimum Interest Rates, if any, and

(x) Calculation Agent, if other than the Issuing and Paying Agent.

(c) Indexed Notes:

(i) Base Rates,

(ii) Initial Interest Rate(s),

(iii) Underlying index, credit or formula,

(iv) Interest (or Other Amounts Payable) Reset Date(s),

(v) Interest (or Other Amounts Payable) Reset Period(s),

(vi) Interest (or Other Amounts Payable) Payment Date(s),

(vii) Regular Record Dates,

(viii) Maximum and Minimum Interest Rates, if any,

(ix) Any terms relating to the exchange of such Notes, and

(x) Calculation Agent.

3. Price to public, if any, of the Note (or whether the Note is being offered at varying prices relating to prevailing market prices at time of resale as determined by the applicable Selling Agent).

4. Trade date.

5. Settlement date.

6. Original Issue Date.

7. Stated Maturity.

8. If applicable, an Amortization Table specifying the rate at which an Amortizing or Indexed Note, as applicable, is to be amortized, and with respect to an Indexed Note, specifying the applicable reference rate, if any, or lock-out date, if any.

9. Redemption provisions, if any, including Initial Redemption Date, initial redemption percentage, annual redemption reduction percentage, whether partial redemption is permitted and the method of determining Notes to be redeemed.

10. Prepayment option date(s) and Prepayment Option Price(s), if any.

11. Extension provisions, if any, including length of Extension Period(s), number of Extension Periods and Final Maturity Date.

12. Renewal terms, if any, of a Renewable Note.

13. Net proceeds to the Issuer.

14. The Selling Agent's commission or underwriting discount and the Selling Agent's participant account at the Depository for settlement.

15. Whether such Notes are being sold to the Selling Agent as principal or to an investor or other purchaser through the Selling Agent acting as agent for the Issuer, or by the Issuer itself.

16. Whether such Note is being issued as an Original Issue Discount Note and the terms thereof.

17. Such other information specified with respect to the Notes (whether by addendum, text to be included under "Other Provisions" on the face of such Note, or otherwise).

(b) Upon receipt of the information set forth in subsection (a) above, the Issuing and Paying Agent will confirm by facsimile to the Issuer the principal amount of the Notes of the Issuer issued hereunder as of such date after giving effect to such transaction and to all other transactions with respect to which the Issuer has given instructions hereunder to the Issuing and Paying Agent, but which have not yet been settled.

For purposes of calculating the aggregate principal amount of Notes issued and/or outstanding at any time hereunder:

(i) the principal amount of Original Issue Discount Notes and any other Notes issued at a discount or premium shall be deemed to be the net proceeds received by the Issuer for the relevant issue; and

(iii) the outstanding amount of Indexed Notes shall be calculated by reference to the original nominal amount of such Notes.

The Issuing and Paying Agent shall promptly notify the Issuer of each determination made as aforesaid.

(c) Upon receipt of such instructions, if such Notes are to be issued as one or more Global Notes, the Issuing and Paying Agent shall communicate to the Depository and the Selling Agents through DTC's Participant Terminal System, a pending deposit message specifying the settlement information required in the Administrative Procedures.

(d) Instructions regarding the completion of a Note must be received by the Issuing and Paying Agent not later than the time and date specified in the Administrative Procedures.

SECTION 7. Procedure Upon Sale of the Notes. The Issuing and Paying Agent will, upon reasonable written request, promptly deliver copies of such Global Notes (with any additional terms provided by the Issuer included thereon) to the appropriate Selling Agents in accordance with Section 6(a).

SECTION 8. Payment of Interest; Actions on Days Other than Business Days; Payment of Other Amounts

(a) Subject to the receipt of funds as provided inSection 13, interest payments will be made on the Notes on each Interest Payment Date and on the Stated Maturity (or the date of Optional Redemption, if any) pursuant to the terms stated on the Note and will include interest accrued from the most recent Interest Payment Date to which interest has been paid (or if no interest has been paid, from the Original Issue Date) to but excluding

the next Interest Payment Date (or the Stated Maturity or the date of Optional Redemption, as applicable). All such interest payments (other than interest due on the Stated Maturity, or on the date of Optional Redemption if a Note is redeemed prior to its Stated Maturity) will be paid to the Holder of such Note at the close of business on the applicable Regular Record Date. Notwithstanding the foregoing, unless otherwise specified in the applicable Pricing Supplement, if a Note is issued between a Regular Record Date and the next succeeding Interest Payment Date, then the initial interest payment will be made on the second Interest Payment Date following the Original Issue Date, to the Holder on the Regular Record Date immediately succeeding such first Interest Payment Date. In such a case, interest will begin to accrue on the Original Issue Date and not from the previous Interest Payment Date.

Unless otherwise specified in the Note and in an applicable Pricing Supplement, interest on Fixed Rate Notes (including payments for partial periods) having maturities of one year or more will be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. Unless otherwise specified in the Note and in an applicable Pricing Supplement, interest on Fixed Rate Notes (including payments for partial periods) having maturities of less than one year will be paid only at maturity and will be computed and paid on the basis of the actual number of days elapsed divided by 360.

Accrued interest on Floating Rate Notes is calculated by multiplying the principal amount of a Note by an accrued interest factor. This accrued interest factor is the sum of the interest factors calculated for each day in the period for which accrued interest is being calculated. Unless otherwise indicated in the applicable pricing supplement, the accrued interest factor will be computed and interest will be paid (including payments for partial periods) as follows:

(1) for Floating Rate Notes based on the federal funds rate, LIBOR, the prime rate, or any other floating rate other than the treasury rate, the daily interest factor will be computed by dividing the interest rate in effect on that day by 360; and

(2) for Floating Rate Notes based on the treasury rate, the daily interest factor will be computed by dividing the interest rate in effect on that day by 365 or 366, as applicable.

All interest on Certificated Notes (other than interest payable at Stated Maturity or upon any Optional Redemption) will be paid by check of the Issuing and Paying Agent mailed by such Issuing and Paying Agent to the Holder as such Holder's address is shown in the Register referred to in Section 15 on the applicable Regular Record Date, or to such other address in the United States as such Holder shall designate to the Issuing and Paying Agent in writing not later than the relevant Regular Record Date; provided, however, that a Holder of $1,000,000 or more in aggregate principal amount of Certificated Notes (all of which have identical terms and tenor) shall be entitled to receive payments of interest (other than interest payable at maturity or upon redemption) by wire transfer of immediately available funds upon written request to the Issuing and Paying Agent not later than 15 calendar days prior to the applicable Interest Payment Date or Payment Date, as the case may be. All interest payments on any Global Note

(other than interest due on the Stated Maturity or the Optional Redemption date, if any) will be paid in accordance with the arrangements then in place between the Issuing and Paying Agent, the Depository and its nominee, as holder. The Issuing and Paying Agent will withhold taxes, if any, on interest to the extent that it has been instructed in writing by the Issuer that any taxes should be withheld.

(b) Actions Due on Saturdays, Sundays and Holidays. If any date on which a payment, notice or other action required by this Agreement, the Administrative Procedures or the Note falls on any day other than a Business Day, then that action or payment need not be taken or made on such date, but may be taken or made on the next succeeding Business Day on which the Issuing and Paying Agent is open for business with the same force and effect as if made on such date.

(c) Payment of Other Amounts. With respect to any Indexed Note which may include the payment of other amounts, the relevant Pricing Supplement shall provide for determination of, and timing and method of payment for, such other amounts.

SECTION 9. Payment of Principal. Upon the Stated Maturity (or date of Optional Redemption, if any) of any Note, or on each Payment Date, in the case of an Amortizing Note, and, as applicable, only upon presentation and surrender of such Note on or after the Stated Maturity (or the date of Optional Redemption, if any), the Issuing and Paying Agent shall pay, subject to the receipt of funds as provided in Section 13, the principal amount of the Note together with accrued interest due on the Stated Maturity (or the date of Optional Redemption, if any), either (i) by separate wire transfer of immediately available funds to such account at a bank in The City of New York (or other bank consented to by the Issuer) as the Holder of such Note shall have designated in writing to the Issuing and Paying Agent at least 15 calendar days prior to such Principal Payment Date and if such Note is a Global Note, to the Depository, or (ii) by check of the Issuing and Paying Agent, payable to the order of the Holder of the Note or its properly designated assignee or custodian. Upon payment in full, the Issuing and Paying Agent will cancel the Note and remit it directly to the Issuer thereof.

SECTION 10. Designation of Accounts to Receive Payment. In the event that Notes are issued in certificated form, a bank account may be designated to the Issuing and Paying Agent to receive payments of interest and principal under Sections 8 and 9 either (i) by an Authorized Representative of the Issuer included in Exhibit G hereto in the authentication instructions given by it to the Issuing and Paying Agent under Section 6(a) hereof in respect of particular Notes, or (ii) in the event that the authentication instructions make no designation, or that the Holder wishes to change a designation previously made, by written notice from the Holder to the Issuing and Paying Agent. Such written notice must be provided to the Issuing and Paying Agent not later than 15 calendar days prior to any Interest Payment Date, Principal Payment Date or Payment Date, as the case may be.

SECTION 11. Information Regarding Amounts Due. The Issuing and Paying Agent shall provide to the Issuer, at least five Business Days before each Interest Payment Date or other Payment Date, a list of interest payments or other payments to be made on the following Interest Payment Date or other Payment Date for each Note and in total. The Issuing and Paying Agent will provide to the Issuer by the fifteenth day of each month a list of the principal, premium, if any, and interest or other amounts to be paid on Notes maturing in the next succeeding month.

SECTION 12. Subordinated Notes. The Issuer shall not modify the terms of subordination of any Subordinated Note, nor amend the original Stated Maturity of any Subordinated Note issued hereunder, without first obtaining the written consent to such modification or amendment from the OCC and any applicable state regulator to the extent required.

The indebtedness of the Issuer evidenced by the Subordinated Notes, including the principal, premium (if any), interest or other amounts payable (if any), shall be subordinate and junior in right of payment to its obligations to its depositors, its obligations under bankers' acceptances and letters of credit, and its obligations to its other creditors (including Holders of Senior Notes), including its obligations to the Federal Reserve Bank, the FDIC, and to any rights acquired by the FDIC as a result of loans made by the FDIC to the Issuer or the purchase or guarantee of any of the Issuer's assets by the FDIC pursuant to the provisions of 12 U.S.C. Sections 1823(c), (d) or (e), whether now outstanding or hereafter incurred. In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshaling of assets and liabilities or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations shall be entitled to be paid in full before any payment shall be made on account of the principal of, or premium (if any), interest, or other amounts payable (if any) on, the Subordinated Notes. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Holders of the Subordinated Notes, together with any obligations of the Issuer ranking on a parity with the Subordinated Notes, shall be entitled to be paid from the remaining assets of the Issuer the unpaid principal thereof and any unpaid premium (if any), interest, or other amounts payable (if any) before any payment or other distribution, whether in cash, property, or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the Subordinated Notes.

Notwithstanding any other provisions of the Subordinated Notes, including specifically those set forth in the sections relating to subordination, events of default and covenants of the Issuer, it is expressly understood and agreed that the OCC or any receiver or conservator of the Issuer appointed by the OCC shall have the right in the performance of its legal duties, and as part of liquidation designed to protect or further the continued existence of the Issuer or the rights of any parties or agencies with an interest in, or claim against, the Issuer or its assets, to transfer or direct the transfer of the obligations of the Subordinated Notes to any bank or bank holding company selected by such official which shall expressly assume the obligation of the due and punctual payment of the unpaid principal, and interest and premium, if any, on the Subordinated Notes and the due and punctual performance of all covenants and conditions; and the completion of such transfer and assumption shall serve to supersede and void any default, acceleration or subordination which may have occurred, or which may occur due to or related to such transaction, plan, transfer or assumption, pursuant to the provisions of the Subordinated Notes, and shall serve to return the Holder to the same position, other than for substitution of the obligor, it would have occupied had no default, acceleration or subordination occurred; except that any interest, principal or other amounts previously due, other than by reason of acceleration,

and not paid, in the absence of a contrary agreement by the Holder of the Subordinated Notes, shall be deemed to be immediately due and payable as of the date of such transfer and assumption, together with the interest from its original due date at the rate provided for in the Subordinated Notes.

SECTION 13. Deposit of Funds. The Issuer, prior to 11:00 a.m., New York City time, on each Interest Payment Date or other Payment Date, shall pay to the Issuing and Paying Agent an amount in immediately available funds sufficient to pay all interest or other payments due on the Notes on such Interest Payment Date or other Payment Date and, prior to 11:00 a.m., New York City time, on the Stated Maturity (or any date of Optional Redemption) of any Note, shall pay to the Issuing and Paying Agent an amount in immediately available funds sufficient to pay the principal of any such Note, and interest accrued and/or other amounts due to the Stated Maturity (or the date of Optional Redemption, as the case may be).

SECTION 14. Events of Default.

(a) Events of Default in Relation to Senior Notes. Unless otherwise specified in the applicable Note and Pricing Supplement, the following will constitute the only "Events of Default" with respect to any Senior Notes:

(i) a default in the payment of any interest or other amounts payable upon such Note when due, which continues for 30 calendar days;

(ii) a default in the payment of any principal of or premium, if any, upon such Note when due;

(iii) a default in the performance of any covenant or agreement of the Issuer contained in such Note which, unless otherwise specified therein, continues for 90 calendar days; or

(iv) the appointment of a conservator, receiver, liquidator or similar official for the Issuer or for all or substantially all of its property, or the taking by the Issuer of any action to seek relief under any applicable insolvency or reorganization law.

(b) Events of Default in Relation to Subordinated Notes. Unless otherwise specified in the applicable Pricing Supplement, the following will constitute the only "Events of Default" with respect to any Subordinated Notes:

(i) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer 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 Issuer 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 days; or

(ii) the Issuer 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 of 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 Issuer 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 respective debts as they become due, or shall take any corporate action in furtherance of any of the foregoing.

Payment of principal of, the interest accrued on or other amounts then payable on, the Subordinated Notes may not be accelerated in the case of a default in the payment of principal, interest or other amounts then payable or the performance of any other covenant of the Issuer. Payment of the principal on, the interest accrued on or other amounts then payable on, the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer. Notwithstanding anything herein to the contrary, to the extent then required under applicable capital regulations of the OCC, no payment may be made on the Subordinated Notes after an acceleration resulting from an Event of Default with respect to the Subordinated Notes without the prior approval of the OCC.

(c) Issuance of Certificated Notes. If an Event of Default with respect to a Global Note occurs, the Issuer promptly shall issue Certificated Notes in exchange for such Global Note and the remedies provided in such Global Note for any such Event of Default will be exercisable only after such exchange has occurred, and only by the Holders of such Certificated Notes. The Holder of each such Certificated Note will itself be solely and entirely responsible for the exercise of any remedies provided therein.

(d) Event of Default with Respect to Certificated Notes If an Event of Default with respect to a Certificated Note shall occur and be continuing with respect thereto, the Holder thereof may: (i) by written notice to the Issuing and Paying Agent declare the entire outstanding principal amount thereof, together with any unpaid interest, other amounts and premium accrued thereon, to be immediately due and payable; (ii) institute a judicial proceeding of the enforcement of the terms thereof including the collection of all sums due and unpaid thereunder, prosecute such proceeding to judgment or final decree, and enforce the same against the Issuer and collect monies adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer; and (iii) take such other action at law or in equity as may appear necessary or desirable to collect and enforce such Certificated Note; provided, however, that in the event that such Note is an Original Issue Discount Note or an Indexed Note the principal of which is determined by reference to an index, unless otherwise specified in such Note, the amount of principal that becomes due and payable upon such declaration shall be equal to (a) with respect to Original Issue Discount Notes, the amortized face amount as defined therein, and (b) with respect to Indexed Notes the principal of which is determined by reference to an index, that amount specified in the relevant Note and in the Pricing Supplement; and provided further, that the Holder of a Certificated Note may waive any Event of Default that occurs with respect thereto.

SECTION 15. Registration; Transfer.

(a) The Registrar shall maintain a Register in which it shall register the names, addresses and taxpayer identification numbers of the Holders of the Notes and shall register the transfer of Notes.

(b) Upon surrender for registration of transfer of any Note to the Registrar or any Transfer Agent, the Issuer shall execute, and the Issuing and Paying Agent shall complete, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes, of any Authorized Denominations and having identical terms and provisions of such surrendered Note and for a like aggregate principal amount.

(c) At the option of the Holder of a Certificated Note, Certificated Notes may be exchanged for other Certificated Notes of any Authorized Denominations and having identical terms and provisions and for a like aggregate principal amount, upon surrender of the Notes to be exchanged to the Registrar or any Transfer Agent. Whenever any Certificated Notes are so surrendered for exchange, the Issuer shall execute, and the Issuing and Paying Agent shall complete, authenticate and deliver, the Certificated Notes which the Holder of the Certificated Note making the exchange is entitled to receive.

(d) Each new Note issued upon presentment of any Note for registration of transfer or exchange shall be issued as of the date of its authentication. Except as provided herein or in the applicable Pricing Supplement and Note, owners of beneficial interests in a Global Note will not receive or be entitled to receive physical delivery of Certificated Notes and will not be considered the owners or Holders thereof under this Agreement.

(e) Notwithstanding the foregoing, neither the Registrar or any Transfer Agent shall register the transfer of or exchange (i) any Note that has been called for redemption in whole or in part, except the unredeemed portion of Notes being redeemed in part, (ii) any Note during the period beginning at the opening of business 15 days before the mailing of a notice of such redemption and ending at the close of business on the date of such mailing, or (iii) any Global Note in violation of the legend contained on the face of such Global Note.

(f) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits as the Notes surrendered upon such registration of transfer or exchange.

(g) Every Note presented or surrendered for registration of transfer or for exchange shall be duly endorsed, or be accompanied by a written instrument of transfer with such evidence of due authorization and guaranty of signature as may reasonably be required by the Registrar or any Transfer Agent, as applicable, in form satisfactory to either of them, duly executed by the Holder thereof or his attorney duly authorized in writing.

(h) No service charge shall be made to a Holder of Notes for any transfer or exchange of Notes, but the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

SECTION 16. Persons Deemed Owners. Prior to due presentment of a Note for registration of transfer, the Issuer, the Issuing and Paying Agent and any agent of the Issuer or the Issuing and Paying Agent may treat the Holder as the owner of such Note for the purpose of receiving payment of principal of, interest and premium, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Issuing and Paying Agent nor any agent of the Issuer or the Issuing and Paying Agent shall be affected by notice to the contrary.

SECTION 17. Mutilated, Lost, Stolen or Destroyed Notes. In case any Note shall become mutilated, destroyed, lost or stolen, and upon the satisfaction by the applicant of the requirements of this Section 17 for a substituted Note, the Issuer shall execute, and upon its written request the Issuing and Paying Agent shall authenticate and deliver, a new Note having identical terms and provisions and having a number not contemporaneously outstanding, in exchange and substitution for the mutilated Note or in lieu of any substitution for the Note destroyed, lost or stolen. In the case of loss, theft or destruction, the applicant for a substituted Note shall furnish to the Issuer and to the Issuing and Paying Agent such security or indemnity as may be required by them to save each of them harmless. Such applicant shall also furnish to the Issuer and to the Issuing and Paying Agent evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof. In the case of mutilation, the applicant for a substituted Note shall surrender such mutilated Note to the Issuer or to the Issuing and Paying Agent for cancellation thereof. The Issuing and Paying Agent may authenticate any such substituted Note and deliver the same upon the written request or authorization of any Authorized Representative. Upon the issuance of any substituted Note, the Issuer may require the payment of a sum sufficient to cover any connected expense. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer, instead of issuing a substituted Note, may pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note) if the applicant for such payment shall furnish the Issuer and the Issuing and Paying Agent with such security or indemnity as may be required by them to save each of them harmless, and, in the case of destruction, loss or theft, evidence to the satisfaction of the Issuer of the destruction, loss or theft of such Note and of the ownership thereof. All applications under this Section 17 shall be processed by the Issuing and Paying Agent.

SECTION 18. Return of Unclaimed Funds. Any money deposited with the Issuing and Paying Agent and remaining unclaimed for two years after the date upon which the last payment of principal of or interest on any Note to which such deposit relates shall have become due and payable, shall be repaid to the Issuer by the Issuing and Paying Agent on written demand, and the Holder of any Note to which such deposit related and entitled to receive payment thereafter shall look only to the Issuer for the payment thereof, and all liability of the Issuing and Paying Agent with respect to such money thereupon shall cease.

SECTION 19. Amendment or Supplement . The Issuer and the Issuing and Paying Agent may modify, amend or supplement this Agreement without the consent of any Holder. In addition, the Issuer may modify, amend or supplement the terms and conditions of the Notes, without the consent of any Holder thereof:

(i) to evidence succession of another party to the Issuer, and such party's assumption of the Issuer's obligations under the Notes, upon the occurrence of a merger or consolidation, or a transfer, sale or lease of assets, as described below;

(ii) to add additional covenants, restrictions or conditions for the protection of the Holder of the Note;

(iii) to cure ambiguities in the Notes, or correct defects or inconsistencies in the provisions of the Notes;

(iv) to reflect the replacement of the Issuing and Paying Agent or the assumption by the Issuer or a substitute Issuing and Paying Agent of some or all of the Issuing and Paying Agent's responsibilities under this Agreement;

(v) to evidence the replacement or change of address of the Depository;

(vi) in the case of any Notes which are extendible, renewable, amortizing or indexed, or upon prepayment or redemption of the Notes, to reduce the principal amount of the Note to reflect the payment, prepayment or redemption of a portion of the outstanding principal amount of the Note;

(vii) in the case of any Notes which are extendible, renewable, amortizing or indexed, to reflect any change in the maturity date of the Note in accordance with the terms of the Note; or

(viii) to reflect the issuance in exchange for the Note, in accordance with the terms thereof, of one or more Certificated Notes.

However, a Note may not be modified or amended without the express written consent of the registered Holder and, in the case of Subordinated Notes, as applicable, the OCC or other then applicable primary federal regulator, to:

(i) change the Stated Maturity, except in the case of Notes which are extendible, renewable, amortizing, or indexed as provided in the Note;

(ii) extend the time of payment for the premium (if any) or interest on the Note, except in the case of Notes which are extendible, renewable, amortizing or indexed as provided in the Note;

(iii) change the coin or currency in which the principal of, premium (if any), interest or other amounts payable (if any) on the Note is payable;

(iv) reduce the principal amount of the Note or the interest rate thereon, except in the case of Notes which are extendible, renewable, amortizing or indexed or upon prepayment or redemption as provided in the Note;

(v) change the method of payment if a Note is in global form to other than wire transfer in immediately available funds;

(vi) impair the right of the Holder thereof to institute suit for the enforcement of payments of principal of, premium (if any), or interest or other amounts payable (if any) on the Note;

(vii) change any Note's definition of "Event of Default" or otherwise eliminate or impair any remedy available thereunder upon the occurrence of any Event of Default (as defined in such Note); or

(viii) modify the provisions therein governing the amendment of that Note.

Notes authenticated and delivered after the execution of any agreement modifying, amending or supplementing this Agreement or the Notes may bear a notation in a form approved by the Issuer as to any matter provided for in such modification, amendment or supplement to this Agreement or the Notes. New Notes so modified as to conform, in the opinion of the Issuer, to any provisions contained in any such modification, amendment or supplement may be prepared by the Issuer, authenticated by the Issuing and Paying Agent and delivered in exchange for Outstanding Notes.

The Issuer may not consolidate or merge with or into any other person, or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless (i) the surviving entity in such consolidation or merger, or the Person that acquires by conveyance or transfer, or that leases, the properties and assets of the Issuer substantially as an entirety, shall be a bank, corporation, limited liability company or partnership organized and validly existing under the laws of the United States, any State thereof or the District of Columbia, and shall expressly assume the due and punctual payment of the principal of, premium, if any, and interest or other amounts payable (if any) on the Notes, and the performance or observance of every provision of the Notes on the part of the Issuer to be performed or observed; and (ii) immediately after giving effect to such transaction, no Event of Default with respect to the Issuer, and no event which, after notice or the lapse of time or both, would become an Event of Default with respect to the Issuer, shall have happened and be continuing.

If this Agreement is amended or modified pursuant to an agreement by the parties hereto pursuant to this Section 19, the Issuing and Paying Agent may require, and shall be fully protected in relying upon, an opinion of counsel, which opinion may be rendered by counsel to the Issuer, stating that the execution of such amendment or modification is authorized or permitted by this Agreement, and that such amendment or modification constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms and subject to customary exceptions.

SECTION 20. Resignation or Removal of Agents; Appointment of Successors to Agents.

(a) Resignation or Removal of Agent. Any Agent may at any time resign as such by giving written notice to the Issuer and, except in the case of the resignation of the Issuing and Paying Agent, to the Issuing and Paying Agent of such intention on its part, specifying the date on which its desired resignation shall become effective; provided that such date, unless otherwise agreed by the Issuer, shall not be less than 30 days after the date on which such notice is given.

The Issuer may remove any Agent with respect to Notes issued by the Issuer at any time by filing with such Agent an instrument in writing signed by or on behalf of the Issuer and specifying such removal and the date when it shall become effective.

The resignation or removal of an Agent with respect to Notes issued by the Issuer shall become effective on the date set forth in the notice and shall only be effective with respect to the Issuer and Notes issued by the Issuer, except that any resignation or removal of the Issuing and Paying Agent or the Registrar shall take effect upon the Issuer's appointment of a successor Issuing and Paying Agent or Registrar, as the case may be, and such Agent's acceptance of such appointment; provided, that if the Issuer has not appointed a successor Agent within 30 days after any such removal or replacement, the affected Agent (at the expense of the Issuer) may petition any court of competent jurisdiction for the appointment of a successor Agent.

(b) Appointment of Successor to Agent. In case at any time the Issuing and Paying Agent or the Registrar becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a petition for corporate reorganization under any applicable federal, state, or foreign bankruptcy, insolvency or similar law or makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver, custodian or other similar official of all or substantially all of its property, or admits in writing its inability to pay or meet its debts as they mature, or if a receiver, custodian or other similar official of it or of all or substantially all of its property is appointed, or if an order of any court is entered for relief against it under the provisions of any applicable federal, state or foreign bankruptcy, insolvency or similar law, or if any public officer takes charge or control of any such Agent, or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, such Agent promptly shall notify the Issuer and the Issuing and Paying Agent in writing of the occurrence of such event.

Either (i) following receipt of notice of resignation from, (ii) upon the Issuer's removal of, or (iii) following the Issuer's receipt of the notice referred to in the first paragraph of this Section 20(b) from, the Issuing and Paying Agent or the Registrar, the Issuer shall appoint a successor to such Agent by an instrument in writing filed with the Issuing and Paying Agent (or its successor). Upon the appointment as aforesaid of a successor Issuing and Paying Agent or Registrar and acceptance by such successor of such appointment, the Issuing and Paying Agent or Registrar hereunder so superseded shall cease to be such Issuing and Paying Agent or Registrar hereunder.

(c) Successor of Agent. Any successor Issuing and Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer an instrument accepting such appointment, and thereupon such successor Issuing and Paying Agent or Registrar without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor, with like effect as if originally named as the Issuing and Paying Agent or Registrar hereunder. Such predecessor, upon payment of any amount then payable to it pursuant to Section 24, shall become obligated to transfer, deliver and pay over, and such successor Issuing and Paying Agent or Registrar shall be entitled to receive, all money, securities and other property on deposit with or held by such predecessor as the Issuing and Paying Agent or Registrar hereunder.

(d) Merger, etc. of Agent. Any corporation into which any Agent hereunder may be merged, or converted, or any corporation with which any Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Agent shall be a party, or a corporation to which any Agent shall sell or otherwise transfer all or substantially all of the assets and business of such Agent, shall be the successor to such Agent under this Agreement (provided that it shall be qualified as aforesaid) without the execution or filing of any paper or any further act on the part of any of the parties hereto. Each Agent will advise the Issuer promptly in writing after any public announcement of a proposal by such Agent to enter into any such transaction.

(e) Change in Duties of an Agent. The Issuer may vary the appointment of any Agent other than the Issuing and Paying Agent.

(f) Additional Agents. The Issuer may from time to time appoint a paying agent for one or more Notes. In the event that (i) the Issuing and Paying Agent shall be removed or resign and any successor thereto shall not be located in The City of New York or (ii) the Issuing and Paying Agent shall cease to maintain an office in The City of New York at which amounts due on the Notes are payable, then in either such case the Issuer shall appoint a paying agent with an office in The City of New York at which such Notes may be paid.

SECTION 21. Reliance on Instructions. The Issuing and Paying Agent shall incur no liability to the Issuer in acting upon instructions which the Issuing and Paying Agent believed in good faith to have been properly given by an Authorized Representative. In the event a discrepancy exists between the instructions as originally received by the Issuing and Paying Agent and any subsequent written confirmation thereof, such original instructions will be deemed controlling, provided the Issuing and Paying Agent gives notice to the Issuer of such discrepancy promptly upon receipt of such written confirmation.

SECTION 22. Cancellation of Unissued Notes. Promptly upon the written request of the Issuer, the Issuing and Paying Agent shall cancel and return to the Issuer all unissued Notes of the Issuer in its possession.

SECTION 23. Representation and Warranties of the Issuer; Instructions by Certificate.

(a) Each instruction given to the Issuing and Paying Agent in accordance withSection 6 shall constitute a representation and warranty to the Issuing and Paying Agent by the Issuer that the issuance and delivery of the Notes is in accordance with the terms and conditions described in the Offering Circular and the applicable Pricing Supplement, and the Notes have been duly and validly authorized by the Issuer and, when completed, authenticated and delivered pursuant hereto, the Notes will constitute the valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or other laws relating to or affecting enforcement of creditors' rights generally, to general equity principles or to 12 U.S.C. § 1818(b)(6)(D) (or any successor statute), 12 C.F.R. § 5.47 (or any successor regulation) and similar bank regulatory powers now or hereafter in effect.

(b) Any instruction given by the Issuer to the Issuing and Paying Agent under this Agreement shall be in the form of an Officer's Certificate or other signed letter or memorandum. Any "signed letter or memorandum" means a document signed by an Authorized Representative and delivered to the Issuing and Paying Agent.

SECTION 24. Fees. For their services under this Agreement, the Agents, including the Issuing and Paying Agent, may be entitled to compensation, as shall be mutually agreed upon in writing between each such Agent and the Issuer from time to time and the Issuer agrees to reimburse the Issuing and Paying Agent for all reasonable out of pocket disbursements and advances made or incurred by the Issuing and Paying Agent incurred without negligence, bad faith or willful misconduct.

SECTION 25. Notices.

(a) All communications by or on behalf of the Issuer relating to the completion, delivery or payment of the Notes are to be directed to the Corporate Trust Agency Group of the Issuing and Paying Agent, 60 Wall Street, 27th Floor, Mail Stop, NYC 60-2710, New York, New York 10005, Attention: Corporate Trust and Agency Group, with a copy to Deutsche Bank National Trust Company, Global Transaction Banking, 25 DeForest Avenue, Mail Stop, 01-0105, Summit, New Jersey 07901, Attention: Trust & Securities Services (or such other department or division as the Issuing and Paying Agent shall specify in writing to the Issuer). The Issuer will send all Notes to be completed and delivered by the Issuing and Paying Agent to such Corporate Trust and Agency Group (or such other department or division as the Issuing and Paying Agent shall specify in writing to the Issuer). The Issuing and Paying Agent will, upon written request, advise the Issuer from time to time of the individuals generally responsible for the administration of this Agreement.

(b) Notices and other communications (except to the extent otherwise expressly provided) shall be in writing and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified:

If to the Issuer:

Bank of America, N.A.
Bank of America Corporate Center
100 North Tryon Street
NC1-007-07-06
Charlotte, North Carolina 28255
Telephone: (704) 388-2375
Telecopier: (704) 386-9946
Attention: James T. Houghton

With copies to:

Bank of America Corporation
Bank of America Corporate Center
Legal Department,
NC1-002-29-01
101 South Tryon Street
Charlotte, North Carolina 28255
Telephone: (704) 386-1624
Telecopier: (704) 387-0108
Attention: Ellen A. Perrin, Esq.

and

Helms Mulliss & Wicker, PLLC
201 North Tryon Street
Charlotte, North Carolina 28202
Telephone: (704) 343-2030
Telecopier: (704) 343-2300
Attention: Boyd C. Campbell, Jr.

If to the Issuing and Paying Agent:

Deutsche Bank Trust Company Americas
60 Wall Street
27th Floor
Mail Stop, NYC 60-2710
New York, New York 10005
Telephone: (212) 250-7910
Telecopier: (212) 797-8614
Attention: Corporate Trust and Agency Services

with copies to:

Deutsche Bank National Trust Company
Global Transaction Banking
25 DeForest Avenue
Mail Stop, 01-0105
Summit, New Jersey 07901
Telephone: (908) 608-3191
Telecopier: (732) 578-4635
Attention: Trust & Securities Services

and

Katten Muchin Zavis Rosenman
1025 Thomas Jefferson Street, N.W.
East Lobby Suite 700
Washington, D.C. 20007-5201
Telephone: (202) 625-3628
Telecopier: (202) 298-7570
Attention: Michele D. Ross, Esq.

SECTION 26. Information Furnished by the Issuing and Paying Agent. Upon the request of the Issuer from time to time, the Issuing and Paying Agent promptly shall provide the Issuer with information with respect to Notes issued by it hereunder to the extent such information is reasonably available.

SECTION 27. Liability. The Issuing and Paying Agent (which for purposes of this Section 27 includes its officers and employees) shall not be liable to the Issuer for any act or omission hereunder except in the case of negligence, bad faith or willful misconduct. The duties and obligations of the Issuing and Paying Agent, its officers and employees shall be determined by the express provisions of this Agreement and they shall not be liable except for the negligent performance of such duties and obligations as are specifically set forth herein and no implied covenants shall be read into this Agreement against them. Neither the Issuing and Paying Agent nor its officers shall be required to ascertain whether any issuance or sale of Notes (or any amendment or termination of this Agreement) is in compliance with any other agreement to which the Issuer is a party (whether or not any of the Agents is also a party to such other agreement).

SECTION 28. Additional Responsibilities; Attorneys Fees.

(a) If the Issuer shall ask the Issuing and Paying Agent to perform any duties not specifically set forth in this Agreement as duties of the Issuing and Paying Agent (the "Additional Responsibilities") and the Issuing and Paying Agent chooses to perform such Additional Responsibilities, the Issuing and Paying Agent shall be held to the same standard of care and shall be entitled to all the protective provisions (including, but not limited to, indemnification) set forth herein.

(b) In the event the Issuer shall default under any of the provisions or obligations of this Agreement, the Notes or any amendment, supplement or modification related hereto, affecting the rights or duties of the Issuing and Paying Agent, and the Issuing and Paying Agent shall employ attorneys or incur other expenses for the enforcement of performance or observance of any such obligation or agreement, the Issuer agrees that, in the absence of negligence, bad faith or willful misconduct on the part of the Issuing and Paying Agent, it will on demand therefore pay to the Issuing and Paying Agent the reasonable fees of such attorneys and such other expenses incurred by the Issuing and Paying Agent.

SECTION 29. Transfer of Notes and Moneys.

(a) The Issuing and Paying Agent shall hold all Certificated Notes delivered to it for payment solely for the benefit of the respective Holders of the Notes which shall have so delivered such Notes until moneys representing the payment for such Notes shall have been delivered to or for the account of or to the order of such Holders.

(b) The Issuing and Paying Agent shall hold all moneys delivered to it pursuant to this Agreement for the payment of Certificated Notes in trust solely for the benefit of the person or entity which shall have so delivered such moneys until such Notes shall have been delivered to or for the account of such person or entity, but such moneys need not be segregated from other funds except to the extent required by law.

(c) The Issuing and Paying Agent shall only make such payments called for under this Agreement from funds transferred to it for payment pursuant to this Agreement which funds are immediately available and on deposit in an appropriate account maintained by the Issuing and Paying Agent in The City of New York.

(d) Under no circumstances shall the Issuing and Paying Agent be obligated to expend any of its own funds in connection with the performance of its duties hereunder.

(e) The Issuing and Paying Agent may become a purchaser, Holder, transferor or otherwise own, hold or transfer any Notes and may commence or join in any action which a Holder is entitled to take without any conflict with its responsibilities pursuant to this Agreement.

(f) The Issuing and Paying Agent shall not be required to invest any moneys delivered to it.

(g) The Issuing and Paying Agent shall have no liability for interest on any moneys received from the Issuer hereunder.

(h) The Issuing and Paying Agent shall not be responsible for the correctness of any recital in the Notes or in any offering materials and makes no representations as to the validity of the Notes and shall incur no responsibility in respect thereto.

(i) The Issuing and Paying Agent shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by an Authorized Representative.

(j) Any action taken by the Issuing and Paying Agent pursuant to this Agreement upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Holder of any Note shall be conclusive and binding upon all future Holders of the same Note and Notes issued in exchange therefor or in place thereof.

(k) In paying Notes hereunder, the Issuing and Paying Agent shall be acting as a conduit and shall not be paying Notes for its own account, and in the absence of written notice from the Issuer to the contrary and in the absence of gross negligence, bad faith or willful misconduct of the Issuing and Paying Agent, the Issuing and Paying Agent shall be entitled to assume that any Global Note presented to it, or deemed presented to it, for payment, is entitled to be so paid.

SECTION 30. Indemnity. The Issuer covenants and agrees to indemnify the Issuing and Paying Agent (including its directors, officers, attorneys, employees and agents) for, and to hold it harmless against, any loss, liability or expense (including reasonable attorneys fees and disbursements) incurred without negligence, bad faith or willful misconduct on its part, arising out of or in connection with this Agreement or the Administrative Procedures and/or the performance of the Issuing and Paying Agent's duties hereunder and the Administrative Procedures, including the reasonable costs and expenses of defending it against any claim of liability in the premises. The Issuing and Paying Agent may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any related loss, liability or expense. These indemnification obligations shall survive the termination of this Agreement, including any termination under state or federal banking law or other insolvency law, to the extent enforceable under applicable law, and shall survive the resignation or removal of the Issuing and Paying Agent while remaining applicable to any action taken or omitted by the Issuing and Paying Agent while acting pursuant to this Agreement.

SECTION 31. Limitation of Liability; Reliance on Opinions and Certificates.

(a) THE ISSUING AND PAYING AGENT'S DUTIES ARE MINISTERIAL IN NATURE AND IN NO EVENT SHALL THE ISSUING AND PAYING AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, TO ANY PERSON OR ENTITY FOR ANY (i) LOSS, LIABILITY, DAMAGES OR EXPENSES (OTHER THAN, IN THE CASE OF THE ISSUER ONLY, THOSE WHICH RESULT DIRECTLY FROM THE ISSUING AND PAYING AGENT'S NEGLIGENCE, BAD FAITH OR WILLFUL MISCONDUCT) OR (ii) SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), EVEN IF THE ISSUING AND PAYING AGENT HAS BEEN ADVISED

OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF THE FORM OF ACTION, INCLUDING WITHOUT LIMITATION FOR BREACH OF THIS CONTRACT OR TORT (INCLUDING NEGLIGENCE).

(b) The Issuing and Paying Agent shall be entitled to consult with counsel of its choosing and shall have no liability to the Issuer in respect of an action taken or omitted by the Issuing and Paying Agent in good faith in reliance on an opinion of counsel (including in-house counsel) or an Officer's Certificate.

(c) Notwithstanding anything to the contrary in this Agreement, the Issuing and Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent, correspondent, attorney or receiver appointed with due care by it hereunder.

SECTION 32. Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto and the Holders and their successors and assigns and no other person shall acquire or have any rights under or by virtue hereof.

SECTION 33. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements to be entered into and to be performed in such State.

SECTION 34. Headings and Table of Contents. The table of contents and the section and subsection headings herein are for convenience only and shall not affect the construction hereof.

SECTION 35. Counterparts. This Agreement may be signed in separate counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf by their officers duly authorized thereunto, as of the day and year first above written.

BANK OF AMERICA, N.A., as Issuer

By: /s/ KAREN A. GOSNELL
Name: Karen A. Gosnell
Title: Senior Vice President

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Issuing and Paying Agent

By Deutsche Bank National Trust Company

By: /S/ YANA KALACHIKOVA
Name: Yana Kalachikova
Title: Assistant Vice President

By: /s/ RODNEY GAUGHAN
Name: Rodney Gaughan
Title: Assistant Vice President

EXHIBIT A

Forms of DTC Letters of Representations

EXHIBIT B

Administrative Procedures

EXHIBIT C-1

Form of Senior Fixed Rate Note

EXHIBIT C-2

Form of Subordinated Fixed Rate Note

EXHIBIT D-1

Form of Senior Floating Rate Note

EXHIBIT D-2

Form of Subordinated Floating Rate Note

EXHIBIT E

Form of Indexed Note

EXHIBIT F

Form of Legend for Original Issue Discount Notes

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE ISSUE PRICE OF THIS NOTE IS $_____ PER $1,000 OF PRINCIPAL AMOUNT DUE AT MATURITY; THE AMOUNT OF ORIGINAL ISSUE DISCOUNT IS $_____ PER $1,000 OF PRINCIPAL AMOUNT DUE AT MATURITY; THE ISSUE DATE IS_____ AND THE YIELD TO MATURITY ON THE ISSUE DATE IS _____% PER ANNUM, COMPOUNDED [SEMI-ANNUALLY]. [THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD IS $_____ PER $1,000 OF PRINCIPAL AMOUNT DUE AT MATURITY; THE PRINCIPAL AMOUNT AND THE AMOUNT ALLOCABLE TO THE SHORT FINAL ACCRUAL PERIOD IS $_____ PER $1,000 OF PRINCIPAL AMOUNT DUE AT MATURITY, EACH DETERMINED ON THE BASIS OF A METHOD TAKING INTO ACCOUNT DAILY COMPOUNDING.]*

* Omit the last sentence in the case of Notes that are issued and mature exactly on regularly scheduled interest payment dates.

EXHIBIT G

Bank of America, N.A.

Authorized Representatives

EXHIBIT H

Form of Issuing and Paying Agent's
Officer's Certificate Referencing
Authorized Representatives

Exhibit 4(bb)

TENTH SUPPLEMENTAL INDENTURE

between

BANK OF AMERICA CORPORATION

and

THE BANK OF NEW YORK

Dated as of March 28, 2006

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TENTH SUPPLEMENTAL INDENTURE

THIS TENTH SUPPLEMENTAL INDENTURE, dated as of March 28, 2006 (the "Tenth Supplemental Indenture"), between BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, as trustee (the "Trustee"), under a Restated Indenture dated as of November 1, 2001 between the Company and the Trustee (the "Indenture").

WHEREAS, the Company desires to establish, under the terms of the Indenture, a series of its securities to be known as its 6¼% Junior Subordinated Notes, due 2055 (the "Notes"), the form and substance of such Notes and the terms, provisions and conditions thereof, to be set forth as provided in the Indenture and this Tenth Supplemental Indenture; and

WHEREAS, under the terms of an Underwriting Agreement dated as of March 21, 2006 (the "Underwriting Agreement"), among the Company, BAC Capital Trust X (the "Trust") and the Underwriters named therein (the "Underwriters"), the Trust has agreed to sell to the Underwriters $900,000,000 aggregate liquidation amount of its 6 1/4% Capital Securities (such securities being of the type referred to in the Indenture as the "Preferred Securities" and in this Tenth Supplemental Indenture as the "Capital Securities") and has granted the Underwriters an option to purchase up to an additional $135,000,000 aggregate liquidation amount of Capital Securities of the Trust (the "Option") to cover over-allotments; and

WHEREAS, if the Underwriters elect to exercise the Option, the Trust has agreed pursuant to the terms of that certain Subscription Agreement dated as of March 21, 2006 between the Trust and the Company (the "Subscription Agreement"), to issue up to an additional 168,000 Common Securities with an aggregate liquidation amount of up to $4,200,000; and

WHEREAS, pursuant to the Subscription Agreement, the Company has committed to purchase all of the common securities of the Trust (the "Common Securities"), which Common Securities shall represent at least 3% of the total capital of the Trust; and

WHEREAS, the Trust proposes to invest the gross proceeds from such offering of Capital Securities, together with the gross proceeds from the issuance and sale by the Trust of the Common Securities, in the Notes, as a result of which the Trust will purchase initially $928,000,000 aggregate principal amount of the Notes, and may upon exercise of the Option, will purchase up to an additional $139,200,000 aggregate principal amount of the Notes; and

WHEREAS, the Company has requested that the Trustee execute and deliver this Tenth Supplemental Indenture; and

WHEREAS, all requirements necessary to make this Tenth Supplemental Indenture a valid instrument in accordance with its terms and to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this Tenth Supplemental Indenture have been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Notes and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definition of Terms.

Unless the context otherwise requires:

(a) a term defined in the Indenture has the same meaning when used in this Tenth Supplemental Indenture unless otherwise provided herein;

(b) a term defined anywhere in this Tenth Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) a reference to a Section or Article is to a Section or Article of this Tenth Supplemental Indenture;

(e) headings are for convenience of reference only and do not affect interpretation;

(f) the following terms have the meanings given to them in the Declaration: (i) Business Day; (ii) Clearing Agency; (iii) Delaware Trustee; (iv) Capital Security Certificate; (v) Depositary; (vi) Property Trustee; and (vii) Regular Trustee;

(g) the following terms have the meanings given to them in this Section 1.1;

"Additional Interest" shall have the meaning set forth in Section 2.5.

"Capital Treatment Event" means the reasonable determination by the Company that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision thereof, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that the Company will not be entitled to treat an amount equal to the aggregate liquidation amount of the Capital Securities as Tier 1 capital (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System, as then in effect and applicable to the Company.

"Compounded Interest" shall have the meaning set forth in Section 4.1.

"Coupon Rate" shall have the meaning set forth in Section 2.5.

"Declaration" means the Amended and Restated Declaration of Trust of BAC Capital Trust X, a Delaware statutory trust, dated as of March 21, 2006.

"Deferred Interest" shall have the meaning set forth in Section 4.1.

"Dissolution Election" means that, as a result of the election of the Company, as Sponsor, the Trust is to be dissolved in accordance with the Declaration, and the Notes held by the Property Trustee are to be distributed to the holders of the Trust Securities issued by the Trust pro rata or in any other manner specified in the Declaration.

"Extended Interest Payment Period" shall have the meaning set forth in Section 4.1.

"Global Note" shall have the meaning set forth in Section 2.4.

"Holder" means any person in whose name the Notes are registered on the register kept by the Company or the Property Trustee in accordance with the terms hereof.

"Interest Payment Date" shall have the meaning set forth in Section 2.5.

"Investment Company Event" means the receipt by the Trust of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), the Trust is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Capital Securities.

"Maturity Date" means the date on which the Notes mature and on which the principal shall be due and payable together with all accrued and unpaid interest thereon, including Compounded Interest and Additional Interest, if any.

"Maturity Repayment Price" means the price, at the Maturity Date, equal to the principal amount of, plus accrued interest on, the Notes.

"Non-Book-Entry Capital Securities" shall have the meaning set forth in Section 2.4.

"Optional Prepayment Price" means 100% of the outstanding principal amount of the Notes to be redeemed, plus any accrued and unpaid interest thereon up to, but excluding the date of such prepayment.

"Optional Prepayment" means prepayment prior to the Maturity Date of the Notes at the option of the Company in whole or in part at any time on or after March 29, 2011.

"Senior Obligations" reference is made to the definition included in the Indenture. For the avoidance of confusion, the term Senior Obligations does not include any indebtedness that by its terms is subordinated to or ranks equally with the Notes, including any such indebtedness that the Federal Reserve Board authorizes for inclusion in Tier 1 capital, all limited to the extent that the classification of such indebtedness as ranking subordinated to or equally with the Notes is authorized under the capital rules of the Federal Reserve Board.

"Special Event" means a Tax Event, Capital Treatment Event or an Investment Company Event.

"Special Event Prepayment" means a prepayment of the Notes prior to March 29, 2011, in whole but not in part, pursuant to the occurrence of a Special Event.

"Special Event Prepayment Price" means 100% of the outstanding principal amount of the Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment.

"Tax Event" means that (i) the Company shall have received an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that interest payable on the Notes is not, or within 90 days of the date thereof, will not be deductible, in whole or in part, by the Company for United States federal income tax purposes or (ii) the Regular Trustees have been informed by a nationally recognized independent tax counsel that a No Recognition Opinion cannot be delivered. "No Recognition Opinion" means an opinion of a nationally recognized independent tax counsel experienced in such matters, which opinion may rely on published revenue rulings of the Internal Revenue Service, to the effect that the holders of the Capital Securities and Common Securities will not recognize any gain or loss for United States federal income tax purposes as a result of the dissolution of the Trust and the distribution of the Notes.

ARTICLE 2

GENERAL TERMS AND CONDITIONS OF THE NOTES

SECTION 2.1 Designation and Principal Amount.

There is hereby authorized and established under the terms of the Indenture a series of the Company's securities designated the 6 1/4% Junior Subordinated Notes, due 2055" limited in aggregate principal amount to no more than $1,067,200,000 which amount shall be as set forth in one or more written orders of the Company for the authentication and delivery of the Notes pursuant to Section 2.04 of the Indenture including any subsequent or supplemental written order of the Company upon exercise of the Option.

SECTION 2.2 Maturity.

The Maturity Date for the Notes is March 29, 2055. SECTION 2.3Form and Payment.

SECTION 2.3 Form and Payment.

Except as provided in Section 2.4, the Notes shall be issued in fully registered certificated form without interest coupons. Principal and interest on the Notes issued in certificated form will be payable, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes bearing identical terms and provisions at the office or agency of the Trustee; provided, however, that payment of interest may be made at the option of the Company by check mailed to the Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of any Notes is the Property Trustee, the payment of the principal of and interest (including Compounded Interest and Additional Interest, if any) on such Notes held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

SECTION 2.4 Global Form.

(a) In connection with a Dissolution Election,

(i) the Notes in certificated form shall be presented to the Trustee by the Property Trustee to be exchanged for one or more fully registered securities representing the aggregate principal amount of all then outstanding Notes as a Global Security to be registered in the name of the Depositary, or its nominee (a "Global Note"), and delivered by the Trustee to the Depositary for crediting to the accounts of its participants pursuant to the instructions of the Regular Trustees. Upon any such presentation, the Company shall execute a Global Note in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with the Indenture and this Tenth Supplemental Indenture. Payments on the Notes issued as a Global Note will be made to the Depositary; and

(ii) if any Capital Securities are held in certificated form and not in book-entry form, the Notes in certificated form may be presented to the Trustee by the Property Trustee and any Capital Security Certificate which represents Capital Securities other than Capital Securities held by the Clearing Agency or its nominee ("Non-Book-Entry Capital Securities") will be deemed to represent beneficial interests in Notes presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non-Book-Entry Capital Securities until such Capital Security Certificates are presented to the Security Registrar for transfer or reissuance, at which time such Capital Security Certificates will be canceled and a Note, registered in the name of the holder of the Capital Security Certificate or the transferee of the holder of such Capital Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Capital Security Certificate canceled, will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this Tenth Supplemental Indenture. On issue of such Notes, Notes with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be deemed to have been canceled.

(b) A Global Note may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary or if at any time the Depositary shall no longer be registered or in good standing under the Exchange Act or other applicable statute or regulation, and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article 2 of the Indenture, the Trustee, upon written notice from the Company, will authenticate and make available for delivery the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. In addition, the Company may at any time determine that the Notes shall no longer be represented by a Global Note. In such event the Company will execute, and subject to Section 2.07 of the Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. Upon the exchange of the Global Note for such Notes in definitive registered form without coupons, in authorized denominations, the Global Note shall be canceled by the Trustee. Such Notes in definitive registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depositary for delivery to the Persons in whose names such Securities are so registered.

SECTION 2.5 Interest.

(a) Each Note will bear interest at the rate of 6¼% per annum (the "Coupon Rate") from March 28, 2006 until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the Coupon Rate, compounded quarterly, payable (subject to the provisions of Article 4) quarterly in arrears on March 29, June 29, September 29 and December 29 of each year (each, an "Interest Payment Date"), beginning on June 29, 2006 (the amount payable for the initial distribution period will include an amount accrued for one extra day), to the Person in whose name such Note or any predecessor Note is registered at the close of business on the regular record date for such interest installment, which, in respect of any Notes of which the Property Trustee is the Holder of a Global Note, shall be the close of business on the Business Day next preceding that Interest Payment Date. Notwithstanding the foregoing sentence, if the Capital Securities are no longer in book-entry only form, the relevant record dates shall be March 14, June 14, September 14 and December 14 prior to the regular Interest Payment Date.

(b) The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarter for which interest is computed, will be computed on the basis of the actual number of days elapsed in such a 30-day

period. In the event that any date on which interest is payable on the Notes is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

(c) If, at any time while the Property Trustee is the Holder of any Notes, the Trust or the Property Trustee is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States, or any other domestic taxing authority, then, in any case, the Company will pay as additional interest ("Additional Interest") on the Notes held by the Property Trustee, such additional amounts as shall be required so that the net amounts received and retained by the Trust and the Property Trustee after paying such taxes, duties, assessments or other governmental charges will be equal to the amounts the Trust and the Property Trustee would have received had no such taxes, duties, assessments or other government charges been imposed.

ARTICLE 3

PREPAYMENT OF THE NOTES

SECTION 3.1 Special Event Prepayment.

If a Special Event has occurred and is continuing prior to March 29, 2011, the Company shall have the right, upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes, to prepay the Notes, in whole but not in part, for cash within 90 days following the occurrence of such Special Event (the "90-Day Period") at a prepayment price equal to the Special Event Prepayment Price. The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such repayment or such earlier time as the Company determines, provided that the Company shall deposit with the Trustee an amount sufficient to pay the Special Event Prepayment Price by 10:00 a.m., New York time, on the date such Special Event Prepayment Price is to be paid.

SECTION 3.2 Optional Prepayment by Company.

(a) Subject to the provisions of Section 3.2(b) and to the provisions of Article 14 of the Indenture, the Company shall have the right to prepay the Notes, in whole or in part, at any time and from time to time, on or after March 29, 2011, at a redemption price equal to the Optional Prepayment Price. Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes. If the Notes are only partially prepaid pursuant to this Section 3.2, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine, in accordance with its procedures, the principal amount of such Notes held by each Holder of a Note to be prepaid. The Optional Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines provided that the Company shall deposit with the Trustee an amount sufficient to pay the Optional Prepayment Price by 10:00 a.m., New York time, on the date such Optional Prepayment Price is to be paid.

(b) If a partial prepayment of the Notes would result in the delisting of the Capital Securities issued by the Trust from any national securities exchange or other organization on which the Capital Securities are then listed, the Company shall not be permitted to effect such partial prepayment and may only prepay the Notes in whole.

SECTION 3.3 No Sinking Fund.

The Notes are not entitled to the benefit of any sinking fund.

ARTICLE 4
EXTENSION OF INTEREST PAYMENT PERIOD

SECTION 4.1 Extension of Interest Payment Period.

The Company shall have the right, at any time and from time to time during the term of the Notes, to defer payments of interest by extending the interest payment period of such Notes for a period not exceeding 20 consecutive quarters (the "Extended Interest Payment Period"), during which Extended Interest Payment Period no interest shall be due and payable; provided that no Extended Interest Payment Period may extend beyond the Maturity Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 4.1, will bear interest thereon at the Coupon Rate compounded quarterly for each quarter of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Company shall pay all interest accrued and unpaid on the Notes, including any Additional Interest and Compounded Interest (together, "Deferred Interest") that shall be payable to the Holders of the Notes in whose names the Notes are registered in the Security Register on the first record date after the end of the Extended Interest Payment Period. Before the termination of any Extended Interest Payment Period, the Company may further extend such period, provided that such period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters, or extend beyond the Maturity Date of the Notes. Upon the termination of any Extended Interest Payment Period and upon the payment of all Deferred Interest then due, the Company may commence a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof, but the Company may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period.

SECTION 4.2 Notice of Extension.

(a) If the Property Trustee is the only registered Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give written notice to the Regular Trustees, the Property Trustee and the Trustee of its selection of such Extended Interest Payment Period at least one Business Day before the earlier of (i) the next succeeding date on which Distributions on the Trust Securities issued by the Trust are payable,

or (ii) the date on which the Trust is required to give notice of the record date, or the date on which such Distributions are payable, to the New York Stock Exchange or any other exchange upon which the Notes or Trust Securities are listed or any other applicable self-regulatory organization or to holders of the Capital Securities issued by the Trust, but in any event at least one Business Day before such record date (however, in no event shall notice be required more than 15 Business Days prior to an Interest Payment Date).

(b) If the Property Trustee is not the only Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give the Holders of the Notes and the Trustee written notice of its selection of such Extended Interest Payment Period at least 10 Business Days before the earlier of (i) the next succeeding Interest Payment Date, or (ii) the date the Company is required to give notice of the record or payment date of such interest payment to the New York Stock Exchange or any other exchange upon which the Notes or Trust Securities are listed or any other applicable self-regulatory organization or to Holders of the Notes (however, in no event shall notice be required more than 15 Business Days prior to an Interest Payment Date).

(c) The quarter in which any notice is given pursuant to paragraphs (a) or (b) of this Section 4.2 shall be counted as one of the 20 quarters permitted in computing the maximum Extended Interest Payment Period permitted under Section 4.1.

SECTION 4.3 Limitation of Transactions.

If (i) the Company shall exercise its right to defer payment of interest as provided in Section 4.1 and such Extended Interest Payment Period is continuing, or (ii) there shall have occurred and be continuing any Event of Default or Nonpayment, as defined in the Indenture, then (a) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than (i) purchases or acquisitions of shares of its common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans, (ii) as a result of a reclassification of its capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of its capital stock or (iii) the purchase of fractional interests in shares of its capital stock pursuant to an acquisition or the conversion or exchange provisions of such capital stock or security being converted or exchanged) or make any guarantee payment with respect thereto and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank pari passu with or junior to the Notes.

ARTICLE 5

EXPENSES

SECTION 5.1 Payment of Expenses.

In connection with the offering, sale and issuance of the Notes to the Property Trustee and in connection with the sale of the Trust Securities by the Trust, the Company, in its capacity as borrower with respect to the Notes, shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Notes, including commissions to the underwriters payable pursuant to the Underwriting Agreement, the compensation of the Trustee under the Indenture in accordance with the provisions of Section 6.06 of the Indenture and the issuance of additional Notes and Trust Securities upon exercise of the Option;

(b) pay all costs and expenses of the Trust (including, but not limited to, costs and expenses relating to the organization, maintenance and dissolution of the Trust, the offering, sale and issuance of the Trust Securities (including commissions to the underwriters payable pursuant to the Underwriting Agreement), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of Trust assets);

(c) be primarily and fully liable for any indemnification obligations arising with respect to the Declaration; and

(d) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust.

SECTION 5.2 Payment Upon Resignation or Removal.

Upon termination of this Tenth Supplemental Indenture or the Indenture or the removal or resignation of the Trustee, unless otherwise stated, the Company shall pay to the Trustee all amounts accrued to the date of such termination, removal or resignation. Upon termination of the Declaration or the removal or resignation of the Delaware Trustee or the Property Trustee, as the case may be, pursuant to Section 5.7 of the Declaration, the Company shall pay to the Delaware Trustee or the Property Trustee, as the case may be, all amounts accrued to the date of such termination, removal or resignation.

ARTICLE 6

COVENANT TO LIST ON EXCHANGE

SECTION 6.1 Listing on an Exchange.

If the Notes are to be issued as a Global Note in connection with the distribution of the Notes to the holders of the Capital Securities upon a Dissolution Election, the Company will use its best efforts to list such Notes on any stock exchanges on which the Capital Securities are then listed.

ARTICLE 7

FORM OF NOTE

SECTION 7.1 Form of Note.

The Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF NOTE)

[IF THE NOTE IS TO BE A GLOBAL NOTE, INSERT - This Note is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of The Bank of New York, as Property Trustee of BAC Capital Trust X (the "Trust"). This Note is exchangeable for Notes registered in the name of a person other than The Bank of New York, as Property Trustee of BAC Capital Trust X, or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Note may be registered except in limited circumstances.]

Unless this Note is presented by an authorized representative of The Depository Trust Company, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A BANK DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING AFFILIATE OF BANK OF AMERICA CORPORATION AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND INVOLVES INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL.

$_____

CUSIP No. 060505CD4
ISIN No. US060505CD49

No. X-R-__

BANK OF AMERICA CORPORATION

6 1/4% JUNIOR SUBORDINATED NOTES,

DUE 2055

BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to THE BANK OF NEW YORK, AS PROPERTY TRUSTEE OF BAC CAPITAL TRUST X, or registered assigns, the principal sum of _____ DOLLARS ($_____.00) on March 29, 2055 (the "Maturity Date"), and to pay interest on said principal sum from March 28, 2006 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly (subject to deferral as set forth herein) in arrears on March 29, June 29, September 29 and December 29 of each year beginning June 29, 2006 (the amount payable for the initial distribution period will include an amount accrued for one extra day), at the rate of 6 1/4% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum compounded quarterly. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day

months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Securities, as defined in the Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be the close of business on the business day next preceding such Interest Payment Date. IF PURSUANT TO THE PROVISIONS OF THE INDENTURE THE NOTES ARE NO LONGER REPRESENTED BY A GLOBAL NOTE, the record date shall be the close of business on the March 14, June 14, September 14 and December 14 prior to such payment dates. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of this Note is the Property Trustee, the payment of the principal of (and premium, if any) and interest on this Note will be made at such place and to such account as may be designated by the Property Trustee. As used herein, the term "Business Day" shall mean any day other than a day on which federal or state banking institutions in New York, New York, or Charlotte, North Carolina, are authorized or obligated by law, executive order or regulation to close.

The indebtedness evidenced by this Note is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Obligations (as defined in the Indenture and the Tenth Supplemental Indenture) and this Note is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Obligations, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed in its name by its duly authorized officers.

Date: March 28, 2006

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

[Seal]

Attest:

By: _____
Name: _____
Title: _____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: March 28, 2006

The Bank of New York,
as Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF NOTE)

This Note is one of a duly authorized series of Notes of the Company (herein sometimes referred to as the "Notes"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of November 1, 2001, duly executed and delivered between the Company and The Bank of New York, as Trustee (the "Trustee"), as supplemented by the Tenth Supplemental Indenture dated as of March 28, 2006 (the "Tenth Supplemental Indenture"), between the Company and the Trustee (the Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes. By the terms of the Indenture, the Notes are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Notes is limited in aggregate principal amount as specified in the Tenth Supplemental Indenture.

Because of the occurrence and continuation of a Special Event, as defined in the Indenture, in certain circumstances, this Note may become due and payable at a prepayment price equal to 100% of the principal amount of the Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment (the "Special Event Prepayment Price"). The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines. In addition, the Company shall have the right to prepay this Note at the option of the Company, in whole or in part at any time on or after March 29, 2011 (an "Optional Prepayment"), or at any time in certain circumstances upon the occurrence of a Special Event, at a redemption price equal to 100% of the outstanding principal amount of the Junior Subordinated Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment (the "Optional Prepayment Price"). Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice, at the Optional Prepayment Price. If the Notes are only partially prepaid by the Company pursuant to an Optional Prepayment, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine the principal amount of such Notes held by each Note holder to be prepaid in accordance with its procedures.

In the event of prepayment of this Note in part only, a new Note or Notes of this series for the portion hereof not prepaid will be issued in the name of the Holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any

manner the rights of the Holders of the Notes; provided, however, that no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Note so affected, or (ii) reduce the aforesaid percentage of Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

The Company shall have the right at any time during the term of the Notes and from time to time to defer payment of interest by extending the interest payment period of such Notes for a period not exceeding 20 consecutive quarters (an "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for the Notes to the extent that payment of such interest is enforceable under applicable law); provided that no Extended Interest Payment Period may last beyond the Maturity Date of the Notes. Before the termination of any such Extended Interest Payment Period, the Company may further extend such Extended Interest Payment Period, provided that such Extended Interest Payment Period together with all such further extensions thereof shall not exceed 20 consecutive quarters or extend the Maturity Date of the Notes. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amounts then due, the Company may commence a new Extended Interest Payment Period, subject to the requirements contained in this paragraph.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered Holder hereof on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Trustee in the City and State of New York accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and the Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

This Global Note is exchangeable for Notes in definitive form only under certain limited circumstances set forth in the Indenture. Notes of this series so issued are issuable only in registered form without coupons in denominations of $25 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations herein and therein set forth, Notes of this series so issued are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN THE INDENTURE AND THE NOTES WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS THEREOF.

ARTICLE 8

ORIGINAL ISSUE OF NOTES

SECTION 8.1 Original Issue of Notes.

Notes in the aggregate principal amount of up to $1,067,200,000 may, upon execution of this Tenth Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company, signed by any Authorized Officer, as defined in the Indenture, without any further action by the Company.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1 Ratification of Indenture.

The Indenture, as supplemented by this Tenth Supplemental Indenture, is in all respects ratified and confirmed, and this Tenth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 9.2 Trustee Not Responsible for Recitals.

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Tenth Supplemental Indenture.

SECTION 9.3 Governing Law.

This Tenth Supplemental Indenture and each Note shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 9.4 Separability.

In case any one or more of the provisions contained in this Tenth Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Tenth Supplemental Indenture or of the Notes, but this Tenth Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 9.5 Counterparts.

This Tenth Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Tenth Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: /s/ Van K. Brown
Name: Van K. Brown
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Tenth Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: /s/ Van K. Brown
Name: Van K. Brown
Title: Vice President

Exhibit 4(cc)

ELEVENTH SUPPLEMENTAL INDENTURE

between

BANK OF AMERICA CORPORATION

And

THE BANK OF NEW YORK

Dated as of May 23, 2006

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ELEVENTH SUPPLEMENTAL INDENTURE

THIS ELEVENTH SUPPLEMENTAL INDENTURE, dated as of May 23, 2006 (the "Eleventh Supplemental Indenture"), between BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, as trustee (the "Trustee"), under a Restated Indenture dated as of November 1, 2001 between the Company and the Trustee (the "Indenture").

WHEREAS, the Company desires to establish, under the terms of the Indenture, a series of its securities to be known as its 6⅞% Junior Subordinated Notes, due 2036 (the "Notes"), the form and substance of such Notes and the terms, provisions and conditions thereof, to be set forth as provided in the Indenture and this Eleventh Supplemental Indenture; and

WHEREAS, under the terms of an Underwriting Agreement dated as of May 15, 2006 (the "Underwriting Agreement"), among the Company, BAC Capital Trust XI (the "Trust") and the Underwriters named therein (the "Underwriters"), the Trust has agreed to sell to the Underwriters $1,000,000,000 aggregate liquidation amount of its 6⅝% Capital Securities (such securities being of the type referred to in the Indenture as the "Preferred Securities" and in this Eleventh Supplemental Indenture as the "Capital Securities"); and

WHEREAS, pursuant to the Subscription Agreement dated as of May 15, 2006 between the Trust and the Company (the "Subscription Agreement"), the Company has committed to purchase all of the common securities of the Trust (the "Common Securities"), which Common Securities shall represent at least 3% of the total capital of the Trust; and

WHEREAS, the Trust proposes to invest the gross proceeds from such offering of Capital Securities, together with the gross proceeds from the issuance and sale by the Trust of the Common Securities, in the Notes, as a result of which the Trust will purchase initially $1,031,000,000 aggregate principal amount of the Notes; and

WHEREAS, the Company has requested that the Trustee execute and deliver this Eleventh Supplemental Indenture; and

WHEREAS, all requirements necessary to make this Eleventh Supplemental Indenture a valid instrument in accordance with its terms and to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this Eleventh Supplemental Indenture have been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Notes and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definition of Terms.

Unless the context otherwise requires:

(a) a term defined in the Indenture has the same meaning when used in this Eleventh Supplemental Indenture unless otherwise provided herein;

(b) a term defined anywhere in this Eleventh Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) a reference to a Section or Article is to a Section or Article of this Eleventh Supplemental Indenture;

(e) headings are for convenience of reference only and do not affect interpretation;

(f) the following terms have the meanings given to them in the Declaration: (i) Business Day; (ii) Clearing Agency; (iii) Delaware Trustee; (iv) Capital Security Certificate; (v) Depositary; (vi) Property Trustee; and (vii) Regular Trustee;

(g) the following terms have the meanings given to them in this Section 1.1;

"Additional Interest" shall have the meaning set forth in Section 2.5.

"Capital Treatment Event" means the reasonable determination by the Company that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision thereof, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that the Company will not be entitled to treat an amount equal to the aggregate liquidation amount of the Capital Securities as Tier 1 capital (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System, as then in effect and applicable to the Company.

"Comparable Treasury Issue" means with respect to any redemption date, the U.S. Treasury security selected by the Quotation Agent as having a maturity comparable to the time period from the redemption date to May 23, 2036 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to this time period. If no U.S. Treasury security has a maturity which is within a period from three months before to three months after May 23, 2036, the two

most closely corresponding U.S. Treasury securities shall be used as the Comparable Treasury Issue, and the Treasury Rate shall be interpolated or extrapolated on a straight-line basis, rounding to the nearest month using such securities.

"Comparable Treasury Price" means (a) the average of five Reference Treasury Dealer Quotations for the applicable redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if the Quotation Agent obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations

"Compounded Interest" shall have the meaning set forth in Section 4.1.

"Coupon Rate" shall have the meaning set forth in Section 2.5.

"Declaration" means the Amended and Restated Declaration of Trust of BAC Capital Trust XI, a Delaware statutory trust, dated as of May 15, 2006.

"Deferred Interest" shall have the meaning set forth in Section 4.1.

"Dissolution Election" means that, as a result of the election of the Company, as Sponsor, the Trust is to be dissolved in accordance with the Declaration, and the Notes held by the Property Trustee are to be distributed to the holders of the Trust Securities issued by the Trust pro rata or in any other manner specified in the Declaration.

"Extended Interest Payment Period" shall have the meaning set forth in Section 4.1.

"Global Note" shall have the meaning set forth in Section 2.4.

"Holder" means any person in whose name the Notes are registered on the register kept by the Company or the Property Trustee in accordance with the terms hereof.

"Interest Payment Date" shall have the meaning set forth in Section 2.5.

"Investment Company Event" means the receipt by the Trust of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), the Trust is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Capital Securities.

"Maturity Date" means the date on which the Notes mature and on which the principal shall be due and payable together with all accrued and unpaid interest thereon, including Compounded Interest and Additional Interest, if any.

"Maturity Repayment Price" means the price, at the Maturity Date, equal to the principal amount of, plus accrued interest on, the Notes.

"Non-Book-Entry Capital Securities" shall have the meaning set forth in Section 2.4.

"Optional Prepayment Price" shall mean with respect to the Notes, a prepayment price equal to the greater of (a) 100% of the principal amount of the Notes being prepaid, or (b) as determined by the Quotation Agent, the present value of scheduled payments of principal and interest from the prepayment date to May 23, 2036, on the Notes being prepaid, discounted to the date of prepayment on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate plus a spread of 0.20% and, in the case of (a) or (b), any accrued and unpaid interest thereon up to, but excluding, the prepayment date.

"Optional Prepayment" means prepayment prior to the Maturity Date of the Notes at the option of the Company in whole or in part other than a Special Event Prepayment.

"Quotation Agent" means Banc of America Securities LLC or any successor appointed by the Company.

"Reference Treasury Dealer" means (1) the Quotation Agent and (2) any other primary U.S. Government securities dealer selected by the Property Trustee after consultation with the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Senior Obligations" shall have the meaning set forth in the Indenture. For the avoidance of confusion, the term Senior Obligations does not include any indebtedness that by its terms is subordinated to or ranks equally with the Notes, including any such indebtedness that the Federal Reserve Board authorizes for inclusion in Tier 1 capital, all limited to the extent that the classification of such indebtedness as ranking subordinated to or equally with the Notes is authorized under the capital rules of the Federal Reserve Board.

"Special Event" means a Tax Event, Capital Treatment Event or an Investment Company Event.

"Special Event Prepayment" means a prepayment of the Notes, in whole but not in part, pursuant to the occurrence of a Special Event.

"Special Event Prepayment Price" shall mean with respect to the Notes, a prepayment price equal to the greater of (a) 100% of the principal amount of the Notes being prepaid, or (b) as determined by the Quotation Agent, the present value of scheduled payments of principal and interest from the date of prepayment to May 23, 2036, on the Notes being prepaid, discounted to the date of prepayment on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate plus a spread of 0.50% and, in the case of (a) or (b), any accrued and unpaid interest thereon up to but excluding the date of prepayment.

"Tax Event" means that (i) the Company shall have received an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that interest payable on the Notes is not, or within 90 days of the date thereof, will not be deductible, in whole or in part, by the Company for United States federal income tax purposes or (ii) the Regular Trustees have been informed by a nationally recognized independent tax counsel that a No Recognition Opinion cannot be delivered. "No Recognition Opinion" means an opinion of a nationally recognized independent tax counsel experienced in such matters, which opinion may rely on published revenue rulings of the Internal Revenue Service, to the effect that the holders of the Capital Securities and Common Securities will not recognize any gain or loss for United States federal income tax purposes as a result of the dissolution of the Trust and the distribution of the Notes.

"Treasury Rate" means (1) the yield, under the heading which represents the average for the week immediately prior to the date of calculation, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Federal Reserve Board and which establishes the yield on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the time period from the redemption date to May 23, 2036, or if no maturity is within three months before or after this time period, yields for the two published maturities most closely corresponding to this time period will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis, rounding to the nearest month, or (2) if the release or any successor release is not published during the week preceding the calculation date or does not contain such yields, the annual rate equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue, expressed as a percentage of its principal amount, equal to the Comparable Treasury Price for the redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

ARTICLE 2

GENERAL TERMS AND CONDITIONS OF THE NOTES

SECTION 2.1 Designation and Principal Amount.

There is hereby authorized and established under the terms of the Indenture a series of the Company's securities designated the "6$^{5}/_{8}$ % Junior Subordinated Notes, due 2036" limited in aggregate principal amount to no more than $1,031,000,000 which amount shall be as set forth in one or more written orders of the Company for the authentication and delivery of the Notes pursuant to Section 2.04 of the Indenture.

SECTION 2.2 Maturity.

The Maturity Date for the Notes is May 23, 2036.

SECTION 2.3 Form and Payment.

Except as provided in Section 2.4, the Notes shall be issued in fully registered certificated form without interest coupons. Principal and interest on the Notes issued in certificated form will be payable, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes bearing identical terms and provisions at the office or agency of the Trustee; provided, however, that payment of interest may be made at the option of the Company by check mailed to the Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of any Notes is the Property Trustee, the payment of the principal of and interest (including Compounded Interest and Additional Interest, if any) on such Notes held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

SECTION 2.4 Global Form.

(a) In connection with a Dissolution Election,

(i) the Notes in certificated form shall be presented to the Trustee by the Property Trustee to be exchanged for one or more fully registered securities representing the aggregate principal amount of all then outstanding Notes as a Global Security to be registered in the name of the Depositary, or its nominee (a "Global Note"), and delivered by the Trustee to the Depositary for crediting to the accounts of its participants pursuant to the instructions of the Regular Trustees. Upon any such presentation, the Company shall execute a Global Note in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with the Indenture and this Eleventh Supplemental Indenture. Payments on the Notes issued as a Global Note will be made to the Depositary; and

(ii) if any Capital Securities are held in certificated form and not in book-entry form, the Notes in certificated form may be presented to the Trustee by the Property Trustee and any Capital Security Certificate which represents Capital Securities other than Capital Securities held by the Clearing Agency or its nominee ("Non-Book-Entry Capital Securities") will be deemed to represent beneficial interests in Notes presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non-Book-Entry Capital Securities until such Capital Security Certificates are presented to the Security Registrar for transfer or reissuance, at which time such Capital Security Certificates will be canceled and a Note, registered in the name of the holder of the Capital Security Certificate or the transferee of the holder of such Capital Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Capital Security Certificate canceled, will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this Eleventh Supplemental Indenture. On issue of such Notes, Notes with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be deemed to have been canceled.

(b) A Global Note may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary or if at any time the Depositary shall no longer be registered or in good standing under the Exchange Act or other applicable statute or regulation, and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article 2 of the Indenture, the Trustee, upon written notice from the Company, will authenticate and make available for delivery the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. In addition, the Company may at any time determine that the Notes shall no longer be represented by a Global Note. In such event the Company will execute, and subject to Section 2.07 of the Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. Upon the exchange of the Global Note for such Notes in definitive registered form without coupons, in authorized denominations, the Global Note shall be canceled by the Trustee. Such Notes in definitive registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depositary for delivery to the Persons in whose names such Securities are so registered.

SECTION 2.5 Interest.

(a) Each Note will bear interest at the rate of 6⅞ % per annum (the "Coupon Rate") from May 23, 2006 until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the Coupon Rate, compounded semi-annually, payable (subject to the provisions of Article 4) semi-annually in arrears on May 23 and November 23 of each year (each, an "Interest Payment Date"), beginning on November 23, 2006, to the Person in whose name such Note or any predecessor Note is registered at the close of business on the regular record date for such interest installment, which, in respect of any Notes of which the Property Trustee is the Holder of a Global Note, shall be the close of business on the Business Day next preceding that Interest Payment Date. Notwithstanding the foregoing sentence, if the Capital Securities are no longer in book-entry only form, the relevant record dates shall be the close of business on May 1 and November 1 prior to the regular Interest Payment Date.

(b) The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the actual number of days elapsed in such period. In the event that any date on which interest is payable on the Notes is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

(c) If, at any time while the Property Trustee is the Holder of any Notes, the Trust or the Property Trustee is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States, or any other domestic taxing authority, then, in any case, the Company will pay as additional interest ("Additional Interest") on the Notes held by the Property Trustee, such additional amounts as shall be required so that the net amounts received and retained by the Trust and the Property Trustee after paying such taxes, duties, assessments or other governmental charges will be equal to the amounts the Trust and the Property Trustee would have received had no such taxes, duties, assessments or other government charges been imposed.

ARTICLE 3

PREPAYMENT OF THE NOTES

SECTION 3.1 Special Event Prepayment.

If a Special Event has occurred and is continuing, the Company shall have the right, upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes, to prepay the Notes, in whole but not in part, for cash within 90 days following the occurrence of such Special Event (the "90-Day Period") at a prepayment price equal to the Special Event Prepayment Price. The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or such earlier time as the Company determines, provided that the Company shall deposit with the Trustee an amount sufficient to pay the Special Event Prepayment Price by 10:00 a.m., New York time, on the date such Special Event Prepayment Price is to be paid.

SECTION 3.2 Optional Prepayment by Company.

Subject to the provisions of Article 14 of the Indenture, the Company shall have the right to prepay the Notes, in whole or in part, at any time and from time to time, at a prepayment price equal to the Optional Prepayment Price. Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes. If the Notes are only partially prepaid pursuant to this Section 3.2, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine, in accordance with its procedures, the principal amount of such Notes held by each

Holder of a Note to be prepaid. The Optional Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines, provided that the Company shall deposit with the Trustee an amount sufficient to pay the Optional Prepayment Price by 10:00 a.m., New York time, on the date such Optional Prepayment Price is to be paid.

SECTION 3.3 No Sinking Fund.

The Notes are not entitled to the benefit of any sinking fund.

ARTICLE 4

EXTENSION OF INTEREST PAYMENT PERIOD

SECTION 4.1 Extension of Interest Payment Period.

The Company shall have the right, at any time and from time to time during the term of the Notes, to defer payments of interest by extending the interest payment period of such Notes for a period not exceeding 10 consecutive semi-annual periods (the "Extended Interest Payment Period"), during which Extended Interest Payment Period no interest shall be due and payable; provided that no Extended Interest Payment Period may extend beyond the Maturity Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 4.1, will bear interest thereon at the Coupon Rate compounded semi-annually for each semi-annual period of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Company shall pay all interest accrued and unpaid on the Notes, including any Additional Interest and Compounded Interest (together, "Deferred Interest") that shall be payable to the Holders of the Notes in whose names the Notes are registered in the Security Register on the first record date after the end of the Extended Interest Payment Period. Before the termination of any Extended Interest Payment Period, the Company may further extend such period; provided that such period together with all such previous and further extensions thereof shall not exceed 10 consecutive semi-annual periods or extend beyond the Maturity Date of the Notes. Upon the termination of any Extended Interest Payment Period and upon the payment of all Deferred Interest then due, the Company may commence a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof, but the Company may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period.

SECTION 4.2 Notice of Extension.

(a) If the Property Trustee is the only registered Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give written notice to the Regular Trustees, the Property Trustee and the Trustee of its selection of such Extended Interest Payment Period at least one Business Day before the earlier of (i) the next succeeding date on which Distributions on the Trust Securities issued by the Trust are payable, or (ii) the date on which the Trust is required to give notice of the record date, or the date on

which such Distributions are payable, to the New York Stock Exchange or any other exchange upon which the Notes or Trust Securities may in the future be listed or any other applicable self-regulatory organization or to holders of the Capital Securities issued by the Trust, but in any event at least one Business Day before such record date (however, in no event shall notice be required more than 15 Business Days prior to an Interest Payment Date).

(b) If the Property Trustee is not the only Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give the Holders of the Notes and the Trustee written notice of its selection of such Extended Interest Payment Period at least 10 Business Days before the earlier of (i) the next succeeding Interest Payment Date, or (ii) the date the Company is required to give notice of the record or payment date of such interest payment to the New York Stock Exchange or any other exchange upon which the Notes or Trust Securities may in the future be listed or any other applicable self-regulatory organization or to Holders of the Notes (however, in no event shall notice be required more than 15 Business Days prior to an Interest Payment Date).

(c) The semi-annual period in which any notice is given pursuant to paragraphs (a) or (b) of this Section 4.2 shall be counted as one of the 10 semi-annual periods permitted in computing the maximum Extended Interest Payment Period permitted under Section 4.1.

SECTION 4.3 Limitation of Transactions.

If (i) the Company shall exercise its right to defer payment of interest as provided in Section 4.1 and such Extended Interest Payment Period is continuing, or (ii) there shall have occurred and be continuing any Event of Default or Nonpayment, as defined in the Indenture, then (a) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than (i) purchases or acquisitions of shares of its common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans, (ii) as a result of a reclassification of its capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of its capital stock or (iii) the purchase of fractional interests in shares of its capital stock pursuant to an acquisition or the conversion or exchange provisions of such capital stock or security being converted or exchanged) or make any guarantee payment with respect thereto and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank pari passu with or junior to the Notes.

ARTICLE 5

EXPENSES

SECTION 5.1 Payment of Expenses.

In connection with the offering, sale and issuance of the Notes to the Property Trustee and in connection with the sale of the Trust Securities by the Trust, the Company, in its capacity as borrower with respect to the Notes, shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Notes, including commissions to the underwriters payable pursuant to the Underwriting Agreement, the compensation of the Trustee under the Indenture in accordance with the provisions of Section 6.06 of the Indenture;

(b) pay all costs and expenses of the Trust (including, but not limited to, costs and expenses relating to the organization, maintenance and dissolution of the Trust, the offering, sale and issuance of the Trust Securities (including commissions to the underwriters payable pursuant to the Underwriting Agreement), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of Trust assets);

(c) be primarily and fully liable for any indemnification obligations arising with respect to the Declaration; and

(d) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust.

SECTION 5.2 Payment Upon Resignation or Removal.

Upon termination of this Eleventh Supplemental Indenture or the Indenture or the removal or resignation of the Trustee, unless otherwise stated, the Company shall pay to the Trustee all amounts accrued to the date of such termination, removal or resignation. Upon termination of the Declaration or the removal or resignation of the Delaware Trustee or the Property Trustee, as the case may be, pursuant to Section 5.7 of the Declaration, the Company shall pay to the Delaware Trustee or the Property Trustee, as the case may be, all amounts accrued to the date of such termination, removal or resignation.

ARTICLE 6

COVENANT TO LIST ON EXCHANGE

SECTION 6.1 Listing on an Exchange.

If the Notes are to be issued as a Global Note in connection with the distribution of the Notes to the holders of the Capital Securities upon a Dissolution Election, the Company will use its best efforts to list such Notes on any stock exchanges on which the Capital Securities are then listed.

ARTICLE 7

FORM OF NOTE

SECTION 7.1 Form of Note.

The Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF NOTE)

[IF THE NOTE IS TO BE A GLOBAL NOTE, INSERT - This Note is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of The Bank of New York, as Property Trustee of BAC Capital Trust XI (the "Trust"). This Note is exchangeable for Notes registered in the name of a person other than The Bank of New York, as Property Trustee of BAC Capital Trust XI, or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Note may be registered except in limited circumstances.]

Unless this Note is presented by an authorized representative of The Depository Trust Company, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A BANK DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING AFFILIATE OF BANK OF AMERICA CORPORATION AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND INVOLVES INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL.

$500,000,000

CUSIP No. 060505CG7
ISIN No. US060505CG79

No. XI-R-1

BANK OF AMERICA CORPORATION

6 5/8% JUNIOR SUBORDINATED NOTES,

DUE 2036

BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to THE BANK OF NEW YORK, AS PROPERTY TRUSTEE OF BAC CAPITAL TRUST XI, or registered assigns, the principal sum of FIVE HUNDRED MILLION DOLLARS ($500,000,000.00) on May 23, 2036 (the "Maturity Date"), and to pay interest on said principal sum from May 23, 2006 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, semi-annually (subject to deferral as set forth herein) in arrears on May 23 and November 23 of each year beginning November 23, 2006, at the rate of 6 5/8% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum compounded semi-annually. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment of

interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Securities, as defined in the Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be the close of business on the business day next preceding such Interest Payment Date. IF PURSUANT TO THE PROVISIONS OF THE INDENTURE THE NOTES ARE NO LONGER REPRESENTED BY A GLOBAL NOTE, the record date shall be the close of business on the May 1 and November 1 prior to such payment dates. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of this Note is the Property Trustee, the payment of the principal of (and premium, if any) and interest on this Note will be made at such place and to such account as may be designated by the Property Trustee. As used herein, the term "Business Day" shall mean any day other than a day on which federal or state banking institutions in New York, New York or Charlotte, North Carolina, are authorized or obligated by law, executive order or regulation to close.

The indebtedness evidenced by this Note is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Obligations (as defined in the Indenture and the Eleventh Supplemental Indenture) and this Note is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Obligations, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed in its name by its duly authorized officers.

Date: May 23, 2006

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

[Seal]

Attest:

By: _____
Name: _____
Title: _____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: May 23, 2006

The Bank of New York,
as Trustee

By _____
Authorized Signatory

(FORM OF REVERSE OF NOTE)

This Note is one of a duly authorized series of Notes of the Company (herein sometimes referred to as the "Notes"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of November 1, 2001, duly executed and delivered between the Company and The Bank of New York, as Trustee (the "Trustee"), as supplemented by the Eleventh Supplemental Indenture dated as of May 23, 2006 (the "Eleventh Supplemental Indenture"), between the Company and the Trustee (the Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes. By the terms of the Indenture, the Notes are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Notes is limited in aggregate principal amount as specified in the Eleventh Supplemental Indenture.

Because of the occurrence and continuation of a Special Event, as defined in the Indenture, in certain circumstances, this Note may become due and payable at a prepayment price equal to the greater of (a) 100% of the principal amount of the Notes being prepaid or (b) as determined by the Quotation Agent (as defined in the Indenture), the present value of scheduled payments of principal and interest from the prepayment date to May 23, 2036, on the Notes being prepaid, discounted to the prepayment date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate (as defined in the Indenture) plus a spread of 0.50% and, in the case of (a) or (b), any accrued and unpaid interest thereon up to but excluding the date of such prepayment (the "Special Event Prepayment Price"). The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines. In addition, the Company shall have the right to prepay this Note at the option of the Company, in whole or in part at any time (an "Optional Prepayment"), at a prepayment price equal to the greater of (a) 100% of the principal amount of the Notes to be prepaid, or (b) as determined by the Quotation Agent, the present value of scheduled payments of principal and interest from the prepayment date to May 23, 2036, on the Notes being prepaid, discounted to the prepayment date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Rate (as defined in the Indenture) plus a spread of 0.20% and, in the case of (a) or (b), any accrued and unpaid interest thereon up to but excluding the date of such prepayment (the "Optional Prepayment Price"). Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice at the Optional Prepayment Price or the Special Event Prepayment Price, as applicable. If the Notes are only partially prepaid by the Company pursuant to an Optional Prepayment, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine the principal amount of such Notes held by each Note holder to be prepaid in accordance with its procedures.

In the event of prepayment of this Note in part only, a new Note or Notes of this series for the portion hereof not prepaid will be issued in the name of the Holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Notes; provided, however, that no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Note so affected, or (ii) reduce the aforesaid percentage of Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

The Company shall have the right at any time during the term of the Notes and from time to time to defer payment of interest by extending the interest payment period of such Notes for a period not exceeding 10 consecutive semi-annual periods (an "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for the Notes to the extent that payment of such interest is enforceable under applicable law); provided that no Extended Interest Payment Period may last beyond the Maturity Date of the Notes. Before the termination of any such Extended Interest Payment Period, the Company may further extend such Extended Interest Payment Period, provided that such Extended Interest Payment Period together with all such further extensions thereof shall not exceed 10 consecutive semi-annual periods or extend the Maturity Date of the Notes. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amounts then due, the Company may commence a new Extended Interest Payment Period, subject to the requirements contained in this paragraph.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered Holder hereof on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Trustee in the City and State of New York accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and the Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

This Global Note is exchangeable for Notes in definitive form only under certain limited circumstances set forth in the Indenture. Notes of this series so issued are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations herein and therein set forth, Notes of this series so issued are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN THE INDENTURE AND THE NOTES WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS THEREOF.

ARTICLE 8

ORIGINAL ISSUE OF NOTES

SECTION 8.1 Original Issue of Notes.

Notes in the aggregate principal amount of up to $1,031,000,000 may, upon execution of this Eleventh Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company, signed by any Authorized Officer, as defined in the Indenture, without any further action by the Company.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1 Ratification of Indenture.

The Indenture, as supplemented by this Eleventh Supplemental Indenture, is in all respects ratified and confirmed, and this Eleventh Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 9.2 Trustee Not Responsible for Recitals.

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Eleventh Supplemental Indenture.

SECTION 9.3 Governing Law.

This Eleventh Supplemental Indenture and each Note shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 9.4 Severability.

In case any one or more of the provisions contained in this Eleventh Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Eleventh Supplemental Indenture or of the Notes, but this Eleventh Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 9.5 Counterparts.

This Eleventh Supplemental Indenture may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Eleventh Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Eleventh Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: /s/ Van K. Brown
Name: Van K. Brown
Title: Vice President

Exhibit 4(dd)

TWELFTH SUPPLEMENTAL INDENTURE

between

BANK OF AMERICA CORPORATION

and

THE BANK OF NEW YORK

Dated as of August 2, 2006

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TWELFTH SUPPLEMENTAL INDENTURE

THIS TWELFTH SUPPLEMENTAL INDENTURE, dated as of August 2, 2006 (the "Twelfth Supplemental Indenture"), between BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, as trustee (the "Trustee"), under a Restated Indenture dated as of November 1, 2001 between the Company and the Trustee (the "Indenture").

WHEREAS, the Company desires to establish, under the terms of the Indenture, a series of its securities to be known as its 6⅞ % Junior Subordinated Notes, due 2055 (the "Notes"), the form and substance of such Notes and the terms, provisions and conditions thereof, to be set forth as provided in the Indenture and this Twelfth Supplemental Indenture; and

WHEREAS, under the terms of an Underwriting Agreement dated as of July 26, 2006 (the "Underwriting Agreement"), among the Company, BAC Capital Trust XII (the "Trust") and the Underwriters named therein (the "Underwriters"), the Trust has agreed to sell to the Underwriters $750,000,000 aggregate liquidation amount of its 6 7/8% Capital Securities (such securities being of the type referred to in the Indenture as the "Preferred Securities" and in this Twelfth Supplemental Indenture as the "Capital Securities") and has granted the Underwriters an option to purchase up to an additional $112,500,000 aggregate liquidation amount of Capital Securities of the Trust (the "Option") to cover over-allotments; and

WHEREAS, if the Underwriters elect to exercise the Option, the Trust has agreed pursuant to the terms of that certain Subscription Agreement dated as of July 26, 2006 between the Trust and the Company (the "Subscription Agreement"), to issue up to an additional 100,000 Common Securities with an aggregate liquidation amount of up to $2,500,000; and

WHEREAS, pursuant to the Subscription Agreement, the Company has committed to purchase all of the common securities of the Trust (the "Common Securities"), which Common Securities shall represent at least 3% of the total capital of the Trust; and

WHEREAS, the Trust proposes to invest the gross proceeds from such offering of Capital Securities, together with the gross proceeds from the issuance and sale by the Trust of the Common Securities, in the Notes, as a result of which the Trust will purchase initially $775,000,000 aggregate principal amount of the Notes, and may upon exercise of the Option, will purchase up to an additional $115,000,000 aggregate principal amount of the Notes; and

WHEREAS, the Company has requested that the Trustee execute and deliver this Twelfth Supplemental Indenture; and

WHEREAS, all requirements necessary to make this Twelfth Supplemental Indenture a valid instrument in accordance with its terms and to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this Twelfth Supplemental Indenture have been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Notes and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definition of Terms.

Unless the context otherwise requires:

(a) a term defined in the Indenture has the same meaning when used in this Twelfth Supplemental Indenture unless otherwise provided herein;

(b) a term defined anywhere in this Twelfth Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) a reference to a Section or Article is to a Section or Article of this Twelfth Supplemental Indenture;

(e) headings are for convenience of reference only and do not affect interpretation;

(f) the following terms have the meanings given to them in the Declaration: (i) Business Day; (ii) Clearing Agency; (iii) Delaware Trustee; (iv) Capital Security Certificate; (v) Depositary; (vi) Property Trustee; and (vii) Regular Trustee;

(g) the following terms have the meanings given to them in this Section 1.1;

"Additional Interest" shall have the meaning set forth in Section 2.5.

"Capital Treatment Event" means the reasonable determination by the Company that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision thereof, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement, action or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that the Company will not be entitled to treat an amount equal to the aggregate liquidation amount of the Capital Securities as Tier 1 capital (or the then equivalent thereof) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System, as then in effect and applicable to the Company.

"Compounded Interest" shall have the meaning set forth in Section 4.1.

"Coupon Rate" shall have the meaning set forth in Section 2.5.

"Declaration" means the Amended and Restated Declaration of Trust of BAC Capital Trust XII, a Delaware statutory trust, dated as of July 26, 2006.

"Deferred Interest" shall have the meaning set forth in Section 4.1.

"Dissolution Election" means that, as a result of the election of the Company, as Sponsor, the Trust is to be dissolved in accordance with the Declaration, and the Notes held by the Property Trustee are to be distributed to the holders of the Trust Securities issued by the Trust pro rata or in any other manner specified in the Declaration.

"Extended Interest Payment Period" shall have the meaning set forth in Section 4.1.

"Global Note" shall have the meaning set forth in Section 2.4.

"Holder" means any person in whose name the Notes are registered on the register kept by the Company or the Property Trustee in accordance with the terms hereof.

"Interest Payment Date" shall have the meaning set forth in Section 2.5.

"Investment Company Event" means the receipt by the Trust of an opinion of counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), the Trust is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Capital Securities.

"Maturity Date" means the date on which the Notes mature and on which the principal shall be due and payable together with all accrued and unpaid interest thereon, including Compounded Interest and Additional Interest, if any.

"Maturity Repayment Price" means the price, at the Maturity Date, equal to the principal amount of, plus accrued and unpaid interest on, the Notes.

"Non-Book-Entry Capital Securities" shall have the meaning set forth in Section 2.4.

"Optional Prepayment Price" means 100% of the outstanding principal amount of the Notes to be redeemed, plus any accrued and unpaid interest thereon up to, but excluding the date of such prepayment.

"Optional Prepayment" means prepayment prior to the Maturity Date of the Notes at the option of the Company in whole or in part at any time on or after August 2, 2011.

"Senior Obligations" shall have the meaning set forth in the Indenture. For the avoidance of confusion, the term Senior Obligations does not include any indebtedness that by its terms is subordinated to or ranks equally with the Notes, including any such indebtedness that the Federal Reserve Board authorizes for inclusion in Tier 1 capital, all limited to the extent that the classification of such indebtedness as ranking subordinated to or equally with the Notes is authorized under the capital rules of the Federal Reserve Board.

"Special Event" means a Tax Event, a Capital Treatment Event or an Investment Company Event.

"Special Event Prepayment" means a prepayment of the Notes, in whole but not in part, pursuant to the occurrence of a Special Event.

"Special Event Prepayment Price" means 100% of the outstanding principal amount of the Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment.

"Tax Event" means that (i) the Company shall have received an opinion of a nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority thereof or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of original issuance of the Capital Securities, there is more than an insubstantial risk that interest payable on the Notes is not, or within 90 days of the date thereof, will not be deductible, in whole or in part, by the Company for United States federal income tax purposes or (ii) the Regular Trustees have been informed by a nationally recognized independent tax counsel that a No Recognition Opinion cannot be delivered. "No Recognition Opinion" means an opinion of a nationally recognized independent tax counsel experienced in such matters, which opinion may rely on published revenue rulings of the Internal Revenue Service, to the effect that the holders of the Capital Securities and Common Securities will not recognize any gain or loss for United States federal income tax purposes as a result of the dissolution of the Trust and the distribution of the Notes.

ARTICLE 2

GENERAL TERMS AND CONDITIONS OF THE NOTES

SECTION 2.1 Designation and Principal Amount.

There is hereby authorized and established under the terms of the Indenture a series of the Company's securities designated the "6$^{7}/_{8}$ % Junior Subordinated Notes, due 2055" limited in aggregate principal amount to no more than $890,000,000 which amount shall be as set forth in one or more written orders of the Company for the authentication and delivery of the Notes pursuant to Section 2.04 of the Indenture including any subsequent or supplemental written order of the Company upon exercise of the Option.

SECTION 2.2 Maturity.

The Maturity Date for the Notes is August 2, 2055.

SECTION 2.3 Form and Payment.

Except as provided in Section 2.4, the Notes shall be issued in fully registered certificated form without interest coupons. Principal and interest on the Notes issued in certificated form will be payable, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes bearing identical terms and provisions at the office or agency of the Trustee; provided, however, that payment of interest may be made at the option of the Company by check mailed to the Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of any Notes is the Property Trustee, the payment of the principal of and interest (including Compounded Interest and Additional Interest, if any) on such Notes held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

SECTION 2.4 Global Form.

(a) In connection with a Dissolution Election,

(i) the Notes in certificated form shall be presented to the Trustee by the Property Trustee to be exchanged for one or more fully registered securities representing the aggregate principal amount of all then outstanding Notes as a Global Security to be registered in the name of the Depositary, or its nominee (a "Global Note"), and delivered by the Trustee to the Depositary for crediting to the accounts of its participants pursuant to the instructions of the Regular Trustees. Upon any such presentation, the Company shall execute a Global Note in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with the Indenture and this Twelfth Supplemental Indenture. Payments on the Notes issued as a Global Note will be made to the Depositary; and

(ii) if any Capital Securities are held in certificated form and not in book-entry form, the Notes in certificated form may be presented to the Trustee by the Property Trustee and any Capital Security Certificate which represents Capital Securities other than Capital Securities held by the Clearing Agency or its nominee ("Non-Book-Entry Capital Securities") will be deemed to represent beneficial interests in Notes presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non-Book-Entry Capital Securities until such Capital Security Certificates are presented to the Security Registrar for transfer or reissuance, at which time such Capital Security Certificates will be canceled and a Note, registered in the name of the holder of the Capital Security Certificate or the transferee of the holder of such Capital Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Capital Security Certificate canceled, will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this Twelfth Supplemental Indenture. On issue of such Notes, Notes with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be deemed to have been canceled.

(b) A Global Note may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary or if at any time the Depositary shall no longer be registered or in good standing under the Exchange Act or other applicable statute or regulation, and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article 2 of the Indenture, the Trustee, upon written notice from the Company, will authenticate and make available for delivery the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. In addition, the Company may at any time determine that the Notes shall no longer be represented by a Global Note. In such event the Company will execute, and subject to Section 2.07 of the Indenture, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note. Upon the exchange of the Global Note for such Notes in definitive registered form without coupons, in authorized denominations, the Global Note shall be canceled by the Trustee. Such Notes in definitive registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depositary for delivery to the Persons in whose names such Securities are so registered.

SECTION 2.5 Interest.

(a) Each Note will bear interest at the rate of 6⅞% per annum (the "Coupon Rate") from August 2, 2006 until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest or Deferred Interest at the Coupon Rate, compounded quarterly, payable (subject to the provisions of Article 4) quarterly in arrears on February 2, May 2, August 2 and November 2 of each year (each, an "Interest Payment Date"), beginning on November 2, 2006, to the Person in whose name such Note or any predecessor Note is registered at the close of business on the regular record date for such interest installment, which, in respect of any Notes of which the Property Trustee is the Holder of a Global Note, shall be the close of business on the Business Day next preceding that Interest Payment Date. Notwithstanding the foregoing sentence, if the Capital Securities are no longer in book-entry only form, the relevant record dates shall be January 15, April 15, July 15 and October 15 prior to the regular Interest Payment Date.

(b) The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. Except as provided in the following sentence, the amount of interest payable for any period shorter than a full quarter for which interest is computed, will be computed on the basis of the actual number of days elapsed in such a 30-day period. In the event that any date on which interest is payable on the Notes is not a Business Day,

then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

(c) If, at any time while the Property Trustee is the Holder of any Notes, the Trust or the Property Trustee is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States, or any other domestic taxing authority, then, in any case, the Company will pay as additional interest ("Additional Interest") on the Notes held by the Property Trustee, such additional amounts as shall be required so that the net amounts received and retained by the Trust and the Property Trustee after paying such taxes, duties, assessments or other governmental charges will be equal to the amounts the Trust and the Property Trustee would have received had no such taxes, duties, assessments or other government charges been imposed.

ARTICLE 3

PREPAYMENT OF THE NOTES

SECTION 3.1 Special Event Prepayment.

If a Special Event has occurred and is continuing, the Company shall have the right, upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes, to prepay the Notes, in whole but not in part, for cash within 90 days following the occurrence of such Special Event (the "90-Day Period") at a prepayment price equal to the Special Event Prepayment Price. The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such repayment or such earlier time as the Company determines, provided that the Company shall deposit with the Trustee an amount sufficient to pay the Special Event Prepayment Price by 10:00 a.m., New York time, on the date such Special Event Prepayment Price is to be paid.

SECTION 3.2 Optional Prepayment by Company.

(a) Subject to the provisions of Section 3.2(b) and to the provisions of Article 14 of the Indenture, the Company shall have the right to prepay the Notes, in whole or in part, at any time and from time to time, on or after August 2, 2011, at a redemption price equal to the Optional Prepayment Price. Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice to the Holders of the Notes. If the Notes are only partially prepaid pursuant to this Section 3.2, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine, in accordance with its procedures, the principal amount of such Notes held by each Holder of a Note to be prepaid. The Optional Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines provided that the Company shall deposit with the Trustee an amount sufficient to pay the Optional Prepayment Price by 10:00 a.m., New York time, on the date such Optional Prepayment Price is to be paid.

(b) If a partial prepayment of the Notes would result in the delisting of the Capital Securities issued by the Trust from any national securities exchange or other organization on which the Capital Securities are then listed, the Company shall not be permitted to effect such partial prepayment and may only prepay the Notes in whole.

SECTION 3.3 No Sinking Fund.

The Notes are not entitled to the benefit of any sinking fund.

ARTICLE 4
EXTENSION OF INTEREST PAYMENT PERIOD

SECTION 4.1 Extension of Interest Payment Period.

The Company shall have the right, at any time and from time to time during the term of the Notes, to defer payments of interest by extending the interest payment period of such Notes for a period selected by the Company not exceeding 20 consecutive quarters (the "Extended Interest Payment Period"), during which Extended Interest Payment Period no interest shall be due and payable; provided that no Extended Interest Payment Period may extend beyond the Maturity Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 4.1, will accrue additional interest thereon at the Coupon Rate compounded quarterly for each quarter of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Company shall pay all interest accrued and unpaid on the Notes, including any Additional Interest and Compounded Interest (together, "Deferred Interest") that shall be payable to the Holders of the Notes in whose names the Notes are registered in the Security Register on the first record date after the end of the Extended Interest Payment Period. Before the termination of any Extended Interest Payment Period, the Company may further extend such period, provided that such period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters or extend beyond the Maturity Date of the Notes. Upon the termination of any Extended Interest Payment Period and upon the payment of all Deferred Interest then due, the Company may commence a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof, but the Company may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period.

SECTION 4.2 Notice of Extension.

(a) If the Property Trustee is the only registered Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give written notice to the Regular Trustees, the Property Trustee and the Trustee of its selection of such Extended Interest Payment Period at least one Business Day before the earlier of (i) the next succeeding date on which Distributions on the Trust Securities issued by the Trust are payable, or (ii) the date on which the Trust is required to give notice of the record date, or the date on which such Distributions are payable, to the New York Stock Exchange or any other exchange

upon which the Notes or Trust Securities are listed or any other applicable self-regulatory organization or to holders of the Capital Securities issued by the Trust, but in any event at least one Business Day before such record date (however, in no event shall notice be required more than 15 Business Days prior to an Interest Payment Date).

(b) If the Property Trustee is not the only Holder of the Notes at the time the Company selects an Extended Interest Payment Period, the Company shall give the Holders of the Notes and the Trustee written notice of its selection of such Extended Interest Payment Period at least 10 Business Days, but not more than 15 Business Days, before the earlier of (i) the next succeeding Interest Payment Date, or (ii) the date the Company is required to give notice of the record or payment date of such interest payment to the New York Stock Exchange or any other exchange upon which the Notes or Trust Securities are listed or any other applicable self-regulatory organization or to Holders of the Notes.

(c) The quarter in which any notice is given pursuant to paragraphs (a) or (b) of this Section 4.2 shall be counted as one of the 20 quarters permitted in computing the maximum Extended Interest Payment Period permitted under Section 4.1.

SECTION 4.3 Limitation of Transactions.

If (i) the Company shall exercise its right to defer payment of interest as provided in Section 4.1 and such Extended Interest Payment Period is continuing, or (ii) there shall have occurred and be continuing any Event of Default or Nonpayment, as defined in the Indenture, then (a) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than (i) purchases or acquisitions of shares of its common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans, (ii) as a result of a reclassification of its capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of its capital stock or (iii) the purchase of fractional interests in shares of its capital stock pursuant to an acquisition or the conversion or exchange provisions of such capital stock or security being converted or exchanged) or make any guarantee payment with respect thereto and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank pari passu with or junior to the Notes.

ARTICLE 5
EXPENSES

SECTION 5.1 Payment of Expenses.

In connection with the offering, sale and issuance of the Notes to the Property Trustee and in connection with the sale of the Trust Securities by the Trust, the Company, in its capacity as borrower with respect to the Notes, shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Notes, including commissions to the underwriters payable pursuant to the Underwriting Agreement, the compensation of the Trustee under the Indenture in accordance with the provisions of Section 6.06 of the Indenture and the issuance of additional Notes and Trust Securities upon exercise of the Option;

(b) pay all costs and expenses of the Trust (including, but not limited to, costs and expenses relating to the organization, maintenance and dissolution of the Trust, the offering, sale and issuance of the Trust Securities (including commissions to the underwriters payable pursuant to the Underwriting Agreement), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of Trust assets);

(c) be primarily and fully liable for any indemnification obligations arising with respect to the Declaration; and

(d) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust.

SECTION 5.2 Payment Upon Resignation or Removal.

Upon termination of this Twelfth Supplemental Indenture or the Indenture or the removal or resignation of the Trustee, unless otherwise stated, the Company shall pay to the Trustee all amounts accrued to the date of such termination, removal or resignation. Upon termination of the Declaration or the removal or resignation of the Delaware Trustee or the Property Trustee, as the case may be, pursuant to Section 5.7 of the Declaration, the Company shall pay to the Delaware Trustee or the Property Trustee, as the case may be, all amounts accrued to the date of such termination, removal or resignation.

ARTICLE 6

COVENANT TO LIST ON EXCHANGE

SECTION 6.1 Listing on an Exchange.

If the Notes are to be issued as a Global Note in connection with the distribution of the Notes to the holders of the Capital Securities upon a Dissolution Election, the Company will use its best efforts to list such Notes on any stock exchanges on which the Capital Securities are then listed.

ARTICLE 7

FORM OF NOTE

SECTION 7.1 Form of Note.

The Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF NOTE)

[IF THE NOTE IS TO BE A GLOBAL NOTE, INSERT - This Note is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of The Bank of New York, as Property Trustee of BAC Capital Trust XII (the "Trust"). This Note is exchangeable for Notes registered in the name of a person other than The Bank of New York, as Property Trustee of BAC Capital Trust XII, or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Note may be registered except in limited circumstances.]

Unless this Note is presented by an authorized representative of The Depository Trust Company, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co. has an interest herein.

THIS NOTE IS NOT A SAVINGS ACCOUNT OR A BANK DEPOSIT, IS NOT AN OBLIGATION OF OR GUARANTEED BY ANY BANKING AFFILIATE OF BANK OF AMERICA CORPORATION AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND INVOLVES INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL.

$_____

CUSIP No. 060505 CJ 1
ISIN No. US060505CJ19

No. XII-R-__

BANK OF AMERICA CORPORATION

6 7/8% JUNIOR SUBORDINATED NOTES, DUE 2055

BANK OF AMERICA CORPORATION, a Delaware corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to THE BANK OF NEW YORK, AS PROPERTY TRUSTEE OF BAC CAPITAL TRUST XII, or registered assigns, the principal sum of _____ DOLLARS ($_____ .00) on August 2, 2055 (the "Maturity Date"), and to pay interest on said principal sum from August 2, 2006 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly (subject to deferral as set forth herein) in arrears on February 2, May 2, August 2 and November 2 of each year beginning November 2, 2006, at the rate of 6 7/8% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum compounded quarterly. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment

of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the person in whose name this Note (or one or more Predecessor Securities, as defined in the Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be the close of business on the business day next preceding such Interest Payment Date. IF PURSUANT TO THE PROVISIONS OF THE INDENTURE THE NOTES ARE NO LONGER REPRESENTED BY A GLOBAL NOTE, the record date shall be the close of business on the January 15, April 15, July 15 and October 15 prior to such payment dates. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Notes not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of this Note is the Property Trustee, the payment of the principal of (and premium, if any) and interest on this Note will be made at such place and to such account as may be designated by the Property Trustee. As used herein, the term "Business Day" shall mean any day other than a day on which federal or state banking institutions in New York, New York, or Charlotte, North Carolina, are authorized or obligated by law, executive order or regulation to close.

The indebtedness evidenced by this Note is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Obligations (as defined in the Indenture and the Twelfth Supplemental Indenture) and this Note is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Obligations, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed in its name by its duly authorized officers.

Date: August 2, 2006

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

[Seal]

Attest:

By: _____
Name: _____
Title: _____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: August 2, 2006

The Bank of New York,
as Trustee

By _____
Authorized Signatory

(FORM OF REVERSE OF NOTE)

This Note is one of a duly authorized series of Notes of the Company (herein sometimes referred to as the "Notes"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of November 1, 2001, duly executed and delivered between the Company and The Bank of New York, as Trustee (the 'Trustee"), as supplemented by the Twelfth Supplemental Indenture dated as of August 2, 2006 (the "Twelfth Supplemental Indenture"), between the Company and the Trustee (the Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes. By the terms of the Indenture, the Notes are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Notes is limited in aggregate principal amount as specified in the Twelfth Supplemental Indenture.

Because of the occurrence and continuation of a Special Event, as defined in the Indenture, in certain circumstances, this Note may become due and payable at a prepayment price equal to 100% of the principal amount of the Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment (the "Special Event Prepayment Price"). The Special Event Prepayment Price shall be paid prior to 12:00 noon, New York time, on the date of such prepayment or at such earlier time as the Company determines. In addition, the Company shall have the right to prepay this Note at the option of the Company, in whole or in part at any time on or after August 2, 2011 (an "Optional Prepayment"), or at any time in certain circumstances upon the occurrence of a Special Event, at a redemption price equal to 100% of the outstanding principal amount of the Junior Subordinated Notes, plus any accrued and unpaid interest thereon up to but excluding the date of prepayment (the "Optional Prepayment Price"). Any prepayment pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice, at the Optional Prepayment Price. If the Notes are only partially prepaid by the Company pursuant to an Optional Prepayment, the Notes will be prepaid pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of prepayment, the Notes are registered as a Global Note, the Depositary shall determine the principal amount of such Notes held by each Note holder to be prepaid in accordance with its procedures.

In the event of prepayment of this Note in part only, a new Note or Notes of this series for the portion hereof not prepaid will be issued in the name of the Holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any

manner the rights of the Holders of the Notes: provided, however, that no such supplemental indenture shall (i) reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Note so affected, or (ii) reduce the aforesaid percentage of Notes, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

The Company shall have the right at any time during the term of the Notes and from time to time to defer payments of interest by extending the interest payment period of such Notes for a period selected by the Company not exceeding 20 consecutive quarters (an "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for the Notes to the extent that payment of such interest is enforceable under applicable law); provided that no Extended Interest Payment Period may last beyond the Maturity Date of the Notes. Before the termination of any such Extended Interest Payment Period, the Company may further extend such Extended Interest Payment Period, provided that such Extended Interest Payment Period together with all such further extensions thereof shall not exceed 20 consecutive quarters or extend the Maturity Date of the Notes. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amounts then due, the Company may commence a new Extended Interest Payment Period, subject to the requirements contained in this paragraph.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered Holder hereof on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Trustee in the City and State of New York accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and the Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

This Global Note is exchangeable for Notes in definitive form only under certain limited circumstances set forth in the Indenture. Notes of this series so issued are issuable only in registered form without coupons in denominations of $25 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations herein and therein set forth, Notes of this series so issued are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN THE INDENTURE AND THE NOTES WITHOUT REGARD TO CONFLICTS OF LAWS PROVISIONS THEREOF.

ARTICLE 8

ORIGINAL ISSUE OF NOTES

SECTION 8.1 Original Issue of Notes.

Notes in the aggregate principal amount of up to $890,000,000 may, upon execution of this Twelfth Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company, signed by any Authorized Officer, as defined in the Indenture, without any further action by the Company.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1 Ratification of Indenture.

The Indenture, as supplemented by this Twelfth Supplemental Indenture, is in all respects ratified and confirmed, and this Twelfth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 9.2 Trustee Not Responsible for Recitals.

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Twelfth Supplemental Indenture.

SECTION 9.3 Governing Law.

This Twelfth Supplemental Indenture and each Note shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 9.4 Severability.

In case any one or more of the provisions contained in this Twelfth Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Twelfth Supplemental Indenture or of the Notes, but this Twelfth Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 9.5 Counterparts.

This Twelfth Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Twelfth Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: /s/ Karen A. Gosnell
Name: Karen A. Gosnell
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: _____
Name:
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Twelfth Supplemental Indenture to be duly executed by their authorized respective officers as of the day and year first above written.

BANK OF AMERICA CORPORATION

By: _____
Name:
Title: Senior Vice President

THE BANK OF NEW YORK
as Trustee

By: /s/ Van K. Brown
Name: Van K. Brown
Title: Vice President

Exhibit 4(uu)

BANK OF AMERICA CORPORATION

THIRD SUPPLEMENTAL INDENTURE

Dated as of December 21, 2005

Supplementing the Indenture, dated
as of December 18, 1996, between
MBNA Corporation and
The Bank of New York, as Trustee,
as supplemented by a
First Supplemental Indenture dated as of June 27, 2002, and
a Second Supplemental Indenture dated as of November 27, 2002.

THIS THIRD SUPPLEMENTAL INDENTURE, dated as of December 21, 2005 (the "Third Supplemental Indenture"), is made by and among **BANK OF AMERICA CORPORATION**, a Delaware corporation (the "Corporation"), **MBNA CORPORATION**, a Maryland corporation ("MBNA"), and **THE BANK OF NEW YORK,** a New York banking corporation, as Trustee (the "Trustee") under the Indenture referred to herein.

W I T N E S S E T H:

WHEREAS, MBNA and the Trustee were parties to an Indenture dated as of December 18, 1996 (the "Original Indenture"), providing for the issuance of unsecured junior subordinated debt securities;

WHEREAS, the Original Indenture has been amended and supplemented by a First Supplemental Indenture dated as of June 27, 2002 and a Second Supplemental Indenture dated as of November 27, 2002 (as amended and supplemented, the "Indenture");

WHEREAS, there is outstanding under the terms of the Indenture one or more series of MBNA's unsecured junior subordinated debt securities (the "Securities");

WHEREAS, MBNA and the Corporation have entered into an Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 30, 2005, pursuant to which MBNA will merge with and into the Corporation (the "Merger"), with the Corporation as the surviving corporation in the Merger;

WHEREAS, the Merger is expected to be consummated on January 1, 2006;

WHEREAS, Section 8.1(1) of the Indenture provides that in the case of a merger, the surviving corporation shall expressly assume by supplemental indenture the due and punctual payment of the principal of and any premium and interest on the Securities and the performance or observance of all the covenants, conditions and obligations under the Indenture to be performed or observed by MBNA, as well as the obligations of MBNA under any Trust Agreement or Guarantee Agreement (each as defined in the Indenture) related to the Indenture;

WHEREAS, as set forth in Section 1.1(b) of this Third Supplemental Indenture, the Corporation expressly assumes the due and punctual payment of the principal of and any premium and interest on the Securities and the performance or observance of all the covenants, conditions and obligations under the Indenture to be performed or observed by MBNA, as well as the obligations of MBNA under any Trust Agreement or Guarantee Agreement related to the Indenture;

WHEREAS, Section 9.1(1) of the Indenture provides that, without consent of any holders of the Securities, MBNA, when authorized by resolutions of its board of directors, and the Trustee may enter into a supplemental indenture to evidence the succession of another corporation to MBNA and the assumption by the successor corporation of the covenants, conditions and obligations of MBNA under the Indenture and in the Securities, as well as the related Trust Agreements and Guarantee Agreements;

WHEREAS, Section 9.1(7) of the Indenture provides that, without the consent of any holders of the Securities, MBNA, when authorized by resolutions of its board of directors, and the Trustee may enter into a supplemental indenture to supplement any provision contained in the Indenture;

WHEREAS, the Finance and Loan Committee of MBNA's board of directors (the "Committee"), in accordance with the authority granted to the Committee by MBNA's board of directors, has authorized MBNA to execute and deliver this Third Supplemental Indenture and to perform its obligations hereunder; and

WHEREAS, this Third Supplemental Indenture has been duly authorized by all necessary corporate action on the part of each of MBNA and the Corporation.

NOW, THEREFORE, in consideration of the premises, MBNA, the Corporation and the Trustee agree as follows for the equal and ratable benefit of the holders of the Securities:

ARTICLE I
ASSUMPTION BY SUCCESSOR CORPORATION AND SUPPLEMENTAL PROVISIONS

SECTION 1.1 Assumption of the Securities.

(a) The Corporation hereby represents and warrants that

(i) it is a corporation organized and existing under the laws of the State of Delaware and the surviving corporation in the Merger; and

(ii) the execution, delivery and performance of this Third Supplemental Indenture has been duly authorized by the Board of Directors of the Corporation.

(b) The Corporation hereby expressly assumes the due and punctual payment of the principal of and premium, if any, and interest on all of the Securities of all series in accordance with the terms of each series, according to their tenor and the performance or observance of all the covenants, conditions and obligations under the Indenture and in the Securities to the Holders and to the Trustee with respect to each series or established with respect to such series to be performed or observed by MBNA, as well as the obligations of MBNA under any Trust Agreement and Guarantee Agreement.

SECTION 1.2 The Company. Effective January 1, 2006, the name of the Company, as the successor corporation to MBNA under the Indenture, shall be "Bank of America Corporation."

SECTION 1.3 Supplemental Provisions. In connection with the issuance of Securities under the Indenture:

(a) Definitions in the present Section 1.1 are hereby amended as follows:

(i) The present definition of "Board Resolution" is hereby deleted and replaced with the following:

"'Board Resolution' means a resolution certified by the Secretary or an Assistant Secretary of the Company to have been adopted by the Board of Directors or a committee acting under the authority of, or appointment by, the Board of Directors and to be in full force and effect on the date of such certification."

(ii) The present definitions of "Company Request" and "Company Order" are hereby deleted and replaced with the following:

"'Company Request' and 'Company Order' mean, respectively, a written request or order signed in the name of the Company by its Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, Executive or Senior Vice President, General Counsel, Deputy or Associate General Counsel or Treasurer and delivered to the Trustee."

(iii) The present definition of "Officers' Certificate" is hereby deleted and replaced with the following:

"'Officers' Certificate' means a certificate signed by the Chairman of the Board, the Chief Executive Officer, President, Chief Financial Officer, Executive or Senior Vice President, General Counsel, Deputy or Associate General Counsel or Treasurer of the Company and delivered to the Trustee."

SECTION 1.4 Trustee's Acceptance. The Trustee hereby accepts this Third Supplemental Indenture and agrees to perform the same under the terms and conditions set forth in the Indenture.

ARTICLE II
MISCELLANEOUS

SECTION 2.1 Effect of Supplemental Indenture. Upon the later to occur of (i) the execution and delivery of this Third Supplemental Indenture by the Corporation, MBNA and the Trustee and (ii) the effective time of the Merger, the Indenture shall be supplemented in accordance herewith, and this Third Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Securities heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby.

SECTION 2.2 Indenture Remains in Full Force and Effect. Except as supplemented hereby, all provisions in the Indenture shall remain in full force and effect.

SECTION 2.3 Indenture and Supplemental Indentures Construed Together. This Third Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture, and the Indenture and this Third Supplemental Indenture shall henceforth be read and construed together.

SECTION 2.4 Confirmation and Preservation of Indenture. The Indenture as supplemented by this Third Supplemental Indenture is in all respects confirmed and preserved.

SECTION 2.5 Conflict with Trust Indenture Act. If any provision of this Third Supplemental Indenture limits, qualifies or conflicts with any provision of the Trust Indenture Act (the "TIA") that is required under the TIA to be part of and govern any provision of this Third Supplemental Indenture, the provision of the TIA shall control. If any provision of this Third Supplemental Indenture modifies or excludes any provision of the TIA that may be so modified or excluded, the provision of the TIA shall be deemed to apply to the Indenture as so modified or to be excluded by this Third Supplemental Indenture, as the case may be.

SECTION 2.6 Severability. In case any provision in this Third Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 2.7 Terms Defined in the Indenture. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

SECTION 2.8 Addresses for Notice, etc., to the Corporation and Trustee. Any notice or demand which by any provisions of this Third Supplemental Indenture or the Indenture is required or permitted to be given or served by the Trustee or by the holders of Securities to or on the Corporation may be given or served by postage prepaid first class mail addressed (until another address is filed by the Corporation with the Trustee) as follows:

Bank of America Corporation
Corporate Treasury Division, NC1-007-07-06
100 North Tryon Street
Charlotte, North Carolina 28255-0001
Attention: Karen A. Gosnell, Senior Vice President

With a copy to:

Bank of America Corporation
Legal Department, NC1-007-20-01
100 North Tryon Street
Charlotte, North Carolina 28255-0065
Attention: Teresa M. Brenner, Associate General Counsel

Any notice, direction, request or demand by any holder of Securities to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the principal office of the Trustee, which shall be as follows:

The Bank of New York
101 Barclay Street—8W
New York, New York 10286
Attention: Corporate Trust Administration

SECTION 2.8 Headings. The Article and Section headings of this Third Supplemental Indenture have been inserted for convenience of reference only, are not to be considered part of this Third Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 2.9 Benefits of Third Supplemental Indenture, etc. Nothing in this Third Supplemental Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder and the holders of the Securities, any benefit of any legal or equitable right, remedy or claim under the Indenture, this Third Supplemental Indenture or the Securities.

SECTION 2.10 Certain Duties and Responsibilities of the Trustees. In entering into this Third Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee, whether or not elsewhere herein so provided. The Trustee makes no representations as to the validity or sufficiency of this Third Supplemental Indenture. The recitals and statements in this Third Supplemental Indenture are deemed to be those of the Corporation and MBNA and not of the Trustee.

SECTION 2.11 Counterparts. The parties may sign any number of copies of this Third Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 2.12 Governing Law. This Third Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Third Supplemental Indenture to be duly executed as of the date first written above.

THE CORPORATION:

Bank of America Corporation

By: /s/ KAREN A. GOSNELL
Name: Karen A. Gosnell
Title: Senior Vice President

MBNA:

MBNA Corporation

By: /s/ THOMAS D. WREN
Name: Thomas D. Wren
Title: Treasurer

THE TRUSTEE:

The Bank of New York

By: /s/ GEOVANNI BARRIS
Name: Geovanni Barris
Title: Vice President

Exhibit 4(ww)

AGENCY AGREEMENT

by and among

MBNA CANADA BANK

as Issuer,

JPMORGAN CHASE BANK

as Global Agent,

JPMORGAN CHASE BANK

as London Paying Agent and London Issuing Agent,

JPMORGAN CHASE BANK

as NY Paying Agent and Registrar,

-and-

J.P.MORGAN BANK LUXEMBOURG S.A.

as Luxembourg Paying Agent and Transfer Agent

Dated as of August 27, 2003

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This AGENCY AGREEMENT is dated as of August 27, 2003 by and among:

(1) MBNA CANADA BANK, a Schedule II bank incorporated under the Bank Act (Canada) (the "Bank");

(2) JPMorgan Chase Bank, a banking corporation organized pursuant to the laws of the State of New York ("JPMorgan") (the "Global Agent");

(3) JPMorgan Chase Bank acting through its specified office in London ("JPMorgan London") as paying agent (the "London Paying Agent") and issue agent (the "London Issuing Agent") which expressions shall also include any successors appointed in accordance with Section 27 of this Agreement;

(4) JPMorgan Chase Bank acting through its specified office in New York ("JPMorgan New York") as registrar (the "Registrar") and paying agent (the "NY Paying Agent") which expressions shall also include any successors appointed in accordance with Section 27 of this Agreement; and

(5) J.P. Morgan Bank Luxembourg S.A. ("JPMorgan Luxembourg") in its capacity as transfer agent (the "Transfer Agent") and as paying agent (the "Luxembourg Paying Agent"; together with the London Paying Agent and the NY Paying Agent, the "Paying Agents"; individually a "Paying Agent") which expressions shall include any successors appointed in accordance with Section 27 of this Agreement.

WHEREAS:

(A) The Bank has entered into a Dealer Agreement dated as of the date hereof with certain Dealers named therein pursuant to which the Bank may from time to time issue up to US$2,000,000,000 aggregate principal amount (or the equivalent thereof in other currencies) of its Global Deposit Notes (the "Notes"), or such other maximum aggregate principal amount of the Notes that the Bank shall determine may be issued or outstanding at any one time pursuant to the Program (as defined herein), provided, that the Bank shall promptly notify the Agents of any such increase;

(B) The Notes will be issued subject to, and with the benefit of, this Agreement;

(C) The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by MBNA America Bank National Association (the "Guarantor") pursuant to a guarantee dated as of the date hereof between the Bank and the Guarantor; and

(D) The Bank has made application to the Luxembourg Stock Exchange (the "Stock Exchange") with the intention that Notes issued under the Program

may be listed on the Stock Exchange, in connection with which application the Bank has procured the preparation of an offering circular dated as of the date hereof (the "Offering Circular").

NOW, THEREFORE IT IS HEREBY AGREED as follows:

Section 1. Definitions and Interpretation.

(a) the following terms shall have the following meanings:

"Agents" means the collective reference to the Global Agent, the Paying Agents, the Registrar, the London Issuing Agent and the Transfer Agent;

"Authorized Representative" shall have the meaning ascribed thereto in Section 3(b) of this Agreement;

"Bearer Notes" means those Notes which are for the time being in bearer form;

"Business Day" means, unless otherwise agreed, a day which is both:

(a) a day (other than a. Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York and Toronto; and

(b) either (A) in relation to Notes denominated in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant Specified Currency (if other than The City of New York or The City of Toronto) or (B) in relation to Notes denominated in Euro, a day (other than a Saturday or a Sunday) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open;

"Clearstream, Luxembourg" means Clearstream Banking, societe anonyme or any successor thereto;

"Coupon" means an interest coupon attached on issue to an interest-bearing Definitive Bearer Note, such coupon being substantially in the form set out in Exhibit F hereto or in such other form as may be agreed between the Bank and the Global Agent, and includes, where applicable, the Talon(s) appertaining thereto;

"Dealer" means J.P. Morgan Securities Inc., Bane of America Securities LLC, Bane One Capital Markets, Inc., Bank of Montreal, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse First Boston LLC, Deutsche Bank Securities Inc., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Dominion Securities Corporation and TD Securities (USA) Inc., J.P. Morgan Securities Ltd., Bane of America Securities Limited, Bank of Montreal, Bank One Europe Limited, Barclays Bank PLC, Citigroup

Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Lehman Brothers International (Europe), Merrill Lynch International, Royal Bank of Canada Europe Limited, The Toronto-Dominion Bank and any other entities appointed as dealers from time to time pursuant to the Distribution Agreement and notice of whose appointment is given to the Global Agent;

"Definitive Bearer Note" means a definitive Bearer Note substantially in the form set out in Exhibit E hereto or in such other form as may be agreed between the Bank and the Global Agent, in each case issued or to be issued by the Bank pursuant to this Agreement in exchange for a Permanent Global Note;

"Definitive Notes" means Definitive Bearer Notes and/or, as the context requires, Definitive Registered Notes;

"Definitive Registered Note" means a definitive Registered Note substantially in the form set out in Exhibit B in such other form as may be agreed between the Bank and the Global Agent;

"Distribution Agreement" means the agreement of even date herewith among the Bank and the Dealers concerning the sale of Notes to be issued by the Bank and includes any amendment or supplement thereto;

"DTC" means The Depository Trust Company in New York, New York and its successors;

"DTC Global Note" means a Registered Global Note deposited with a custodian for, and registered in the name of a nominee of, DTC;

"Euroclear" means Euroclear Bank S.A./N.V , as operator of the Euroclear System or any successor thereto;

"Euroclear/Clearstream, Luxembourg Global Note" means a Registered Global Note deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and/or Clearstream, Luxembourg;

"Global Note" means a Temporary Global Note or a Permanent Global Note;

"ISDA Definitions" means the 2000 ISDA Definitions, as amended and updated from time to time, published by the International Swaps and Derivatives Association, Inc.;

"Noteholders" means the several persons who are for the time being holders of outstanding Notes (being, in the case of any Bearer Note, the bearer thereof and, in the case of any Registered Note, the registered owner thereof as reflected in the Note Register) except that for so long as any of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) (in which regard any certificate or other

document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes standing to 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 Bank and the Agents as a holder of such principal amount of such Notes for all purposes other than for the payment of principal, premium (if any) and interest on such Notes, the right to which shall be vested, as against the Bank and the Agents, solely in the bearer of the Global "Note in accordance with and subject to its terms (and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly);

"Note Register" shall have the meaning ascribed thereto in Section 11 (a) of this Agreement;

"Offering Circular" means the Offering Circular relating to the Notes as revised, supplemented, amended or updated, including any Pricing Supplement thereto relating to a particular Franche of Notes and such documents as are from time to time incorporated therein by reference;

"Original Issue Date" means, with respect to any Note, the original date of issue of such Note, being in the case of any Definitive Note, the date of issue of the Registered Global Note, Temporary Global Note or Permanent Global Note, as the case may be, which initially represented such Note;

".Outstanding" means, at any particular time, all Notes theretofore issued other than (a) those which have been redeemed in full in accordance with their terms and with this Agreement, (b) those with respect to which the redemption date in accordance with their terms has occurred and the redemption monies wherefor (including any premium and all interest (if any) accrued thereon to the redemption date and any interest (if any) payable after such date) have been duly paid to or deposited to the account of the Global Agent as provided herein (and, where appropriate, notice has been given to the Noteholders in accordance with the terms thereof and Section 18) and remain available for payment, (c) those which have become void in accordance with their terms, (d) those which have been cancelled, (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes in accordance with their terms, (f) (for the purposes only of determining the aggregate principal amount of Notes outstanding and without prejudice to the status of any Note for any other purpose) those Notes alleged to have been lost, stolen or destroyed and with respect to which replacement Notes have been issued in accordance with their terms and (g) Temporary Global Notes to the extent that they shall have been duly exchanged for Permanent Global Notes or Definitive Bearer Notes, Permanent Global Notes to the extent that they shall have been duly exchanged for Definitive Bearer Notes or Registered Global Notes, Definitive Bearer Notes to the extent that they shall have been duly exchanged for Registered Global Notes, and Registered Global Notes to the extent that they shall have been duly exchanged for Definitive Registered Notes, in each case pursuant to their respective terms;

"Permanent Global Note" means a global Bearer Note substantially in the form set out in Exhibit D hereto or in such other form as may be agreed between the Bank and the Global Agent, in each case comprising Notes issued or to be issued by the Bank in exchange for the whole, but not the part, of a Temporary Global Note;

"Pricing Supplement" means the pricing supplement prepared by the Bank in relation to a particular Tranche of Notes (substantially in the form of Annex A to the Offering Circular) as a supplement to the Offering Circular;

"Procedures Memorandum" means the Procedures Memorandum attached as Exhibit B to the Distribution Agreement;

"Program" means the Global Bank Note Program established by the Distribution Agreement;

"Receipt" means a receipt attached on issue to a Definitive Bearer Note redeemable in installments for the payment of the installments of principal, such receipt being substantially in the form set out in Exhibit II hereto or in such other form as may be agreed between the Bank and the Global Agent;

"Registered Global Note" means a global Registered Note substantially in the form set out in Exhibit A hereto or in such other form as may be agreed upon between the Bank and the Global Agent;

"Series" means all Notes which are denominated in the same currency and which have the same Stated Maturity Date, interest payment basis and interest payment dates, if any, (all as indicated in the applicable Pricing Supplement) and the terms of which, except for the Original Issue Date and/or the issue price (each as indicated as aforesaid), are otherwise identical, including whether the Notes are listed;

"Stock Exchange" means the Luxembourg Stock Exchange or any other stock exchange(s) on which any Notes may from time to time be listed and reference in this Agreement to the "relevant Stock Exchange" shall, in relation to any Notes, be reference to the Stock Exchange on which such Notes are from time to time, or will be, listed;

"Talons" means the talons, if any, for further Coupons appertaining to an interest-bearing Definitive Bearer Note, each such talon being substantially in the form set out in Exhibit G hereto or in such other form as may be agreed between the Bank and the Global Agent;

"Temporary Global Note" means a global Bearer Note substantially in the form set out in Exhibit C hereto or in such other form as may be agreed between the Bank and the Global Agent;

'"Tranche" means all Notes of the same Series with the same Original Issue Date and the same issue price;

"US$" and "U.S. Dollars" means the lawful currency for the time being of the United States.

(b) Terms and expressions defined in the Notes and the Offering Circular shall have the same meanings in this Agreement, except where the context requires otherwise.

(c) Any references to Notes shall, unless the context otherwise requires, include any Temporary Global Notes, Permanent Global Notes, Registered Global Notes, Definitive Bearer Notes and Definitive Registered Notes.

Section 2. Appointment of the Global Agent, the London Issuing Agent, the Paying Agents, the Registrar and the Transfer Agent

(a) JPMorgan is hereby appointed as agent of the Bank, to act as Global Agent for the purposes specified in this Agreement and all matters incidental thereto, upon the terms and subject to the conditions specified herein.

(b) JPMorgan New York is hereby appointed as agent of the Bank, to act as Registrar and NY Paying Agent for the purposes specified in this Agreement and all matters incidental thereto, including, *inter alia.* completing, authenticating and issuing Notes, upon the terms and subject to the conditions specified herein and in the Notes.

(c) JPMorgan London is hereby appointed as the agent of the Bank to act as London Paying Agent and London Issuing Agent for the purposes specified in this Agreement, including, *inter alia,* completing, authenticating and issuing Notes, upon the terms and subject to the conditions specified herein and in the Notes.

(d) JPMorgan Luxembourg is hereby appointed as agent of the Bank, to act as Luxembourg Paying Agent and Transfer Agent for the purposes specified in this Agreement, upon the terms and subject to the conditions specified herein and in the Notes.

(e) Each of the Global Agent, the Paying Agents, the Registrar, the London Issuing Agent and the Transfer Agent shall have the powers and authority granted to and conferred upon them, specifically, in the Notes and hereundcr to act on behalf of the Bank and such further powers and authority to act on behalf of the Bank as may be mutually agreed upon.

(f) The obligations of the Global Agent, the Paying Agents, the Registrar, the London Issuing Agent and the Transfer Agent shall be several, but not joint.

(g) JPMorgan is hereby appointed (i) Calculation Agent, for the purpose of calculating any variable interest rates or other bases for determining the payment of interest, premium or principal with respect to the Notes from time to tune pursuant to the Calculation Agent Agreement and (ii) Exchange Rate Agent, for the purpose of determining exchanges of currencies of such payments from time to time; and, in connection with such appointments, the Bank and JPMorgan shall endeavor to enter into a Calculation Agent Agreement and an Exchange Agent Agreement after the date hereof, which Calculation Agent Agreement and Exchange Agent Agreement shall be in such form or forms as may be mutually agreed between them. Notwithstanding the foregoing, the Bank may appoint a different Calculation Agent or Exchange Agent for any Series of Notes (which may be the Bank or any affiliate thereof or a Dealer purchasing such Notes or an affiliate thereof). The relevant Pricing Supplement will set forth the name of the Calculation Agent or Exchange Agent, if any, for such Series.

Section 3. Authorized Representatives.

From time to time, the Bank shall provide the Global Agent, the Registrar and the London Issuing Agent with a certificate executed by an officer of the Bank, as applicable, certifying the incumbency and specimen signatures of those officers of the Bank authorized to execute Notes on behalf of the Bank by manual or facsimile signature and to give instructions and notices on behalf of the Bank hereunder (each an "Authorized Representative" and collectively the "Authorized Representatives"). Until the Global Agent, the Registrar or the London Issuing Agent receives a subsequent certificate, the Global Agent, the Registrar and the London Issuing Agent shall be entitled to conclusively rely on the last such certificate delivered to them for the purposes of determining the identifies of Authorized Representatives of the Bank. Any Note bearing the manual or facsimile signatures of persons who are Authorized Representatives of the Bank on the date such signatures are affixed shall bind the Bank after the completion, authentication and delivery thereof by the Registrar or the London Issuing Agent, as the case may be, notwithstanding that such persons shall have ceased to hold office on the date such Note is so completed, authenticated and delivered by the Registrar or the London Issuing Agent, as the case may be.

Section 4. Issuance Instructions.

All instructions regarding the completion, authentication and delivery of Notes shall be given by an Authorized Representative by facsimile transmission or by other acceptable written means by such Authorized Representative no later than 3:00 p.m. (London time, or, as the case may be, New York time) three Business Days prior to the proposed issue date. Instructions for the issuance of Bearer Notes shall be transmitted to the London Issuing Agent and for the issuance of Registered Notes shall be transmitted to the Registrar. In addition, the Dealer who has arranged to purchase or procure the purchase of Notes from the Bank shall notify the London Issuing Agent or, as the case may be, the Registrar, by facsimile transmission or by other acceptable written means no later than 3:00 p.m. (London time) in the case of the London Issuing Agent or, in the case of the Registrar 3:00 p.m. (New York time), three Business Days prior to the proposed issue date, that payment by the Dealer to London Issuing Agent or the Registrar, as the case may be, of the purchase price of any Note has been or will be duly made upon delivery and (if applicable) of details of the account to which payment is to be made. The Bank agrees to deliver issuance instructions to the London Issuing Agent via tested telex or facsimile and to the Registrar via facsimile transmission.

Section 5. Issue of Registered Global Notes.

(a) Upon (x) receipt of instructions from an Authorized Representative in accordance with Section 4 hereof and the Procedures Memorandum regarding the completion, authentication and delivery of one or more Registered Global Notes or (y) the occurrence of any event which pursuant to the terms of a Permanent Global Note or Definitive Bearer Note(s) requires the issuance of a Registered Global Note, the Registrar shall cause to be withdrawn from safekeeping the necessary and applicable Registered Global Note(s) and, in accordance with such written instructions, shall:

(i) complete such Registered Global Note(s);

(ii) attach the relevant Pricing Supplement as supplied by the Bank;

(iii) register such Registered Global Note(s) in the name of Cede & Co., or another nominee of DTC, and/or in the name of a nominee of Euroclear and/or Clearstream, Luxembourg, as specified in such instructions;

(iv) authenticate such Registered Global Note(s); and

(v) (A) deliver such Registered Global Notes) to a custodian of DTC in accordance with such instructions against receipt from the custodian of confirmation that such custodian is holding the Registered Global Note(s) so delivered in safe custody for the account of DTC and instruct DTC to credit the Notes represented by such Registered Global Note(s), unless otherwise agreed in writing between the Registrar and the Bank, to the Registrar's participant account at DTC; and/or

(B) deliver such Registered Global Note(s) to the specified common depositary of Euroclear and Clearstream, Luxembourg in accordance with such instructions against receipt from the common depositary of confirmation that such common depositary is holding the Registered Global Note(s) so delivered in safe custody for the account of Euroclear and/or Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) to credit the Notes represented by such Registered Global Note(s), unless otherwise agreed in writing between the London Issuing Agent or the Global Agent and the Bank, to the London Issuing Agent's or the Global Agent's distribution account; and/or

(C) deliver such Registered Global Note(s) to the specified common depositary of Euroclear and Clearstream, Luxembourg in exchange for such Permanent Global Note or Definitive Bearer Note against receipt from the common depositary of confirmation that such common depositary is holding the Registered Global Note(s) in safe custody for the account of Euroclear and/or Clearstream, Luxembourg in accordance with the terms of the relevant letters of undertaking among such common depositary and Euroclear and/or Clearstream, Luxembourg;

provided, that instructions regarding the completion and authentication of such Note(s) are received by the Registrar not less than three Business Days prior to the date of settlement relating to such Note(s).

(b) The Registrar shall provide DTC, and the London Issuing Agent shall provide Euroclear and/or Clearstream, Luxembourg with such notifications, instructions or other information to be given by the Registrar or the London Issuing Agent, as the case may be, to DTC, Euroclear and/or Clearstream, Luxembourg as may be required.

Section 6. Issue of Temporary Global Notes

(a) Upon receipt of instructions from an Authorized Representative in accordance with Section 4 hereof and the Procedures Memorandum regarding the completion, authentication and delivery of one or more Temporary Global Notes, the London Issuing Agent shall cause to be withdrawn from safekeeping the necessary and applicable Temporary Global Note and, in accordance with such written instructions, shall:

(i) complete such Temporary Global Note(s);

(ii) attach the relevant Pricing Supplement as supplied by the Bank;

(iii) authenticate such Temporary Global Note(s); and

(iv) deliver such Temporary Global Note(s) to the specified common depositary of Euroclear and Clearstream, Luxembourg in accordance with such instructions against receipt from the common depositary of confirmation that such common depositary is holding the Temporary Global Note(s) in safe custody for the account of Euroclear and/or Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) to credit the Notes represented by such Temporary Global Note(s), unless otherwise agreed in writing between the London Issuing Agent and the Bank, to the London Issuing Agent's distribution account;

provided, that instructions regarding the completion and authentication of such Note(s) are received by the London Issuing Agent not less than five Business Days prior to the date of settlement relating to such Note(s).

(b) The London Issuing Agent shall provide Euroclear and/or Clearstream, Luxembourg with such notifications, instructions or other information to be given by the London Issuing Agent to Euroclear and/or Clearstream, Luxembourg as may be required.

Section 7. Issue of Permanent Global Notes.

(a) Upon the occurrence of any event which pursuant to the terms of a Temporary Global Note requires the issue of a Permanent Global Note, the London Issuing Agent shall cause to be withdrawn from safekeeping the necessary and applicable Permanent Global Note and, in accordance with the terms of the Temporary Global Note, shall:

(i) complete a Permanent Global Note in accordance with the terms of the Temporary Global Note;

(ii) attach the relevant Pricing Supplement as supplied by the Bank;

(iii) authenticate such Permanent Global Note; and

(iv) deliver such Permanent Global Note to the specified common depositary that is holding the Temporary Global Note for the time being on behalf of Euroclear and/or Clearstream, Luxembourg in exchange for such Temporary Global Note against receipt from the common depositary of confirmation that such common depositary is holding the Permanent Global Note in safe custody for the account of Euroclear and/or Clearstream, Luxembourg.

(b) The London Issuing Agent shall provide Euroclear and/or Clearstream, Luxembourg with such notifications, instructions or other information to be given by the London Issuing Agent to Euroclear and/or Clearstream, Luxembourg as may be required.

Section. 8 Issue of Definitive Bearer Notes.

(a) Upon notice from Euroclear or Clearstream, Luxembourg pursuant to the terms of a Global Note requiring the issue of one or more Definitive Bearer Notes in exchange for the Global Note, the Bank shall provide the London Issuing Agent with the necessary and applicable Definitive Bearer Note(s) and, in accordance with the terms of the Permanent Global Note, shall:

(i) complete, if applicable, an equal aggregate principal amount of Definitive Bearer Notes of authorized denominations and of like tenor and with identical terms as the Global Note in accordance with the terms of the Global Note;

(ii) authenticate such Definitive Bearer Note(s); and

(iii) deliver such Definitive Bearer Note(s) to or to the order of Euroclear and/or Clearstream, Luxembourg in exchange for such Global Note.

The London Issuing Agent shall notify the Bank forthwith upon receipt of a request for the issuance of Definitive Bearer Note(s) in accordance with the provisions of a Global Note.

(b) The Bank shall deliver to the London Issuing Agent, pursuant to a request for the issue of Definitive Bearer Notes under the terms of the relevant Permanent Global Note, a sufficient number of Definitive Bearer Notes (with, if applicable, Receipts, Coupons and Talons attached) executed by an Authorized Representative to enable the London Issuing Agent to comply with its obligations under this Section 8.

Section 9. Issue of Definitive Registered. Notes.

(a) Definitive Registered Notes shall be issued only if permitted by applicable law and (i) in the case of a DTC Global Note, DTC notifies the Bank that it is unwilling or unable to continue as depositary for the DTC Global Note or DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Bank within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in

the case of any other Registered Global Note, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so, (iii) the Bank in its discretion elects to issue Definitive Registered Notes or (iv) after the occurrence of an Event of Default with respect to any Registered Global Note, the beneficial owners representing a majority in principal amount of such Registered Global Note advise the relevant clearing system through its participants to cease acting as depositary for such Registered Global Note

(b) Upon the occurrence of any event specified in Section 9(a) which pursuant to the terms of a Registered Global Note requires the issue of Definitive Registered Notes in exchange for the Registered Global Note, the Registrar shall cause to be withdrawn from safekeeping the necessary and applicable Definitive Registered Note(s) and, in accordance with the terms of the Registered Global Note, shall:

(i) complete an equal aggregate principal amount of Definitive Registered Note(s) of authorized denominations and of like tenor with identical terms as the Registered Global Note in accordance with the terms of the Registered Global Note;

(ii) register such Definitive Registered Notes in the name or names of such persons as the relevant clearing system shall instruct the Registrar in writing;

(iii) authenticate such Definitive Registered Notes; and

(iv) deliver such Definitive Registered Notes to the relevant clearing system or pursuant to such clearing system's written instructions in exchange for such Registered Global Note.

(e) The Bank shall deliver to the Registrar, upon the occurrence of any event specified in Section 9(a) which pursuant to the terms of a Registered Global Note requires the issue of Definitive Registered Notes, a sufficient number of Definitive Registered Notes executed by an Authorized Representative to enable the Registrar to comply with its obligations under this Section 9

Section 10. Exchanges.

(a) Upon any exchange of a Temporary Global Note in whole, but not in part, for an interest in a Permanent Global Note or for Definitive Bearer Notes, as the case may be, the London Issuing Agent shall cancel or arrange for cancellation such Temporary Global Note. Upon any exchange of a Permanent Global Note for Definitive Bearer Notes, the Permanent Global Note shall be endorsed to reflect the reduction of its principal amount by the aggregate principal amount so exchanged. Until exchanged in full, the holder of an interest in any Permanent Global Note shall in all respects be entitled to the same benefits as the holder of Notes, Receipts and Coupons authenticated and delivered hereunder, except as set forth therein. The London Issuing Agent is hereby authorized on behalf of the Bank (i) to endorse or to arrange for the endorsement of the relevant Permanent Global Note to reflect the reduction in the

principal amount represented thereby by the amount so exchanged and, if appropriate, to endorse the Permanent Global Note to reflect any increase in the principal amount represented thereby, and in either case, to sign in the relevant space on the relevant Permanent Global Note recording such exchange or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Permanent Global Note.

(b) Upon any exchange of a Temporary Global Note in whole, but not in part, for an interest in a Registered Global Note, the London Issuing Agent shall cancel or arrange for cancellation such Temporary Global Note. Upon any exchange of all or a portion of an interest in a Permanent Global Note for an interest in a Registered Global Note, the Permanent Global Note shall be endorsed to reflect the reduction of its principal amount by the aggregate principal amount so exchanged. Until exchanged in full, the holder of an interest in any Permanent Global Note shall in all respects be entitled to the same benefits as the holder of Notes, Receipts and Coupons authenticated and delivered hereunder, except as set forth therein. The London Issuing Agent and the Registrar, as the case may be, are hereby authorized on behalf of the Bank (i) to endorse or to arrange for the endorsement of the relevant Permanent Global Note to reflect the reduction in the principal amount represented thereby by the amount so exchanged and, if appropriate, to endorse a Registered Global Note to reflect any increase in the principal amount represented thereby, and in either case, to sign in the relevant space on the relevant Permanent Global Note or Registered Global Note, as the case may be, recording such exchange or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Permanent Global Note.

(c) Upon any exchange of one or more Definitive Bearer Notes for an interest in a Registered Global Note the Definitive Bearer Note(s) so exchanged shall be cancelled by the London Issuing Agent. The Registrar is hereby authorized on behalf of the Bank to endorse, if appropriate, a Registered Global Note to reflect any increase in the principal amount represented thereby and, in such case, to sign in the relevant space on the relevant Registered Global Note recording such increase.

Section 11. Note Register; Registration, Transfer and Exchange; Persons Deemed Owners

(a) The Registrar, as registrar for the Registered Notes, shall maintain at its principal office in New York City, or such other location as may be agreed from time to time, the note register (the "Note Register"). The term "Note Register" shall mean the definitive register in which shall be recorded the names, addresses and taxpayer identification numbers of the holders of Registered Notes, the serial and CUSIP numbers (or Code/ISIN Numbers, as the case may be) of the Registered Notes, the Original Issue Dates thereof and details with respect to the transfer and exchange of Registered Notes.

(b) Upon surrender for the purpose of registration of transfer at the offices of the Registrar or any Transfer Agent of any Registered Note, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by the registered holder, in person or by such holder's attorney thereunto duly authorized in writing, such Registered Note shall be transferred upon the Note Register and the Registrar shall complete, authenticate and deliver, in the name of the designated transferee or transferees, one or

more new Registered Notes of authorized denominations of an equal aggregate principal amount and of like tenor with identical terms and provisions;*provided, however,* that Registered Notes may be delivered for the purpose of registration of transfer by mail at the risk and expense of the transferor. Registrations of transfers and exchanges of Registered Notes shall be subject to such restrictions as shall be set forth herein and in the text of the Notes and such reasonable regulations as may be prescribed by the Bank. Successive registrations and registrations of transfers as aforesaid may be made from time to time as desired, and each such registration shall be noted on the Note Register.

(c) Notwithstanding anything to the contrary contained in Section 11 (b), if the Notes of any Series are for the time being represented by both a DTC Global Note and a Euroclear/Clearstream, Luxembourg Global Note and an authorized representative of DTC presents the DTC Global Note to the Registrar or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by DTC or by DTC's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of such DTC's interest in such DTC Global Note to Euroclear and/or Clearstream, Luxembourg, such DTC Global Note or the relevant interest therein shall be transferred upon the Note Register, and the Registrar shall endorse the DTC Global Note to reflect the reduction of its principal amount by the aggregate principal amount so transferred and the appropriate Euroclear/Clearstream, Luxembourg Global Note shall be endorsed by the Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar is hereby authorized on behalf of the Bank (i) to endorse or to arrange for the endorsement of the relevant DTC Global Note to reflect the reduction in the principal amount represented thereby by the amount so transferred and to endorse the appropriate Euroclear/Clearstream, Luxembourg Global Note to reflect the increase in the principal amount represented thereby by the amount so transferred and, in either case, to sign in the relevant space on the relevant Note recording such reduction or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the DTC Global Note.

(d) Notwithstanding anything to the contrary contained in Section 11(b), if the Notes of any Series are for the time being represented by both a DTC Global Note and a Euroclear/Clearstream, Luxembourg Global Note and an authorized representative of the Euroclear or Clearstream, Luxembourg presents the Euroclear/Clearstream, Luxembourg Global Note to the Registrar or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by the Euroclear or Clearstream, Luxembourg, as the case may be, or by Euroclear's or Clearstream, Luxembourg's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of Euroclear's or Clearstream, Luxembourg's interest in such Euroclear/Clearstream, Luxembourg Global Note to DTC, such Euroclear/Clearstream, Luxembourg Global Note or the relevant interest therein shall be transferred upon the Note Register, and the Registrar shall endorse the Euroclear/Clearstream, Luxembourg Global Note to reflect the reduction of its principal amount by the aggregate principal amount so transferred and the appropriate DTC Global Note shall be endorsed by the Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar is hereby authorized on behalf of the Bank (i) to endorse or to arrange for the endorsement of the relevant Euroclear/Clearstream, Luxembourg Global Note to reflect the reduction in the principal amount represented thereby by the amount so transferred and to endorse the appropriate DTC Global Note to reflect the increase

in the principal amount represented thereby by the amount so transferred, and in either case, to sign in the relevant space on the relevant Note recording such reduction or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the Euroclear/Clearstream, Luxembourg Global Note.

(e) At the option of the holder of a Registered Note such Registered Note may be exchanged for other Registered Notes of any authorized denominations of an equal aggregate principal amount and of like tenor with identical terms and provisions, upon surrender of the Registered Note to be exchanged at the offices of the Registrar or any Transfer Agent. Whenever any Registered Notes are so surrendered for exchange, the Registrar shall complete, authenticate and deliver the Registered Notes which the holder of the Registered Note making the exchange is entitled to receive. Except as provided in Section 9, owners of beneficial interests in a Registered Global Note shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive physical delivery of Definitive Registered Notes and shall not be considered the owners or holders thereof under this Agreement.

(f) Notwithstanding the foregoing, neither the Registrar nor any Transfer Agent shall register the transfer of or exchange (i) any Registered Note that has been called for redemption in whole or in part, except the unredeemed portion of any Registered Note being redeemed in part, (ii) any Registered Note during the period beginning at the opening of business 15 days before the mailing of a notice of such redemption and ending at the close of business on the day of such mailing, or (iii) any Registered Global Note if the Registrar or Transfer Agents learn that such proposed registration of transfer or exchange would violate any legend contained on the face of such Registered Global Note.

(g) All Registered Notes issued upon any registration of transfer or exchange of Registered Notes shall be valid obligations of the Bank guaranteed by the Guarantor, evidencing the same debt, and entitled to the same benefits as the Registered Notes surrendered upon such registration of transfer or exchange.

(h) No service charge shall be made to a holder of Registered Notes for any transfer or exchange of Registered Notes, but the Transfer Agent will require payment of a sum sufficient to cover any stamp or other tax, duty, assessment or governmental charge that may be imposed in connection therewith.

(i) The Bank and the Agents and any agent of the Bank or the Agents, may treat the holder in whose name a Registered Note is registered as the owner of such Registered Note for all purposes, whether or not such Registered Note be overdue, and neither the Bank, the Agents, nor any such agent shall be affected by notice to the contrary except as required by applicable law.

(j) The Bank and Agents and any agent of the Bank or the Agents, may treat the holder of a Bearer Note as the owner of such Bearer Note for all purposes, whether or not such Bearer Note be overdue, and neither the Bank, the Agents nor any such agent shall be affected by notice to the contrary except as required by law.

Section 12. Terms of Issue

(a) The Registrar and the London Issuing Agent shall ensure that all Notes delivered to and held by it under this Agreement arc issued only in authorized denominations and otherwise in accordance with the instructions received by it.

(b) Subject to the procedures set out in the Procedures Memorandum, the Registrar shall be entitled to treat a facsimile communication and the London Issuing Agent shall be entitled to treat a tested telex or facsimile communication from a person purporting to be an Authorized Representative as sufficient instructions and authority of the Bank for the Registrar and the London Issuing Agent to act in accordance with instructions received by it pursuant to Section 12(a).

(c) Unless otherwise agreed in writing between the Bank and the Global Agent, each Note credited to the Global Agent's account with DTC, Euroclear or Clearstream, Luxembourg following the delivery of a Registered Global Note to a custodian of DTC or a common depositary of Euroclear and Clearstream, Luxembourg in accordance with clause (v) of Section 5(a) or the delivery of a Temporary Global Note to a common depositary of Euroclear and Clearstream, Luxembourg in accordance with clause (iv) of Section 6(a), as the case may be, shall be held to the order of the Bank. The Registrar or the London Issuing Agent, as the case may be, shall ensure that the principal amount of Notes which the relevant purchaser has agreed to purchase is:

(i) debited from the account of the Registrar or the London Issuing Agent, as the case may be; and

(ii) credited to the account of such purchaser with DTC or Euroclear or Clearstream, Luxembourg, as the case may be;

in each case only upon receipt by the Registrar or the London Issuing Agent, as the case may be, on behalf of the Bank of the purchase price due from the relevant purchaser with respect to such Notes

(d) If on the relevant settlement date the purchaser docs not pay the full purchase price due from it with respect to any Note (the "Defaulted Note") and, as a result, the Defaulted Note remains in the account of the Registrar or the London Issuing Agent, as the case may be, with DTC or Euroclear and/or Clearstream, Luxembourg after such settlement date, the Registrar or the London Issuing Agent, as the case may be, shall continue to hold the Defaulted Note to the order of the Bank. The Registrar or the London Issuing Agent, as the case may be, shall notify the Bank forthwith of the failure of the purchaser to pay the full purchase price due from it with respect to any Defaulted Note and shall subsequently, unless otherwise instructed by the Bank, notify the Bank forthwith upon receipt from the purchaser of the full purchase price with respect to such Defaulted Note.

(e) In the event of an issue of Notes which is to be listed on a Stock Exchange, subject to timely receipt of issuance instructions from the Bank in accordance with the terms of the Procedures Memorandum, the London Paying Agent shall promptly, and in any event prior to the settlement date with respect to such issue, send the Pricing Supplement with

respect to such Notes to the relevant Listing Agent (as defined in Offering Circular). The London Paying Agent or the Luxembourg Paying Agent as the case may be, shall take such actions as may be requested from time to time in writing by the Bank or the Listing Agent (as defined in the Offering Circular) to permit the Notes, if applicable, to be listed on the Stock Exchange.

(f) The Procedures Memorandum shall not be amended by the Bank without the prior written approval of the NY Paying Agent or the London Paying Agent.

Section 13. Payments.

(a) The New York Paying Agent or the London Paying Agent, as the case may be, shall advise the Bank, no later than five Business Days (as defined below) prior to the date on which any payment is to be made to the New York Paying Agent or the London Paying Agent, as the case may be, pursuant to this Section 13(a), of the total amount of any principal of, premium, if any, and interest due on Notes on any Interest Payment Date or any maturity date or date of redemption or repayment and the Bank shall (i) before 10:00 a.m. New York City time (or London time if to the London Paying Agent) on the second Business Day prior to the date on which any payment with respect to any Notes become due, confirm to the New York Paying Agent or the London Paying Agent, as the case may be, by tested telex or facsimile or by other means acceptable to the Bank and the New York Paying Agent or the London Paying Agent, as the case may be, that it has been given instructions for the transfer of the relevant funds to the New York Paying Agent or the London Paying Agent, as the case may be, and the name and the account of the bank through which such payment is being made and provide details of the person or department in such bank to which communications to such bank should be addressed and (ii) not later than the Payment Time (as defined below) on the Business Day on which any payment with respect to any Notes becomes due (or with respect to any payment in a foreign currency that will be converted for payment into US dollars, on the Business Day prior to which such payment becomes due), transfer to an account specified by the New York Paying Agent or the London Paying Agent, as the case may be 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 New York Paying Agent or the London Paying Agent, as the case may be, and the Bank may agree. As used in this subsection (a), the term "Payment Time" means (i) 10:00 a.m. local time in the principal financial center of the country of the currency in which the payment is required to be made or, in the case of a payment in Euro, Brussels. For the purpose of this Section 13, "Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in The City of New York and London. For the purposes of this Section 13, all payments made to the NY-Paying Agent and the London Paying Agent shall be transmitted by the Bank.

(b) Subject to the New York Paying Agent or the London Paying Agent, as the case may be, being satisfied in its sole discretion that payment will be duly made as provided in Section 13(a), the Global Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due with respect to the Notes on behalf of the Bank in the manner provided in the Notes. If any payment provided for in Section 13(a) is made late but otherwise in accordance with the provisions of this Agreement, the Global Agent and each Paying Agent shall nevertheless make payments with respect to the Notes as aforesaid following receipt by it of such

payment. The Bank will reimburse the New York Paying Agent or the London Paying Agent for the cost of funding for any amount paid out by such paying agent which is reimbursed on a later date by the Bank.

(c) If for any reason the New York Paying Agent or the London Paying Agent, as the case may be, considers in its sole discretion that the amounts to be received by the New York Paying Agent or the London Paying Agent, as the case may be, pursuant to Section 13(a) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims with respect to all payments then falling due with respect to the Notes, the New York Paying Agent or the London Paying Agent, as the case may be, shall then forthwith notify each of the Bank and the Guarantor of such insufficiency and, until such time as the New York Paying Agent or the London Paying Agent, as the case may be, has received the full amount of all such payments, neither the Global Agent nor any Paying Agent shall be obliged to pay any such claims.

(d) The New York Paying Agent or the London Paying Agent, as the case may be, shall on demand promptly reimburse, from funds received from the Bank, each Paying Agent for payments with respect to Notes properly made by such Paying Agent in accordance with the terms thereof and with this Agreement unless the New York Paying Agent or the London Paying Agent, as the case may be, has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment with respect to the Notes can be made on the due date of a payment with respect to the Notes, that the Global Agent or the London Paying Agent, as the case may be, does not expect to receive sufficient funds to make payment of all amounts falling due with respect to such Notes.

Section 14. Determinations and Notifications with respect to Notes.

(a) The London Paying Agent shall prepare and deliver monthly reports to the Bank of England and the Ministry of Finance of Japan and, if agreed between the Bank and the London Paying Agent, shall take all necessary action to comply with such other reporting requirements of any competent authority in respect of any relevant currency as it may be directed, in writing, from time to time with respect to the Notes to be issued hereunder.

(b) For purposes of monitoring the aggregate principal amount of Notes outstanding at any time under the Program, the Exchange Rate Agent shall determine the U.S. Dollar equivalent of the principal amount of each Series of Notes denominated in another currency, each Scries of Dual Currency Notes, each Scries of Indexed Notes, each Series of Zero Coupon Notes and each Series of Partly Paid Notes as follows:

(i) the U.S. Dollar equivalent of Notes denominated in a currency other than U.S. Dollars shall be determined by the Exchange Rate Agent as of 2:30 p.m., London time, on the Original Issue Date for such Notes by reference to the spot rate for U.S. Dollars against the Specified Currency provided to the Exchange Rate Agent by the Bank or, if such spot rate is not so provided on a timely basis, by reference to the Exchange Rate Agent's middle market spot rate for U.S. Dollars against the Specified Currency on the London Business Day immediately preceding the date on which the Exchange Rate Agent receives the Bank's instruction to issue the Notes;

(ii) the U S. Dollar equivalent of Dual Currency Notes and Indexed Notes shall be determined by the Exchange Rate Agent in the manner specified in clause (i) above by reference to the original principal amount of such Notes;

(iii) the principal amount of Zero Coupon Notes and any other Notes issued at a discount shall be deemed to be the U.S. Dollar equivalent, determined in the manner specified in clause (i) above, of the face value of the Note for the relevant issue; and

(iv) the U.S. Dollar equivalent of Partly Paid Notes shall be determined by the Exchange Rate Agent in the manner specified in clause (i) above by reference to the principal amount thereof regardless of the amount of money paid up on such Notes

The Exchange Rate Agent shall promptly notify the Bank of each determination made as aforesaid. As used in this Section 14(b), "London Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

Section 15. Notice of any Withholding or Deduction.

If the Bank is, with respect to any payments, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the terms of the Notes, the Bank shall give notice thereof to the Global Agent, each other Paying Agent and the Registrar, if applicable, as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Global Agent, each other Paying Agent and the Registrar, if applicable, such information as it shall require to enable them to comply with such requirement.

Section 16. Redemption of Notes.

(a) If any Notes are to be redeemed prior to their Stated Maturity Date in accordance with their terms, the Bank shall notify the Global Agent not more than 75 nor less than 45 days prior to the relevant redemption date of the Bank's election to redeem such Notes in whole or in part in increments of US$1,000 or the equivalent thereof in other currencies, or as otherwise provided in the applicable Note or required by applicable laws and regulations.

(b) Whenever less than all the Notes at any time outstanding are to be redeemed, the terms of the Notes to be so redeemed shall be selected by the Bank If less than all the Notes with identical terms at any time outstanding are to be redeemed, the Notes to be so redeemed shall be selected by the Global Agent or any Paying Agent on its behalf by lot or in any usual manner approved by it. The Global Agent shall promptly notify the Bank in writing of the Notes selected for redemption and, in the case of Notes selected for partial redemption, the principal amount thereof to be redeemed.

(c) Unless otherwise specified in the applicable Note, notice of redemption shall be given by the New York Paying Agent or the London Issuing Agent, at the Bank's expense, not more than 60 nor less than 30 calendar days prior to the redemption date to each holder of a Note to be redeemed. Notices in respect of Registered Notes to be redeemed shall be given by first-class mail, postage prepaid, to each holder's address appearing in the Note Register. In the case of Bearer Notes to be redeemed, the London issuing Agent shall publish the notice required in connection with any such redemption and shall at the same time also publish a separate list of serial numbers of any Notes previously selected and not presented for redemption. All notices of redemption shall identify the Notes to be redeemed (including CUSIP, Common Code and ISIN numbers), the date fixed for redemption, the redemption price, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers (and principal amounts) of the Notes to be redeemed.

(d) Notice of redemption having been given as described above, the Notes so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in such Notes, and from and after such date such Notes shall cease to bear interest. Upon surrender of any such Notes for redemption in accordance with such notice, the Global Agent or the relevant Paying Agent shall pay or cause to be paid such Notes at the redemption price specified in such Notes, together with unpaid interest accrued on such Notes at the applicable rate borne by such Notes to the redemption date.

(e) Any Registered Note or Definitive Bearer Note which is to be redeemed only in part shall be surrendered to the London Issuing Agent or the Registrar, as the case may be, and the London Issuing Agent or the Registrar, as the case may be, shall either (i) complete, authenticate and deliver to a holder of such Note, without service charge, a new Registered Note or Definitive Bearer Note, of any authorized denomination as requested by such holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered or (ii) procure that a statement indicating the amount and. date of such redemption is endorsed on the relevant Note.

Section 17. Repayment of Notes.

(a) In order for any Note, in accordance with its terms, to be repaid in whole or in part at the option of the holder thereof prior to its stated maturity, such Note must be delivered by the holder thereof, with the form entitled "Option to Elect Repayment" (set forth in such Note) duly completed, to the Global Agent or such other Paying Agent, at the address set forth in such form or at such place or places of which the Bank shall from time to time notify the holders of the Notes, not more than 60 nor less than 30 days prior to any date fixed for such repayment of such Notes (the "Optional Repayment Date").

(b) Upon surrender of any Note for repayment in accordance with the provisions set forth above, the Note to be repaid shall, on the Optional Repayment Date, become due and payable, and the Global Agent or the relevant Paying Agent shall pay or cause to be paid such Note on the Optional Repayment Date at a price, unless otherwise specified in such Note, equal to 100% of the principal amount thereof, together with accrued interest to the Optional Repayment Date.

(c) If less than the entire principal amount of any Note is to be repaid, the holder thereof shall specify the portion thereof (which shall be in increments of US$1,000 or the equivalent thereof in other currencies, or as otherwise provided in the applicable Note or required by the applicable laws and regulations for currencies other than the U.S. Dollar) which such holder elects to have repaid and shall surrender such Note to the Global Agent, and the London Issuing Agent or the Registrar, as the case may be, shall complete, authenticate and deliver to the holder of such Note, without service charge, a new Note or Notes in an aggregate principal amount equal to and in exchange for the unrepaid portion of the principal of the Note so surrendered and in such denominations as shall be specified by such holder, or as otherwise provided in the applicable Note or required by applicable laws and regulations.

Section 18. Notices to Holders.

(a) On behalf of and at the request and expense of the Bank and except as provided by subparagraph (c), the Global Agent shall give all notices required to be given by the Bank in accordance with the Notes

(b) All notices with respect to Registered Notes shall be mailed by the Global Agent by first-class mail, postage prepaid, to the holders thereof at their addresses appearing in the Note Register.

(c) All notices with respect to Bearer Notes shall be published by the London Issuing Agent in one leading English language daily newspaper with circulation in London or, if that is not possible, one other English language newspaper with general circulation in Europe as the Bank, in consultation with the London Issuing Agent, shall decide, and, if directed by the Bank in writing, the London Issuing Agent shall, in accordance with such direction, also publish notices in a manner that complies with the rules and regulations of any Stock Exchange on which the Notes are for the time being listed Any such notice shall be deemed to have been given on the date of the first publication.

(d) Notwithstanding any contrary provision contained in this Agreement, until such time as any Definitive Bearer Notes are issued, the Global Agent may, so long as Temporary Global Notes or Permanent Global Notes are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg, substitute for such publication required by Section 18(c) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and such other clearing system for communication by them to the beneficial owners of interests in the Temporary Global Notes and Permanent Global Notes; *provided, however,* that, so long as the rules of any Stock Exchange so require and if so directed in writing by the Bank, such publication will nevertheless be made as described in the preceding paragraph in respect of Bearer Notes listed on such Stock Exchange. Any such notice shall be deemed to have been given to the beneficial owners of interests in the Temporary Global Notes and Permanent Global Notes on the seventh day after the day on which said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

Section 19. Cancellation of Notes, Receipts, Coupons and Talons.

(a) All Notes which are purchased by or on behalf of the Bank, together (in the case of Definitive Bearer Notes) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, may, at the election of the Bank, be cancelled by the Bank Where any Notes, Receipts, Coupons or Talons are purchased and cancelled as aforesaid, the Bank shall procure that all relevant details are promptly given to the Global Agent and that all Notes, Receipts, Coupons or Talons so cancelled are delivered to the Global Agent. All Notes which are redeemed, all Receipts or Coupons which are paid and all Talons which are exchanged shall be cancelled by the Global Agent or any other Paying Agent by which they arc redeemed, paid or exchanged. Each of the Paying Agents shall give to the Global Agent details of all payments made by it and shall deliver a certificate of destruction for all cancelled Notes, Receipts, Coupons and Talons to the Global Agent or to any Paying Agent authorized from time to time in writing by the Global Agent to accept delivery of cancelled Notes, Receipts, Coupons and Talons.

(b) A certificate stating:

(i) the aggregate principal amount of Notes which have been redeemed and the aggregate amount paid in respect thereof;

(ii) the number of Notes cancelled together (in the case of Definitive Bearer Notes) with details of all unmatured. Receipts, Coupons or Talons (if any) attached thereto or delivered therewith;

(iii) the aggregate amount paid with respect to interest on the Notes;

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

(v) (in the case of Definitive Bearer Notes) the serial numbers of such Notes,

shall be given to the Bank by the Global Agent as soon as reasonably practicable upon request.

(c) Subject to being duly notified in due time and if so requested, the Global Agent shall give a certificate to the Bank, within three months of the date of purchase and cancellation of Notes as aforesaid, stating:

(i) the principal amount of Notes so purchased and cancelled;

(ii) the serial numbers of such Notes; and

(iii) the total number by maturity date of the Receipts, Coupons and Talons (if any) appertaining thereto and surrendered therewith or attached thereto.

(d) The Global Agent, or the applicable Paying Agent, shall destroy (in accordance with its customary procedures) all cancelled Notes, Receipts, Coupons and Talons (unless otherwise previously instructed by the Bank) and, if requested in writing, forthwith upon destruction,, furnish the Bank with a certificate of the serial numbers of the Notes and the number by maturity date of Receipts, Coupons and Talons so destroyed.

(c) Without prejudice to the obligations of the Global Agent pursuant to Section 19(b), the Global Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons (other than serial numbers of Coupons, except those which have been replaced pursuant to Section 20) and of all replacement Notes, Receipts, Coupons or Talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes, Receipts, Coupons or Talons. The Global Agent shall at all reasonable times make such record available to the Bank and any person authorized by any of them for inspection and for the taking of copies thereof or extracts therefrom.

(f) All records and certificates made or given pursuant to this Section 19 and Section 20 shall make a distinction between Notes, Receipts, Coupons and Talons of each Series and Tranche, as appropriate.

Section. 20. Issue of Replacement Notes, Receipts, Coupons and Talons.

(a) The Bank will cause a sufficient quantity of additional forms of Notes, Receipts, Coupons and Talons to be available, upon request, to the London Issuing Agent (in the case of Temporary Global Notes, Permanent Global Notes, Receipts, Coupons and Talons) and to the Registrar (in the case of Registered Global Notes) at their specified office for the purpose of issuing replacement Notes, Receipts, Coupons and Talons as provided below.

(b) The London Issuing Agent or the Registrar will, subject to and in accordance with the terms of the Notes and the following provisions of this Section 20, cause to be delivered any replacement Notes Receipts, Coupons and Talons which the Bank may determine to issue in place of Notes, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.

(c) In the case of a mutilated or defaced Note, the London Issuing Agent or the Registrar shall ensure that (unless otherwise covered by such indemnity as the Bank may require) any replacement Note will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.

(d) Neither the London Issuing Agent nor the Registrar shall issue any replacement Note, Receipt, Coupon or Talon unless and until the applicant therefor shall have:

(i) paid such costs as may be incurred in connection therewith;

(ii) furnished it with such evidence (including evidence as to the serial number of such Note, Receipt, Coupon or Talon) and indemnity (which may include a bank guarantee) as the Bank and the Registrar or the London Issuing Agent, as the case may be, may require; and

(iii) in the case of any mutilated or defaced Note, Receipt, Coupon or Talon, surrendered the same to the Registrar or the London Issuing Agent, as the case may be.

(e) The Registrar or the London Issuing Agent, as the case may be, shall cancel any mutilated or defaced Notes, Receipts, Coupons and Talons with respect to which replacement Notes, Receipts, Coupons and Talons have been issued pursuant to this Section 20 and shall, if requested, furnish the Bank with a certificate stating the serial numbers of the Notes, Receipts, Coupons and Talons so cancelled and, unless otherwise instructed by the Bank in writing, shall destroy (in accordance with its customary procedures) such cancelled Notes, Receipts, Coupons and Talons and, if requested, furnish the Bank with a destruction certificate containing the information specified in Section 19(c).

(f) The Registrar or the London Issuing Agent, as the case may be, shall, on issuing any replacement Note, Receipt, Coupon or Talon, within three Business Days inform the Bank, the Global Agent and the Paying Agents of the serial number of such replacement Note, Receipt, Coupon or Talon issued and (if known) of the serial number of the Note, Receipt, Coupon or Talon in place of which such replacement Note, Receipt, Coupon or Talon has been issued. Whenever replacement Receipts, Coupons or Talons are issued pursuant to the provisions of this Section 20, the Registrar or the London Issuing Agent, as the case may be, shall also notify the Global Agent and the 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.

(g) The Global Agent shall keep a full and complete record of all replacement Notes, Receipts, Coupons and Talons issued and shall make such record available at all reasonable times to the Bank and any persons authorized by the Bank for inspection and for the taking of copies thereof or extracts therefrom.

(h) Whenever any Definitive Bearer Note, Receipt, Coupon or Talon for which a replacement Note, Receipt, Coupon or Talon has been issued and with respect to which the serial number is known is presented to the Global Agent or any of the Paying Agents for payment, the Global Agent or, as the case may be, the relevant Paying Agent shall immediately send notice thereof to the Bank and the Global Agent.

Section 21. Copies of This Agreement and Each Pricing Supplement Available for inspection.

The Global Agent and the Paying Agents shall, for as long as any Note remains outstanding, hold copies of this Agreement, the Offering Circular (as amended or supplemented from time to time), each Pricing Supplement (except that a Pricing Supplement relating to unlisted Notes will only be available for inspection by a holder of such a Note upon production of evidence satisfactory to the relevant Paying Agent as to the identity of such holder), the Bank's Letters Patent and by-laws, as amended or restated and any documents incorporated by reference into the Offering Circular available for inspection. For this purpose, the Bank shall furnish the Global Agent and the Paying Agents with sufficient copies of each of such documents.

Section 22. Commissions and Expenses.

(a) The Bank shall pay to the Global Agent such fees and commissions as the Bank and the Global Agent may separately agree from time to time with respect to the services of the Agents, hereunder together with any reasonable and properly documented expenses (including legal, printing, postage, tax, cable and advertising expenses) incurred by the Agents in connection with their said services. Nothing in this Agreement shall obligate the Agents to take any action which would involve any such expenses, unless and until the Global Agent shall have received payment in respect thereof.

(b) The Global Agent shall make payment of the fees and commissions due hereunder to the Agents, and shall reimburse their expenses promptly after the receipt of the relevant monies from the Bank. The Bank shall not be responsible for any such payment or reimbursement, by the Global Agent to the Agents.

Section 23. Indemnity.

(a) The Bank shall protect, indemnify and hold harmless the Global Agent and each of the other Agents against any losses, liabilities, costs, claims, actions, demands or expenses (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which the Agents may incur or which may be made against the Agents as a result of or in connection with their appointment by the Bank or the exercise of the Agents, powers and duties hereunder except any losses, liabilities, costs, claims, actions, demands or expenses as may relate to, result from or arise from the Agents' or any Agent's gross negligence, willful misconduct or bad faith.

(b) The obligations of the Bank under this section shall survive the payment of the Notes, the resignation or removal of any Agent and the termination of this Agreement.

(c) The Bank will on demand indemnify and keep indemnified each Agent against any losses, liabilities, costs, expenses, claims, actions or demands (including, without limitation, all legal fees and expenses and any Value Added Tax payable on such sums) which such Agent may incur or which may be made against such Agent as a result of such Agent acting on such communications or instructions which such Agent believes in good faith to have been given by the Bank.

Section 24. Repayment by the Global Agent.

(a) The Global Agent shall, forthwith on written demand, repay to the Bank sums equivalent to any amounts paid by the Bank to the Global Agent for the payment of principal (and premium, if any) or interest with respect to any Registered Notes and remaining unclaimed at the end of two years after the principal of such Registered Notes shall have become due and payable (whether at the Stated Maturity Date or otherwise) and monies sufficient therefor shall have been duly made available for payment, provided that there is not any outstanding, bona fide and proper claim with respect to such amounts. Upon such repayment all liability of the Global Agent with respect to such funds shall thereupon cease.

(b) Bearer Notes, Receipts and Coupons shall become void unless presented for payment within a period of two years from the date on which the related payment of principal or interest shall have become due and payable and monies sufficient therefor shall have been made available for payment. The Global Agent shall, forthwith on written demand, repay to the Bank sums equivalent to any amounts paid by the Bank to the Global Agent or other Agents for the payment of principal (premium, if any) or interest with respect to any such Bearer Note, Receipt or Coupon and remaining unclaimed when such Bearer Note, Receipt or Coupon becomes void and all liability with respect thereto shall thereupon cease.

Section 25. Conditions of Appointment.

(a) The Global Agent shall be entitled to deal with money paid to it by the Bank or the Guarantor for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

(i) that it shall not exercise any right of set-off, lien or similar claim in respect thereof;

(ii) as provided in Section 25(b) below; and

(iii) that it shall not be liable to account to the Bank for any interest thereon except as otherwise agreed in writing between the Bank and the Global Agent.

(b) In acting hereunder and in connection with the Notes, the Agents shall act solely as agents of the Bank and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes, Receipts, Coupons or Talons, except that all funds held by the Global Agent or the Paying Agents for payment to the Noteholders and deposited by the Bank for payment of specific Notes, Receipts, Talons or Coupons shall be held for the benefit of such holders or owners and applied as set forth herein, but need not be segregated from other funds except as required by law.

(c) The Agents hereby undertake to the Bank to perform such obligations and duties, and shall be obligated to perform such duties and only such duties, as are herein, in the Notes and in the Procedures Memorandum specifically set forth, and no implied duties or obligations shall be read into this Agreement or the Notes or the Procedures Memorandum against any of the Agents.

(d) The Global Agent may consult with reputable legal and other professional advisers of its selection and the written opinion of such advisers, rendered in good faith, shall be full and complete protection with respect to any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(e) Each of the Agents shall be protected and shall incur no liability for or with respect to any action taken, omitted or suffered in good faith reliance upon any instruction, request or order from the Bank or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex, facsimile or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by an Authorized Representative.

(f) Any of the Agents and any of their officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Receipts, Coupons or Talons with the same rights that it or he would have if such Agent(s) concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Bank and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons or in connection with any other obligations of the Bank as freely as if such Agent(s) were not appointed hercunder.

(g) No Agent shall be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hcreunder if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Any Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through its agents, attorneys or custodian.

(i) In no event shall the Bank or the Agents be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits) even if the Agents or the Bank, as the case may be, have been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 26. Communication Between the Parties.

A copy of all communications relating to the subject matter of this Agreement between the Bank or any Noteholders or holders of Receipts or Coupons and any of the Paying Agents, the Registrar, the London Issuing Agent or the Transfer Agent shall be sent to the Global Agent by the relevant Paying Agent or the Registrar, the London Issuing Agent or the Transfer Agent, as the case may be.

Section 27. Changes in the Global Agent, the Paying Agents, the Registrar, the London Issuing Agent or the Transfer Agent

(a) The Bank agrees that, until no Note is outstanding or until monies for the payment of all amounts with respect to all outstanding Notes have been made available to the Global Agent (whichever is the later):

(i) so long as any Notes are listed on any Stock Exchange, there will at all times be a Paying Agent, a Registrar, a London Issuing Agent and a Transfer Agent having a specified office in each location required by the rules and regulations of the relevant Stock Exchange;

(ii) there will at all times be a Paying Agent, a Registrar, a London Issuing Agent and a Transfer Agent with a specified office in a city in continental Europe unless, with respect of any Paying Agent, payments are permitted to be made in the United States and the Bank shall have appointed a Paying Agent in the United States;

(iii) there will at all times be a Global Agent; and

(iv) the Bank undertakes that, if the conclusions of the European Union directive on the taxation of savings income (the "EU Directive") adopted by the European Council of Economic and Finance Ministers at a meeting on November 26-27, 2000 are implemented, it will ensure that it maintains a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the EU Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Noteholders in accordance with Section 18 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date.

(b) The Global Agent may (subject to the provisions of Section 27(d)) at any time resign as Global Agent by giving written notice to the Bank 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 two months after the receipt of such notice by the Bank unless the Bank agrees to accept less notice.

(c) The Global Agent may (subject to the provisions of Section 27(d)) be removed at any time by the filing with it of an instrument in writing signed on behalf of the Bank specifying such removal and the date when it shall become effective.

(d) Any resignation, under Section 27(b) or removal under Section 27(c) shall only take effect upon the appointment by the Bank (with notice to the Global Agent) of a successor Global Agent and (other than in cases of insolvency of the Global Agent) on the expiration of the notice to be given under Section 27(b). If, by the day falling 20 days before the expiration of any notice under Section 27(b), the Bank has not appointed a successor Global Agent, then the Global Agent shall be entitled, following such consultation with the Bank as may be practicable in the circumstances, on behalf of the Bank, to appoint as a successor Global Agent in its place such reputable financial institution of good standing as it may reasonably determine to be capable of performing the duties of the Global Agent hereunder, and, if by the day falling 10 days before the expiration of any notice under Section 27(b), the Global Agent has not appointed a successor Global Agent, then the Global Agent may, at the expense of the Bank, petition any court of competent jurisdiction for the appointment of a successor agent to such Global Agent. Upon the appointment of a successor agent hereunder, the parties hereto and such successor agent shall thereafter have the same rights and obligations among them as would have been the case had they then entered into an agreement in the form *mutatis mutandis* of this Agreement.

(e) In case at any time the Global Agent resigns, or is removed, or becomes incapable of action 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 if an administrator, liquidator or administrative or other receiver of it or all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its

debts as they become due, or if an 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 any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, administration or liquidation, a successor Global Agent may be appointed by the Bank by an instrument in writing filed with the successor Global Agent. Upon the appointment as aforesaid of a successor Global Agent and acceptance by the latter of such appointment and (other than in the case of insolvency of the Global Agent) upon expiration of the notice to be given under Section 27(b) the Global Agent so superseded shall cease to be the Global Agent hereunder.

(f) Subject to Section 27(a), the Bank may terminate the appointment of any Paying Agent, the Registrar, the London Issuing Agent or the Transfer Agent at any time and/or appoint one or more further Paying Agents, Registrars, London Paying Agents or Transfer Agents by giving to the Global Agent, and to the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent, at least 45 days notice in writing to that effect.

(g) Subject to Section 27(a), all or any of the Paying Agents or Transfer Agents may resign their respective appointments hereunder at any time by giving the Bank and the Global Agent at least 45 days written notice to that effect.

(h) Upon its resignation or removal becoming effective, the Global Agent or the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent:

(i) shall, in the case of the Global Agent, forthwith transfer all monies held by it hereunder and the records referred to in Sections 11(a), 19(c) and 20(g) to the successor Global Agent hereunder; and

(ii) shall be entitled to the payment by the Bank of its commissions and fees for the services theretofore rendered hereunder in accordance with the terms of Section 22.

(i) Upon its appointment becoming effective, a successor Global Agent and any new Paying Agent, London Issuing Agent, Registrar or Transfer Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trust, immunities, duties and obligations of such predecessor with like effect as if originally named as Global Agent or (as the case may be) a Paying Agent, London Issuing Agent, Registrar or Transfer Agent hereunder.

Section 28. Merger and Consolidation.

Any corporation into which the Global Agent or any other Agent may be merged, or any corporation with which the Global Agent or any other Agent may be consolidated, or any corporation resulting from any merger or consolidation to which the Global Agent or any other Agent shall be a party, or any corporation to which the Global Agent or any other Agent shall sell or otherwise transfer all or substantially all the assets or the corporate trust business of the Global Agent or other Agent shall, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Global Agent or, as the case may be, Paying Agent, London Issuing Agent, Registrar or Transfer 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 Bank, and after the said effective date all references in this Agreement to the Global Agent or, as the case may he, such Paying Agent, London Issuing Agent, Registrar or Transfer Agent shall be deemed to be references to such corporation. Notice of any such merger, consolidation or transfer shall forthwith be given to the Bank by the relevant Agent.

Section 29. Notifications.

Following receipt of notice of resignation from the Global Agent or any Paying Agent, Registrar, London Issuing Agent or Transfer Agent and forthwith upon appointing a successor Global Agent or, as the case may be, further or other Paying Agents, Registrars, London Issuing Agents or Transfer Agents or on giving notice to terminate the appointment of any Global Agent or, as the case may be, Paying Agent, Registrar, London Issuing Agent or the Transfer Agent, the Bank shall give or cause to be given not more than 45 days nor less than 30 days notice thereof to the Noteholders in accordance with Section 18.

Section 30. Change of Specified Office.

If the Global Agent or any Paying Agent, London Issuing Agent, Registrar or Transfer Agent determines to change its specified office it shall give to the Bank and (if applicable) the Global 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 days thereafter. The Global Agent (on behalf of the Bank) shall within 15 days of receipt of such notice (unless the appointment of the Global Agent or the relevant Paying Agent, London Issuing Agent, Registrar or Transfer Agent, as the case may be, is to terminate pursuant to Section 27 on or prior to the date of such change) give or cause to be given not more than 45 days nor less than 30 days notice thereof to the Noteholders in accordance with Section 18.

Section 31. Notices.

Any notice or communication given to any party hereunder shall be sufficiently given or served:

(a) if received by the person or an authorized officer within the Corporate Trust Department of the applicable Agent and at the relevant address of such Agent as specified on the signature page hereof;

(b) if sent by facsimile transmission or tested telex to the relevant number specified on the signature page hereof and, if so sent, shall be deemed to have been delivered upon transmission provided such transmission is confirmed by the answer back of the recipient (in the case of tested telex) or when an acknowledgement of receipt is received (in the case of facsimile transmission).

Section 32. Taxes and Stamp Duties.

Except as set forth in Section 11(h), the Bank agrees to pay any and all stamp and other documentary taxes or duties (other than any interest or penalties arising as a result of a

failure by any other person to account promptly to (the relevant authorities for any such duties or taxes after such person shall have received from the Bank the full amount payable in respect thereof) which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

Section 33. Currency Indenmity.

If, under any applicable law and whether pursuant to a judgment being made or registered against the Bank or for any other reason, any payment under or in connection with this Agreement is made or is 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, the Bank shall arrange to supply the "other currency" to the Global Agent or the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent, in accordance with the payment timeframes specified in Section 13(a) of this Agreement.

Section 34. Amendments; Meetings of Holders

(a) The Notes and any Receipts and Coupons attached to the Definitive Bearer Notes may be amended by the Bank and this Agreement may be amended by the Bank and the Global Agent, (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein or herein, (ii) to make any further modifications of the terms of this Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes, as evidenced by an officer's certificate from the Bank delivered to the Global Agent) or (iii) in any manner which the Bank (and in the case of this Agreement, the Global Agent) may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons (as evidenced by an officer's certificate from the Bank delivered to the Global Agent), to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the holders of at least 66 $^{2}/_{3}$% of the principal amount of the Notes to be affected thereby, the Bank and the Global Agent may from time to time and at any time enter into agreements modifying or amending this Agreement or the provisions of the Notes, Receipts and Coupons for the purpose of adding any provisions thereto or changing in any manner or eliminating any provisions of this Agreement or of modifying in any manner the rights of the holders of Notes, Receipts and Coupons; *provided, however,* that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby, (i) change the Stated Maturity Date with respect to any Note or reduce or cancel the amount payable at maturity; (ii) reduce the amount payable or modify the payment date for any interest with respect to any Note or vary the method of calculating the rate of interest with respect to any Note; (iii) reduce any minimum interest rate and/or maximum interest rate with respect to any Note; (iv) modify the currency in which payments under any Note and/or any Coupons appertaining thereto are to be made; (v) change the obligation, of the Bank to pay Additional Amounts with respect to Notes, Receipts and Coupons; (vi) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is necessary to modify or amend this Agreement or the provisions of the Notes or to waive any future compliance or past default; or (vii) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is required at any meeting of holders of Notes at which a resolution is

adopted. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification, amendment or waiver shall be irrevocable once given and shall be conclusive and binding on all subsequent holders of such Note. Any modifications, amendments or waivers to this Agreement or the provisions of the Notes, Receipts and Coupons shall be conclusive and binding on all holders of Notes, Receipts and Coupons, whether or not notation of such modifications, amendments or waivers is made upon the Notes, Receipts and Coupons. It will not be necessary for the consent of the holders of Notes to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof.

(b) A meeting of holders of Notes may be called at any time and from time to time to make, give or take any request, demand authorization, direction, notice, consent, waiver or other action provided by this Agreement or the Notes to be made, given or taken by holders of Notes.

(c) If requested by the Bank or the holders of at least 10% in principal amount of the outstanding Notes of a Series, the Global Agent shall call a meeting of holders of such Notes for any purpose specified in Section 34(b) to be held at such time and at such place in The City of New York as the Bank shall determine. Notice of every meeting of holders of Notes, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given by the Global Agent on behalf of the Bank to the holders of the Notes, in the same manner as provided in Section 18, not less than 21 not more than 180 days prior to the date fixed for the meeting. If at any time the Bank or the holders of at least 10% in principal amount of the outstanding Notes of a Series shall have requested the Global Agent to call a meeting of the holders to take any action authorized in Section 34(b), by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Global Agent shall not have given 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 holders of Notes in the amount above-specified may determine the time and the place in The City of New York for such meeting and may call such meeting by giving notice thereof as provided in this Section 34(c).

(d) To be entitled to vote at any meeting of holders of Notes of a Scries, a person shall be a holder of outstanding Notes of such Series at the time of such meeting, or a person appointed by an instrument in writing as proxy for such holder.

(e) The persons entitled to vote a majority in principal amount of the outstanding Notes of the relevant Series shall constitute a quorum. In the absence of a quorum, within 30 minutes of the time appointed for any such meeting, the meeting may 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 meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further 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 Section 18 except that such notice need be given not less than five days prior to the date on which the meeting is scheduled to he reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the principal amount of the outstanding Notes which shall constitute a quorum.

Subject to the foregoing, at the reconvening of any meeting adjourned for a lack of a quorum, the persons entitled to vote 25% in principal amount of the outstanding Notes of the relevant Series constitute a quorum for the talking of any action set forth in the notice of the original meeting. Any meeting of holders of Notes at which a quorum is present may be adjourned from time to time by vote of a majority in principal amount of the outstanding Notes represented at the meeting, and the meeting may be held as so adjourned without further notice. At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters shall be effectively passed and decided if passed or decided by the persons entitled to vote a majority in principal amount of the outstanding Notes of such Series represented and voting at such meeting, provided that such amount approving such resolution shall be not less than 25% in principal amount of the outstanding Notes of such Series.

Section 35. References to Additional Amounts.

All references in this Agreement to principal, premium and interest in respect of any Note shall, unless the context otherwise requires, be deemed to mean and include all Additional Amounts, if any, payable in respect thereof as set forth in such Note.

Section 16. Descriptive Headings.

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 37. Governing Law.

This Agreement is governed by, and shall be construed in accordance with, the laws of the State of New York, United States of America.

Section 38. Submission of Jurisdiction.

(a) The Bank irrevocably consents and agrees, for the benefit of the Agents, and each of the Agents irrevocably consents and agrees, for the benefit of the Bank, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter arising (out of or in connection with this Agreement or the Notes may be brought in the Supreme Court of the State of New York or the United States District Court for the Southern District of New York, in either case in the Borough of Manhattan, The City of New York and, until all amounts due and to become due in respect of the Notes have been paid, hereby irrevocably consents and submits to the non-exclusive jurisdiction of each such court in personam.

(b) The Bank hereby irrevocably designates, appoints, and empowers Thomas Wren, Treasurer of the Guarantor (or any successor thereof), as its agent (the "Service of Process Agent") to receive, accept and acknowledge for and on its behalf, service of any and all legal process, summons, notices and documents which may be served in any action, suit or proceeding brought in any United States or State court which may be made on such Service of Process

Agent in accordance with legal procedures prescribed for such courts. If for any reason such Service of Process Agent shall cease to be available to act as such, the Bank, or the Agents, as the case may be, agree to designate a new Service of Process Agent in The City of New York on the terms and for the purposes of this Section 38 satisfactory to the other parties to this Agreement. Each party to this Agreement further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents out of any of the aforesaid courts in any such action, suit or proceeding by serving a copy thereof upon the relevant Service of Process Agent (whether or not the appointment of such Service of Process Agent shall for any reason prove to be ineffective or such Service of Process Agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified air mail, postage prepaid, to such party, at its address specified in or designated pursuant to this Agreement. Each party to this Agreement agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of any party to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the undersigned or bring actions, suits or proceedings against the other parties in such other jurisdictions, and in such manner, as may be permitted by applicable law. Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement brought in the Supreme Court of the State of New York or the United States District Court for the southern District of New York, in either case in the Borough of Manhattan, The City of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 39. Waiver of Sovereign Immunity.

To the extent that the Bank or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in respect thereof, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Notes, the Bank, to the maximum extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement. This agreement and waiver are intended to be effective upon the execution and delivery of this Agreement by the Bank without any further act by the Bank and are intended to inure to the benefit of the Agents from time to time.

Section 40. Counterparts.

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

The Bank
MBNA CANADA BANK

By: /s/ Thomas D. Wren
Title: Manager of Finance and Administration

c/o MBNA America Bank, National Association
1100 North King Street
Wilmington, Delaware 19884-2721
Telephone: (302) 457-0466
Facsimile: (302) 456-8545
Attention: Thomas D. Wren

The Global Agent
JPMORGAN CHASE BANK
By: /s/ James M. Foley
Title: Assistant Vice President

Institutional Trust Services
4 New York Plaza, 15th Floor
New York, NY 10004
Telephone: (212) 623-5248
Facsimile: (212) 623-6216
Attention: International/Project Finance Group

The Registrar and NY Paying Agent

JPMORGAN CHASE BANK
By /s/ James M. Foley
Title: Assistant Vice President

Institutional Trust Services
4 New York Plaza, 15th Floor
New York, NY 10004
Telephone: (212) 623-5248
Facsimile: (212) 623-6216
Attention: International/Project Finance Group

The London Paying Agent and London Issuing Agent
JPMORGAN CHASE BANK
By /s/ Authorized Signatory
Title: Manager

Trinity Tower
9 Thomas More Street
London E1W JYT
Telephone: 44-1202-347430
Facsimile: 44-1202-347438
Attention: Manager, Institutional Trust Services

The Luxembourg Paying Agent and Transfer Agent
JP MORGAN BANK LUXEMBOURG S.A.
By: /s/ Authorized Signatory
Title: Manager

5 Rue Plaetis
L-2338 Luxembourg
Grand Duchy of Luxembourg
Telephone: 00-352-46268-5782
Facsimile: 00-352-4626-85380
Attention: Manager, Institutional Trust Services

Exhibit 4(xx)

AGENCY AGREEMENT

by and among

MBNA EUROPE FUNDING PLC

as Issuer,

Deutsche Bank Trust Company Americas

as Global Agent,

Deutsche Bank AG London

as London Paying Agent and London Issuing Agent,

Deutsche Bank Trust Company Americas

as NY Paying Agent and Registrar,

-and-

Deutsche Bank Luxembourg S.A.

as Luxembourg Paying Agent, Euro Registrar and Transfer Agent

Dated as of September 15, 2004

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Schedule 1

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Important Notice: DTC	Exhibit E-1
Important Notice: Euroclear	Exhibit E-2
Important Notice: Clearstream	Exhibit E-3

This AGENCY AGREEMENT ("Agreement") is dated as of September 15, 2004 by and among:

(1) MBNA EUROPE FUNDING PLC, incorporated as a public limited company with limited liability in England and Wales (the "Issuer");

(2) Deutsche Bank Trust Company Americas, a banking corporation organized pursuant to the laws of the State of New York ("Deutsche Bank" or the "Global Agent");

(3) Deutsche Bank AG London ("Deutsche Bank AG London") as paying agent (the "London Paying Agent") and issuing agent (the "London Issuing Agent") which expressions shall also include any successors appointed in accordance with Section 29 of this Agreement;

(4) Deutsche Bank Trust Company Americas acting through its specified office in New York ("Deutsche Bank New York") as registrar (the "Registrar") and paying agent (the "NY Paying Agent") which expressions shall also include any successors appointed in accordance with Section 29 of this Agreement; and

(5) Deutsche Bank Luxembourg S.A. ("Deutsche Bank Luxembourg") in its capacity as transfer agent (the 'Transfer Agent"), Euro registrar (the "Euro Registrar") and as paying agent (the "Luxembourg Paying Agent"; together with the London Paying Agent and the NY Paying Agent, the "Paying Agents"; individually a "Paying Agent") which expressions shall include any successors appointed in accordance with Section 29 of this Agreement.

WHEREAS:

(A) The Issuer has entered into a Dealer Agreement dated as of the date hereof with certain Dealers named therein pursuant to which the Issuer may from time to time issue up to US$3,000,000,000 aggregate principal amount (or the equivalent thereof in other currencies) of its Notes (the "Notes"), or such other maximum aggregate principal amount of the Notes that the Issuer shall determine may be issued or outstanding at any one time pursuant to the Program (as defined herein), provided, that the Issuer shall promptly notify the Agents of any such increase;

(B) The Notes will be issued subject to, and with the benefit of, this Agreement;

(C) The payments of all amounts due in respect of the Notes will be irrevocably guaranteed by MBNA America Bank, National Association (the "Guarantor") pursuant to a guarantee (the "Guarantee") dated as of the date hereof between the Issuer and the Guarantor; and

(D) The Issuer has made application to the Luxembourg Stock Exchange (the "Stock Exchange") with the intention that Notes issued under the Program may be listed on the Stock Exchange, in connection with which application the Issuer has procured the preparation of an offering circular dated as of the date hereof (the "Offering Circular").

NOW, THEREFORE IT IS HEREBY AGREED as follows:

Section 1. Definitions and Interpretation.

(a) the following terms shall have the following meanings:

"Agents" means the collective reference to the Global Agent, the Paying Agents, the Registrar, the Euro Registrar, the London Issuing Agent and the Transfer Agent;

"Authorized Representative" shall have the meaning ascribed thereto in Section 3(b) of this Agreement;

"Business Day" means, unless otherwise agreed, a day which is both:

(i) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York and London; and

(ii) either (A) in relation to Notes denominated in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant Specified Currency (if other than The City of New York or The City of London) or (B) in relation to Notes denominated in Euro, a day (other than a Saturday or a Sunday) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open;

"Certificate" means a certificate in or substantially in the form set out in Exhibit D-l or D-2 that is issued in respect of (i) any Restricted Global Note or any Unrestricted Global Note or (ii) one or more individual definitive Notes issued in the name of the holder of one or more such Notes (including any Note issued, replaced or exchanged pursuant to Article 15).

"Clearstream" means Clearstream Banking, société anonyme or any successor thereto;

"Dealer" means ABN AMRO Bank Inc., Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse First Boston LLC, Deutsche Bank Securities Inc., HSBC Securities (USA), Inc., Lehman Brothers Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, ABN AMRO Bank N.V., Banc of America Securities Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, HSBC Bank plc, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe) and Merrill Lynch International and any other entities appointed as dealers from time to time pursuant to the Dealer Agreement and notice of whose appointment is given to the Global Agent;

"Definitive Note" means a definitive registered Note substantially in the form set out in Exhibit B in such other form as may be agreed between the Issuer and the Global Agent;

"Dealer Agreement" means the agreement of even date herewith among the Issuer and the Dealers concerning the sale of Notes to be issued by the Issuer and includes any amendment or supplement thereto;

"Distribution Compliance Period" means the period of 40 days after completion of the distribution of a tranche of Notes (as determined and certified to the Global Agent and the Issuer by each Dealer as to Notes purchased by or through it, in which case the Global Agent or the Issuer shall notify such Dealer when all Dealers have so certified).

"DTC" means The Depository Trust Company in New York, New York and its successors;

"DTC Global Note" means a Global Note deposited with a custodian for, and registered in the name of a nominee of, DTC;

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor thereto;

"Euroclear/Clearstream Global Note" means a Global Note deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and/or Clearstream;

"Global Note" means one or more Restricted Global Note(s), if any, and one or more Unrestricted Global Note(s), if any, in fully registered form and issued in respect of the Notes substantially in the form set out substantially in the form set out in Exhibit A hereto or in such other form as may be agreed upon between the Issuer and the Global Agent; each Global Note shall either be a DTC Global Note or a Euroclear/Clearstream Global Note.

"GPR" means the Global Programme Reporting System, a secure Internet based reporting/confirmation system offered by Deutsche Bank AG London and Deutsche Bank New York to their note program clients or any successor system offered by Deutsche Bank AG London;

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"ISDA Definitions" means the 2000 ISDA Definitions, as amended and updated from time to time, published by the International Swaps and Derivatives Association, Inc.;

"Non-Permitted Holder" means any U.S. person (as defined in Regulation S of the Securities Act) that is not a QIB/QP and becomes the beneficial owner of any Restricted Note.

"Noteholders" means the several persons who are for the time being holders of outstanding Notes (being the registered owner thereof as reflected in the Note Register);

"Note Register" shall have the meaning ascribed thereto in Section 8(a) of this Agreement;

"Offering Circular" means the Offering Circular relating to the Notes as revised, supplemented, amended or updated, including any Pricing Supplement thereto relating to a particular Tranche of Notes and such documents as are from time to time incorporated therein by reference;

"Original Issue Date" means, with respect to any Note, the original date of issue of such Note, being in the case of any Definitive Note, the date of issue of the Global Note which initially represented such Note;

"Outstanding" means, at any particular time, all Notes theretofore issued other than (a) those which have been redeemed in full in accordance with their terms and with this Agreement, (b) those with respect to which the redemption date in accordance with their terms has occurred and the redemption monies wherefor (including any premium and all interest (if any) accrued thereon to the redemption date and any interest (if any) payable after such date) have been duly paid to or deposited to the account of the Global Agent as provided herein (and, where appropriate, notice has been given to the Noteholders in accordance with the terms thereof and Section 16) and remain available for payment, (c) those which have become void in accordance with their terms, (d) those which have been cancelled, (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes in accordance with their terms, (f) (for the purposes only of determining the aggregate principal amount of Notes outstanding and without prejudice to the status of any Note for any other purpose) those Notes alleged to have been lost, stolen or destroyed and with respect to which replacement Notes have been issued in accordance with their terms and (g) Global Notes to the extent that they shall have been duly exchanged for Definitive Notes, in each case pursuant to their respective terms;

"Person" means any individual, company, association, firm, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

"Pricing Supplement" means the pricing supplement prepared by the Issuer in relation to a particular Tranche of Notes (substantially in the form of Annex A to the Offering Circular) as a supplement to the Offering Circular;

"Procedures Memorandum" means the Procedures Memorandum attached as Annex I to the Dealer Agreement;

"Program" means the Global Note Program established by the Dealer Agreement;

"QIB" means any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is a qualified institutional buyer, as defined in Rule 144A under the Securities Act.

"QIB/QP" means any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is both a QIB and a QP.

"QP" means any Person that is a qualified purchaser for purposes of Section 3(c)(7) of the Investment Company Act.

"Regulation S" means Regulation S under the Securities Act.

"Restricted Global Note" means one or more Global Note(s) representing Notes sold to QIBs in reliance on Rule 144A under the Securities Act and Section 3(c)(7) under the 1940 Act substantially in the form set out in Exhibit A bearing the Restricted Note Legend.

"Restricted Note" means any Global Note or Definitive Note or interest in a Global Note or Definitive Note that is sold to QIBs in reliance on Rule 144A under the Securities Act and Section 3(c)(7) under the 1940 Act bearing the Restricted Note Legend substantially in the form set out in either Exhibit A or Exhibit B.

"Restricted Notes Legend" means the restrictive legend to be borne by the Certificates issued in respect of the Restricted Global Note, in the form set out in Exhibit A.

"Securities Act" means the United States Securities Act of 1933, as amended from time to time, and any successor statute thereto.

"Senior Note" means any Note issued pursuant to the Program which is identified on its face as a senior note.

"Senior Creditors of the Issuer" means all unsubordinated creditors of the Issuer.

"Series" means all Notes which are denominated in the same currency and which have the same Stated Maturity Date, interest payment basis and interest payment dates (except in some cases, the first interest payment date), if any, (all as indicated in the applicable Pricing Supplement) and the terms of which, except for the Original Issue Date and/or the issue price (each as indicated as aforesaid), are otherwise identical, including whether the Notes are listed;

"Stock Exchange" means the Luxembourg Stock Exchange or any other stock exchange(s) on which any Notes may from time to time be listed and reference in this Agreement to the "relevant Stock Exchange" shall, in relation to any Notes, be reference to the Stock Exchange on which such Notes are from time to time, or will be, listed;

"Subordinated Note" means any Note issued pursuant to the Program which is identified on its face as a subordinated note.

"Tranche" means all Notes of the same Series with the same Original Issue Date and the same issue price;

"Unrestricted Global Note" means one or more Global Note(s) representing Notes sold in reliance on Regulation S, substantially in the form set out in Exhibit A bearing the legends set forth in Exhibit A, but not the Restricted Note Legend.

"Unrestricted Note" means any Global Note or Definitive Note or interest in a Global Note or Definitive Note that is sold in reliance on Regulation S bearing the Unrestricted Note Legend but not the Restricted Note Legend substantially in the form set out in either Exhibit A or Exhibit B.

"US$" and "U.S. Dollars" means the lawful currency for the time being of the United States.

(b) Terms and expressions defined in the Notes and the Offering Circular shall have the same meanings in this Agreement, except where the context requires otherwise.

(c) Any references to Notes shall, unless the context otherwise requires, include any Global Notes and Definitive Notes.

(d) Schedule 1 is part of this Agreement and shall take effect accordingly.

Section 2. Appointment of the Global Agent, the London Issuing Agent, the Paying Agents, the Registrar, the Euro Registrar and the Transfer Agent

(a) Deutsche Bank New York is hereby appointed as agent of the Issuer, to act as Global Agent for the purposes specified in this Agreement and all matters incidental thereto, upon the terms and subject to the conditions specified herein.

(b) Deutsche Bank New York is hereby appointed as agent of the Issuer, to act as Registrar and NY Paying Agent for the purposes specified in this Agreement and all matters incidental thereto, including, *inter alia,* completing, authenticating and issuing Notes, upon the terms and subject to the conditions specified herein and in the Notes.

(c) Deutsche Bank AG London is hereby appointed as the agent of the Issuer to act as London Paying Agent and London Issuing Agent for the purposes specified in this Agreement, including, *inter alia,* completing, authenticating and issuing Notes, upon the terms and subject to the conditions specified herein and in the Notes.

(d) Deutsche Bank Luxembourg is hereby appointed as agent of the Issuer, to act as Luxembourg Paying Agent, Euro Registrar and Transfer Agent for the purposes specified in this Agreement, upon the terms and subject to the conditions specified herein and in the Notes.

(e) Each of the Global Agent, the Paying Agents, the Registrar, the Euro Registrar, the London Issuing Agent and the Transfer Agent shall have the powers and authority granted to and conferred upon them, specifically, in the Notes and hereunder to act on behalf of the Issuer and such further powers and authority to act on behalf of the Issuer as may be mutually agreed upon.

(f) The obligations of the Global Agent, the Paying Agents, the Registrar, the Euro Registrar, the London Issuing Agent and the Transfer Agent shall be several, but not joint.

(g) Deutsche Bank New York is hereby appointed (i) Calculation Agent, for the purpose of calculating any variable interest rates or other bases for determining the payment

of interest, premium or principal with respect to the Notes from time to time pursuant to the Calculation Agent Agreement and (ii) Exchange Rate Agent, for the purpose of determining exchanges of currencies of such payments from time to time; and, in connection with such appointments, the Issuer and Deutsche Bank New York shall endeavor to enter into a Calculation Agent Agreement and an Exchange Agent Agreement after the date hereof, which Calculation Agent Agreement and Exchange Agent Agreement shall be in such form or forms as may be mutually agreed between them. Notwithstanding the foregoing, the Issuer may appoint a different Calculation Agent or Exchange Agent for any Series of Notes (which may be the Issuer or any affiliate thereof or a Dealer purchasing such Notes or an affiliate thereof). The relevant Pricing Supplement will set forth the name of the Calculation Agent or Exchange Agent, if any, for such Series.

Section 3. Authorized Representatives.

From time to time, the Issuer shall provide the Global Agent, the Registrar, the Euro Registrar and the London Issuing Agent with a certificate executed by an officer of the Issuer, as applicable, certifying the incumbency and specimen signatures of those officers of the Issuer authorized to execute Notes on behalf of the Issuer by manual or facsimile signature and to give instructions and notices on behalf of the Issuer hereunder (each an "Authorized Representative" and collectively the "Authorized Representatives"). Until the Global Agent, the Registrar, the Euro Registrar or the London Issuing Agent receives a subsequent certificate, the Global Agent, the Registrar, the Euro Registrar and the London Issuing Agent shall be entitled to conclusively rely on the last such certificate delivered to them for the purposes of determining the identities of Authorized Representatives of the Issuer. Any Note bearing the manual or facsimile signatures of persons who are Authorized Representatives of the Issuer on the date such signatures are affixed shall bind the Issuer after the completion, authentication and delivery thereof by the Registrar, the Euro Registrar or the London Issuing Agent, as the case may be, notwithstanding that such persons shall have ceased to hold office on the date such Note is so completed, authenticated and delivered by the Registrar, the Euro Registrar or the London Issuing Agent, as the case may be.

Section 4. Issuance Instructions.

All instructions regarding the completion, authentication and delivery of Notes shall be given by an Authorized Representative by facsimile transmission or by other acceptable written means by such Authorized Representative no later than 3:00 p.m. New York time three Business Days prior to the proposed issue date. Instructions for the issuance of Notes shall be transmitted to the Registrar or, as the case may be, the London Issuing Agent. In addition, the Dealer who has arranged to purchase or procure the purchase of Notes from the Issuer shall notify the Registrar or, as the case may be, the London Issuing Agent, by facsimile transmission or by other acceptable written means no later than 3:00 p.m. (New York time or London time, respectively), three Business Days prior to the proposed issue date, that payment by the Dealer to the Registrar or, as the case may be, the London Issuing Agent of the purchase price of any Note has been or will be duly made upon delivery and (if applicable) of details of the account to which payment is to be made. The Issuer agrees to deliver issuance instructions to the Registrar or, as the case may be, the London Issuing Agent via facsimile transmission.

Section 5. Issue of Global Notes.

(a) Upon receipt of instructions from an Authorized Representative in accordance with Section 4 hereof and the Procedures Memorandum regarding the completion, authentication and delivery of one or more Global Notes, the Registrar or, as the case may be, the London Issuing Agent shall cause to be withdrawn from safekeeping the necessary and applicable Global Note(s) and, in accordance with such written instructions, shall:

(i) complete such Global Note(s);

(ii) attach the relevant Pricing Supplement as supplied by the Issuer;

(iii) register such Global Note(s) in the name of Cede & Co., or another nominee of DTC, and/or in the name of a nominee of Euroclear and/or Clearstream, as specified in such instructions;

(iv) authenticate such Global Note(s); and

(v) (A) deliver such Global Note(s) to a custodian of DTC in accordance with such instructions against receipt from the custodian of confirmation that such custodian is holding the Global Note(s) so delivered in safe custody for the account of DTC and instruct DTC to credit the Notes represented by such Global Note(s), unless otherwise agreed in writing between the Registrar and the Issuer, to the Registrar's participant account at DTC; and/or

(B) deliver such Global Note(s) to the specified common depositary of Euroclear and Clearstream in accordance with such instructions against receipt from the common depositary of confirmation that such common depositary is holding the Global Note(s) so delivered in safe custody for the account of Euroclear and/or Clearstream and instruct Euroclear or Clearstream or both of them (as the case may be) to credit the Notes represented by such Global Note(s), unless otherwise agreed in writing between the London Issuing Agent and the Issuer, to the London Issuing Agent's distribution account;

provided, that instructions regarding the completion and authentication of such Note(s) are received by the Registrar or, as the case may be, the London Issuing Agent not less than three Business Days prior to the date of settlement relating to such Note(s).

(b) The Registrar shall provide DTC, and the London Issuing Agent shall provide Euroclear and/or Clearstream with such notifications, instructions or other information to be given by the Registrar or the London Issuing Agent, as the case may be, to DTC, Euroclear and/or Clearstream as may be required.

(c) Notes sold in offshore transactions in reliance on Regulation S shall be represented by Unrestricted Global Notes deposited with a custodian for DTC or a common depositary of Euroclear and/or Clearstream, as the case may be. Notes sold in reliance on Rule 144A under the Securities Act shall be represented by Restricted Global Notes deposited with a custodian for, and registered in the name of a nominee of, DTC.

Section 6. Issue of Definitive Notes.

(a) Definitive Notes shall be issued only if permitted by applicable law and (i) in the case of a DTC Global Note, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Note or DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Global Note, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so, or (iii) after the occurrence of an Event of Default with respect to any Global Note, the beneficial owners representing a majority in principal amount of such Global Note advise the relevant clearing system through its participants to cease acting as depositary for such Global Note.

(b) Upon the occurrence of any event specified in Section 6(a) which pursuant to the terms of a Global Note requires the issue of Definitive Notes in exchange for the Global Note, the Registrar or, as the case may be, the Euro Registrar shall cause to be withdrawn from safekeeping the necessary and applicable Definitive Note(s) and, in accordance with the terms of the Global Note, shall:

(i) complete an equal aggregate principal amount of Definitive Note(s) of authorized denominations and of like tenor with identical terms as the Global Note in accordance with the terms of the Global Note;

(ii) register such Definitive Notes in the name or names of such persons as the relevant clearing system shall instruct the Registrar or, as the case may be, the Euro Registrar in writing;

(iii) authenticate such Definitive Notes; and

(iv) deliver such Definitive Notes to the relevant clearing system or pursuant to such clearing system's written instructions in exchange for such Global Note.

(c) The Issuer shall deliver to the Registrar or, as the case may be, the Euro Registrar, upon the occurrence of any event specified in Section 6(a) which pursuant to the terms of a Global Note requires the issue of Definitive Notes, a sufficient number of Definitive Notes executed by an Authorized Representative to enable the Registrar or, as the case may be, the Euro Registrar to comply with its obligations under this Section 6.

Section 7. Deemed Representations

(a) Each Person who becomes a holder of a beneficial interest in Notes represented by an interest in a Restricted Global Note will be deemed to have represented and agreed as follows (terms used in this clause (a) that are defined in Rule 144A or Regulation S are used herein as defined therein):

(i) The holder (A) (i) is a QIB who is also a Qualified Purchaser, (ii) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers and is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (iii) is aware that the sale of the Restricted Notes to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, (iv) is aware that the Issuer will not be registered under the Investment Company Act in reliance on the exemption set forth in Section 3(c)(7) thereof, (v) is acquiring such Restricted Notes for its own account or for the account of a QIB who is also a Qualified Purchaser, as the case may be, (vi) was not formed for the purpose of investing in the Issuer or the Guarantor, (vii) will (and each account for which it is purchasing will) hold and transfer such Notes in at least the minimum principal amount of US$100,000, (viii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories, and (ix) will provide notice of the transfer restrictions to any subsequent transferees or (B) is not a U.S. Person and is purchasing the Notes in an offshore transaction pursuant to Regulation S. It understands that in the event that at any time the Issuer determines or is notified that such holder is a Non-Permitted Holder, the Issuer, the Guarantor or the Transfer Agent may consider the acquisition of the related Notes or interest in the related Notes void and require that the related Notes or such interest be transferred to a person designated by the Issuer or the Guarantor. If any Non-Permitted Holder shall become the beneficial owner of any Restricted Note, the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a purchaser that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer its Restricted Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Restricted Notes or interest in Restricted Notes to a purchaser selected by the Issuer that is a not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, or the Transfer Agent acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Restricted Notes, and selling such Restricted Notes to the highest such bidder.

However, the Issuer or the Transfer Agent may select a purchaser by any other means determined by it in its sole discretion. The holder of each Note, the Non-Permitted Holder and each other purchaser in the chain of title from the holder to the Non Permitted Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer and the Transfer Agent to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any person having an interest in the Restricted Notes sold as a result of any such sale or the exercise of such discretion.

(ii) The holder understands that the Restricted Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act, that the Issuer has not been registered under the Investment Company Act and that the Notes may not be reoffered, resold, pledged or otherwise transferred except (A)(i) to a person who it reasonably believes is a QIB who is also a Qualified Purchaser in accordance with Rule 144A and who (w) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers, (x) is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (y) was not formed for the purpose of investing in the Issuer or the Guarantor, and (z) is acquiring such Restricted Notes for its own account or for the account of a QIB who is also a Qualified Purchaser; or (ii) in an offshore transaction to a non-U.S. person complying with Regulation S; in each of cases (i) and (ii), in accordance with all applicable securities laws of the states of the United States and in a minimum principal amount of US$100,000, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred herein.

(iii) The holder acknowledges that the Issuer and the Transfer Agent reserve the right prior to any sale or other transfer pursuant to clause 2(A)(ii) above to require the delivery of such certifications, legal opinions and other information as the Issuer and the Transfer Agent may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions. It understands that the Restricted Notes will, for so long as the Issuer is relying on Section 3(c)(7) of the Investment Company Act, bear a legend substantially to the effect of the legend as set forth in Exhibit A.

(iv) The holder will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or

advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.

(b) Each purchaser of Notes, by its acceptance thereof, will be deemed to have represented and agreed as follows:

(i) It is not purchasing any Notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act.

(ii) It understands that the Issuer may receive a list of participants holding positions in Notes from one or more book-entry depositaries.

(iii) It is relying on the information contained in the Offering Circular and the applicable Pricing Supplement in making its investment decision with respect to the Notes. It acknowledges that no representation or warranty is made by the Dealers as to the accuracy or completeness of such materials. It further acknowledges that none of the Issuer, the Guarantor or the Dealers or any person representing the Issuer, the Guarantor or the Dealers has made any representation to it with respect the Issuer, the Guarantor or the offering or sale of any Notes other than the information contained in this Offering Circular. It has had access to such financial and other information concerning the Issuer, the Guarantor and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including any opportunity to ask questions of and request information from the Issuer, the Guarantor and the Dealers.

(iv) either (A) no portion of the assets used to acquire and hold the Notes constitutes assets of any employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plan, account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or provisions under any federal, state, local, non U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or any entity whose underlying assets are considered to include "plan assets" of any such employee benefit plan, plan, account or arrangement or (B) the purchase and holding of the Notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

Section 8. Note Register; Registration. Transfer and Exchange; Persons Deemed Owners

(a) The Registrar, as registrar for the Notes, shall maintain at its principal office in New York City, or such other location as may be agreed from time to time, the note

register (the "Note Register"). The term "Note Register" shall mean the definitive register in which shall be recorded the names, addresses and taxpayer identification numbers of the holders of Notes, the serial and CUSIP numbers (or Code/ISIN Numbers, as the case may be) of the Notes, the Original Issue Dates thereof and details with respect to the transfer and exchange of Notes. The Euro Registrar, as registrar for Definitive Notes issued in lieu of interests an a Global Note previously held through Euroclear or Clearstream, shall maintain at its principal office in Luxembourg, or such other location as may be agreed from time to time, a note register for such Definitive Notes (the "Euro Note Register"). The term "Euro Note Register" shall mean the register in which shall be recorded the names, addresses and taxpayer identification numbers of the holders of Definitive Notes issued in lieu of interests an a Global Note previously held through Euroclear or Clearstream, the serial and CUSIP numbers (or Code/ISIN Numbers, as the case may be) of the Notes, the Original Issue Dates thereof and details with respect to the transfer and exchange of Notes.

(b) Subject to the conditions and transfer restrictions provided in the Notes, upon surrender for the purpose of registration of transfer at the offices of the Registrar, or any Transfer Agent of any Note, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by the registered holder, in person or by such holder's attorney thereunto duly authorized in writing, such Note shall be transferred upon the Note Register and the Registrar shall complete, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denominations of an equal aggregate principal amount and of like tenor with identical terms and provisions; *provided, however,* that Notes may be delivered for the purpose of registration of transfer by mail at the risk and expense of the transferor. Registrations of transfers and exchanges of Notes shall be subject to such restrictions as shall be set forth herein and in the text of the Notes and such reasonable regulations as may be prescribed by the Issuer. Successive registrations and registrations of transfers as aforesaid may be made from time to time as desired, and each such registration shall be noted on the Note Register.

(c) Notwithstanding anything to the contrary contained in Section 8(b), but subject to the conditions and transfer restrictions provided in the Notes, if the Notes of any Series are for the time being represented by both a DTC Global Note and a Euroclear/Clearstream Global Note and an authorized representative of DTC presents the DTC Global Note to the Registrar or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by DTC or by DTC's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of such DTC's interest in such DTC Global Note to Euroclear and/or Clearstream, such DTC Global Note or the relevant interest therein shall be transferred upon the Note Register, and the Registrar shall endorse the DTC Global Note to reflect the reduction of its principal amount by the aggregate principal amount so transferred and the appropriate Euroclear/Clearstream Global Note shall be endorsed by the Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar is hereby authorized on behalf of the Issuer (i) to endorse or to arrange for the endorsement of the relevant DTC Global Note to reflect the reduction in the principal amount represented thereby by the amount so transferred and to cause the London Issuing Agent to endorse the appropriate Euroclear/Clearstream Global Note to reflect the increase in the principal amount represented thereby by the amount so transferred and, in either case, to sign in the relevant space on the relevant Note recording such reduction or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the DTC Global Note.

(d) Notwithstanding anything to the contrary contained in Section 8(b), but subject to the conditions and transfer restrictions provided in the Notes, if the Notes of any Series are for the time being represented by both a DTC Global Note and a Euroclear/Clearstream Global Note and an authorized representative of the Euroclear or Clearstream presents the Euroclear/Clearstream Global Note to the Registrar, the London Issuing Agent or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to the Registrar, the London Issuing Agent or such Transfer Agent, executed by the Euroclear or Clearstream, as the case may be, or by Euroclear's or Clearstream's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of Euroclear's or Clearstream's interest in such Euroclear/Clearstream Global Note to DTC, such Euroclear/Clearstream Global Note or the relevant interest therein shall be transferred upon the Note Register, and the Registrar shall cause the London Issuing Agent to endorse the Euroclear/Clearstream Global Note to reflect the reduction of its principal amount by the aggregate principal amount so transferred and the appropriate DTC Global Note shall be endorsed by the Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar, and as the case may be, the London Issuing Agent, are hereby authorized on behalf of the Issuer (i) to endorse or to arrange for the endorsement of the relevant Euroclear/Clearstream Global Note to reflect the reduction in the principal amount represented thereby by the amount so transferred and to endorse the appropriate DTC Global Note to reflect the increase in the principal amount represented thereby by the amount so transferred and, in either case, to sign in the relevant space on the relevant Note recording such reduction or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the Euroclear/Clearstream Global Note.

(e) A beneficial interest in a Restricted Note may be exchanged for an interest in an Unrestricted Note whether before or after the expiration of the Distribution Compliance Period, only upon receipt by the Transfer Agent of a written certificate of the beneficial owner in the form set forth in Exhibit D-l.

(f) A Definitive Note bearing the Restricted Note Legend may be transferred to a person who takes delivery in the form of a Definitive Note not bearing the Restricted Note Legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor in the form set forth in Exhibit D-l.

(g) A beneficial interest in an Unrestricted Note may be transferred to a person who takes delivery in the form of an interest in an Restricted Note whether before or after the expiration of the Distribution Compliance Period, only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor in the form set forth in Exhibit D-2.

(h) A Definitive Note not bearing the Restricted Note Legend may be transferred to a person who takes delivery in the form of a Definitive Note bearing the Restricted Note Legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor in the form set forth in Exhibit D-2.

(i) A Definitive Note bearing the Restricted Note Legend may be transferred to a person who takes delivery in the form of a Definitive Note bearing the Restricted Note Legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor in the form set forth in Exhibit D-2.

(j) The Transfer Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Agency Agreement or under applicable law with respect to any transfer of any interest in any Note (including any beneficial owners of interest in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, the Agency Agreement, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(k) At the option of the holder of a Note, such Note may be exchanged for other Notes of any authorized denominations of an equal aggregate principal amount and of like tenor with identical terms and provisions, upon surrender of the Note to be exchanged at the offices of the Registrar or any Transfer Agent. Whenever any Notes are so surrendered for exchange, the Registrar shall complete, authenticate and deliver the Notes which the holder of the Note making the exchange is entitled to receive. Except as provided in Section 6, owners of beneficial interests in a Global Note shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive physical delivery of Definitive Notes and shall not be considered the owners or holders thereof under this Agreement.

(1) Notwithstanding the foregoing, neither the Registrar nor any Transfer Agent shall register the transfer of or exchange (i) any Note that has been called for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; provided, however, that at no time, shall the principal amount of any Note being redeemed in part be less than $100,000 after such partial redemption, (ii) any Note during the period beginning at the opening of business 15 days before the mailing of a notice of such redemption and ending at the close of business on the day of such mailing, or (iii) any Global Note if the Registrar or Transfer Agents learn that such proposed registration of transfer or exchange would violate any legend contained on the face of such Note.

(m) Subject to the conditions and transfer restrictions provided in the Notes, all Notes issued upon any registration of transfer or exchange of Notes shall be valid obligations of the Issuer guaranteed by the Guarantor, evidencing the same debt, and entitled to the same benefits as the Notes surrendered upon such registration of transfer or exchange.

(n) No service charge shall be made to a holder of Notes for any transfer or exchange of Notes, but the Transfer Agent will require payment of a sum sufficient to cover any stamp or other tax, duty, assessment or governmental charge that may be imposed in connection therewith.

(o) The Issuer and the Agents and any agent of the Issuer or the Agents, may treat the holder in whose name a Note is registered as the owner of such Note for all purposes, whether or not such Note be overdue, and neither the Issuer the Agents, nor any such agent shall be affected by notice to the contrary except as required by applicable law.

(p) Notwithstanding anything to the contrary elsewhere in this Agreement or a Note, any transfer of a beneficial interest in any Restricted Notes to a Non-Permitted Holder shall be null and void and any such purported transfer of which the Issuer or the Transfer Agent shall have notice may be disregarded by the Issuer and the Transfer Agent for all purposes.

(q) If any Non-Permitted Holder shall become the beneficial owner of any Restricted Note, the Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder by the Issuer or the Transfer Agent (and notice by the Transfer Agent to the Issuer, if the Transfer Agent makes the discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer its Restricted Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Restricted Notes or interest in Restricted Notes to a purchaser selected by the Issuer that is a not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, or the Transfer Agent acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Restricted Notes, and selling such Restricted Notes to the highest such bidder. However, the Issuer or the Transfer Agent may select a purchaser by any other means determined by it in its sole discretion. The holder of each Note, the Non-Permitted Holder and each other Person in the chain of title from the holder to the Non Permitted Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer and the Transfer Agent to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this subsection shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any Person having an interest in the Restricted Notes sold as a result of any such sale or the exercise of such discretion.

Section 9. Section 3(c)(7) Procedures.

(a) For so long as Restricted Global Notes are outstanding, the Issuer shall cause the Registrar to send, and the Registrar hereby agrees to send on at least an annual basis a notice from the Issuer to DTC in substantially the form of Exhibit E-l (the "Important Section 3(c)(7) Notice"), with a request that DTC forward each such notice to the relevant DTC participants for further delivery to beneficial owners of the Notes. If DTC notifies the Issuer or the Registrar that it will not forward such notices, the Issuer will request DTC to deliver to the Issuer a list of all DTC participants holding an interest in the Notes and the Registrar and Paying Agent will send the Section 3(c)(7) Reminder Notice directly to such participants.

(b) For so long as Restricted Global Notes are outstanding, the Issuer will take or will cause the Registrar and London Paying Agent to take the following steps in connection with the Notes:

(i) The Issuer will direct DTC to include the "3c7" marker in the DTC 20-character security descriptor and the 48-character additional descriptor for any series of Restricted Global Notes in order to indicate that sales are limited to Qualified Purchasers that are Qualified Institutional Buyers.

(ii) The Issuer will direct DTC to cause each physical DTC deliver order ticket delivered by DTC to purchasers to contain the DTC 20-character security descriptor; and will direct DTC to cause each DTC deliver order ticket delivered by DTC to purchasers in electronic form to contain the "3c7" indicator and a related user manual for participants, which will contain a description of the relevant restrictions.

(iii) The Issuer will instruct DTC to send an Important Section 3(c)(7) Notice substantially in the form provided at Exhibit E-l to all DTC participants in connection with the initial offering of any series of Restricted Global Notes.

(iv) The Issuer will advise DTC that it is a Section 3(c)(7) issuer and will request DTC to include any Restricted Global Notes in DTC's "Reference Directory" of Section 3(c)(7) offerings and provide such participants with the notification substantially in the form of Exhibit E-l.

(v) The Issuer will from time to time request DTC to deliver to the Issuer a list of all DTC participants holding an interest in Restricted Notes and provide such participants with notification substantially in the form of Exhibit E-l.

(vi) The Issuer will direct Euroclear to include the "144A/3(c)(7)" marker in the name for any series of Restricted Global Notes included in the Euroclear securities database in order to indicate that sales are limited to Qualified Purchasers that are Qualified Institutional Buyers.

(vii) The Issuer will direct Euroclear to cause each daily securities balance report and each daily securities transaction report delivered to Euroclear participants to contain the indicator "144A/3(c)(7)" in the name for any series of Restricted Global Notes.

(viii) The Issuer will direct Euroclear to include a description of the Section 3(c)(7) restrictions for any series of Restricted Global Notes in its New Issues Acceptance Guide.

(ix) The Issuer will instruct Euroclear to send an Important Section 3(c)(7) Notice to all Euroclear participants holding positions in any series of Restricted Global Notes at least once every calendar year, substantially in the form provided at Exhibit E-2.

(x) The Issuer will from time to time request Euroclear to deliver to the Issuer a list of all Euroclear participants holding an interest in any series of Restricted Global Notes and provide such participants with notification substantially in the form of Exhibit E-2.

(xi) The Issuer will direct Clearstream to include the "144A/3(c)(7)" marker in the name for any series of Restricted Global Notes included in the Clearstream securities database in order to indicate that sales are limited to Qualified Purchasers that are Qualified Institutional Buyers.

(xii) The Issuer will direct Clearstream to cause each daily portfolio report and each daily settlement report delivered to Clearstream participants to contain the indicator "144A/3(c)(7)" in the name for any series of Restricted Global Notes.

(xiii) The Issuer will direct Clearstream to include a description of the Section 3(c)(7) restrictions in its Customer Handbook.

(xiv) The Issuer will instruct Clearstream to send an Important Section 3(c)(7) Notice to all Clearstream participants holding positions in any series of Restricted Global Notes at least once every calendar year, substantially in the form provided at Exhibit E-3.

(xv) The Issuer will from time to time request Clearstream to deliver to the Issuer a list of all Clearstream participants holding an interest in any series of Restricted Global Notes and provide such participants with notification substantially in the form of Exhibit E-3.

(xvi) The Issuer will request Clearstream to include a "3(c)(7)" marker in the name for any series of Restricted Global Notes included in the list of securities accepted in the Clearstream securities' database made available to Clearstream participants.

(c) The Issuer shall request third-party vendors which provide information on the Notes to include on screens maintained by such vendors appropriate legends regarding Rule 144A and Section 3(c)(7) restrictions on any series of Restricted Global Notes. Without limiting the foregoing:

(i) the Issuer will request Bloomberg, L.P. to include the following on each Bloomberg screen containing information about any series of Restricted Global Notes:

(A) The "Note Box" on the bottom of the "Security Display" page describing any series of Restricted Global Notes should state: "Iss'd Under 144A/3c7."

(B) The "Security Display" page should have a flashing red indicator stating "See Other Available Information."

(C) Such indicator should link to an "Additional Security Information" page, which should state that such Restricted Global Notes "are being offered in reliance on the exemption from registration under Rule 144A to Persons that are both (1) qualified institutional buyers (as defined in Rule 144A) and (2) qualified purchasers (as defined under Section 3(c)(7) under the Investment Company Act of 1940).

(ii) the Issuer will request Reuters Group plc to input the following information in its system with respect to any series of Restricted Global Notes:

(A) The security name field at the top of the Reuters Instrument Code screen should include a "144A-3c7" notation.

(B) A <144A3c7Disclaimr> indicator should appear on the right side of the Reuters Instrument Code screen.

(C) Such indicator should link to a disclaimer screen on which the following language will appear: "These securities may be sold or transferred only to persons who are both (i) qualified institutional buyers (as defined in Rule 144A under the Securities Act), and (ii) qualified purchasers (as defined under Section 3(c)(7) under the U.S. Investment Company Act of 1940)."

(d) The Issuer shall cause the "CUSIP" number obtained for any series of Restricted Global Notes to have an attached "fixed field" that contains "3c7" and "144A" indicators.

Section 10. Terms of Issue.

(a) The Registrar and the London Issuing Agent shall ensure that all Notes delivered to and held by it under this Agreement are issued only in authorized denominations and otherwise in accordance with the instructions received by it.

(b) Subject to the procedures set out in the Procedures Memorandum, the Registrar shall be entitled to treat a facsimile communication and the London Issuing Agent shall be entitled to treat a facsimile communication from a person purporting to be an Authorized Representative as sufficient instructions and authority of the Issuer for the Registrar and the London Issuing Agent to act in accordance with instructions received by it pursuant to Section 10(a).

(c) Unless otherwise agreed in writing between the Issuer and the Global Agent, each Note credited to the Global Agent's account with DTC, or the London Issuing Agent's accounts with Euroclear or Clearstream following the delivery of a Global Note to a custodian of DTC or a common depositary of Euroclear and Clearstream in accordance with clause (v) of Section 5(a) shall be held to the order of the Issuer. The Registrar or the London Issuing Agent, as the case may be, shall ensure that the principal amount of Notes which the relevant purchaser has agreed to purchase is:

(i) debited from the account of the Registrar or the London Issuing Agent, as the case may be; and

(ii) credited to the account of such purchaser with DTC or Euroclear or Clearstream, as the case may be;

in each case only upon receipt by the Registrar or the London Issuing Agent, as the case may be, on behalf of the Issuer of the purchase price due from the relevant purchaser with respect to such Notes.

(d) If on the relevant settlement date the purchaser does not pay the full purchase price due from it with respect to any Note (the "Defaulted Note") and, as a result, the Defaulted Note remains in the account of the Registrar or the London Issuing Agent, as the case may be, with DTC or Euroclear and/or Clearstream after such settlement date, the Registrar or the London Issuing Agent, as the case may be, shall continue to hold the Defaulted Note to the order of the Issuer. The Registrar or the London Issuing Agent, as the case may be, shall notify the Issuer forthwith of the failure of the purchaser to pay the full purchase price due from it with respect to any Defaulted Note and shall subsequently, unless otherwise instructed by the Issuer, notify the Issuer forthwith upon receipt from the purchaser of the full purchase price with respect to such Defaulted Note.

(e) In the event of an issue of Notes which is to be listed on a Stock Exchange, subject to timely receipt of issuance instructions from the Issuer in accordance with the terms of the Procedures Memorandum, the London Paying Agent shall promptly, and in any event prior to the settlement date with respect to such issue, send the Pricing Supplement with respect to such Notes to the relevant Listing Agent (as defined in Offering Circular). The London Paying Agent or the Luxembourg Paying Agent as the case may be, shall take such actions as may be requested from time to time in writing by the Issuer or the Listing Agent (as defined in the Offering Circular) to permit the Notes, if applicable, to be listed on the Stock Exchange.

(f) The Procedures Memorandum shall not be amended by the Issuer without the prior written approval of the NY Paying Agent or the London Paying Agent.

Section 11. Payments.

(a) The NY Paying Agent and London Paying Agent shall provide the Issuer with access to GPR so that the Issuer can determine the total amount of any principal of, premium, if any, and interest due on Notes on any Interest Payment Date or any maturity date or date of redemption or repayment. The Issuer shall (i) before 10:00 a.m. New York City time (or London time if to the London Paying Agent) on the second Business Day prior to the date on which any payment with respect to any Notes become due, confirm to the NY Paying Agent or the London Paying Agent, as the case may be, by facsimile or by other means acceptable to the Issuer and the NY Paying Agent or the London Paying Agent, as the case may be, that it has been given instructions for the transfer of the relevant funds to the NY Paying Agent or the London Paying Agent, as the case may be, and the name and the account of the bank through which such payment is being made and provide details of the person or department in such bank to which communications to such bank should be addressed and (ii) not later than the Payment Time (as defined below) on the Business Day on which any payment with respect to any Notes becomes due (or with respect to any payment in a foreign currency that will be converted for payment into U.S. dollars, on the Business Day prior to which such payment becomes due), transfer to an account specified by the NY Paying Agent or the London Paying Agent, as the case may be, such amount in cleared funds in the relevant currency as shall be sufficient for the

purposes of such payment in funds settled through such payment system as the NY Paying Agent or the London Paying Agent, as the case may be, and the Issuer may agree. As used in this subsection (a), the term "Payment Time" means (i) 10:00 a.m. local time in the principal financial center of the country of the currency in which the payment is required to be made or, in the case of a payment in Euro, Frankfurt. For the purpose of this Section 11, "Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in The City of New York and London. For the purposes of this Section 11, all payments made to the NY Paying Agent and the London Paying Agent shall be transmitted by the Issuer. The Issuer and the Guarantor agree that all payments to be paid in respect of the Notes shall be made only to the London Paying Agent or the NY Paying Agent, as the case may be.

(b) Subject to the NY Paying Agent or the London Paying Agent, as the case may be, being satisfied in its sole discretion that payment will be duly made as provided in Section 11(a), the Global Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due with respect to the Notes on behalf of the Issuer in the manner provided in the Notes. If any payment provided for in Section 11(a) is made late but otherwise in accordance with the provisions of this Agreement, the Global Agent and each Paying Agent shall nevertheless make payments with respect to the Notes as aforesaid following receipt by it of such payment. The Issuer will reimburse the NY Paying Agent or the London Paying Agent for the cost of funding for any amount paid out by such paying agent which is reimbursed on a later date by the Issuer.

(c) If for any reason the NY Paying Agent or the London Paying Agent, as the case may be, considers in its sole discretion that the amounts to be received by the NY Paying Agent or the London Paying Agent, as the case may be, pursuant to Section 11(a) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims with respect to all payments then falling due with respect to the Notes, the NY Paying Agent or the London Paying Agent, as the case may be, shall then forthwith notify each of the Issuer and the Guarantor of such insufficiency and, until such time as the NY Paying Agent or the London Paying Agent, as the case may be, has received the full amount of all such payments, neither the Global Agent nor any Paying Agent shall be obliged to pay any such claims.

(d) The NY Paying Agent or the London Paying Agent, as the case may be, shall on demand promptly reimburse, from funds received from the Issuer, each Paying Agent for payments with respect to Notes properly made by such Paying Agent in accordance with the terms thereof and with this Agreement unless the NY Paying Agent or the London Paying Agent, as the case may be, has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment with respect to the Notes can be made on the due date of a payment with respect to the Notes, that the NY Paying Agent or the London Paying Agent, as the case may be, does not expect to receive sufficient funds to make payment of all amounts falling due with respect to such Notes.

Section 12. Determinations and Notifications with respect to Notes.

(a) For Notes registered in the name of a nominee of Euroclear and/or Clearstream, the London Paying Agent shall prepare and deliver monthly reports to the Bank of

England and the Ministry of Finance of Japan and, if agreed in writing between the Issuer and the London Paying Agent, shall take all necessary action to comply with such other reporting requirements of any competent authority in respect of any relevant currency from time to time with respect to the Notes to be issued hereunder.

(b) For purposes of monitoring the aggregate principal amount of Notes outstanding at any time under the Program, the Exchange Rate Agent shall determine the U.S. Dollar equivalent of the principal amount of each Series of Notes denominated in another currency, each Series of Dual Currency Notes, each Series of Indexed Notes, each Series of Zero Coupon Notes and each Series of Partly Paid Notes as follows:

(i) the U.S. Dollar equivalent of Notes denominated in a currency other than U.S. Dollars shall be determined by the Exchange Rate Agent as of 2:30 p.m., London time, on the Original Issue Date for such Notes by reference to the spot rate for U.S. Dollars against the Specified Currency provided to the Exchange Rate Agent by the Issuer or, if such spot rate is not so provided on a timely basis, by reference to the Exchange Rate Agent's middle market spot rate for U.S. Dollars against the Specified Currency on the London Business Day immediately preceding the date on which the Exchange Rate Agent receives the Issuer instruction to issue the Notes;

(ii) the U.S. Dollar equivalent of Dual Currency Notes and Indexed Notes shall be determined by the Exchange Rate Agent in the manner specified in clause (i) above by reference to the original principal amount of such Notes;

(iii) the principal amount of Zero Coupon Notes and any other Notes issued at a discount shall be deemed to be the U.S. Dollar equivalent, determined in the manner specified in clause (i) above, of the face value of the Note for the relevant issue; and

(iv) the U.S. Dollar equivalent of Partly Paid Notes shall be determined by the Exchange Rate Agent in the manner specified in clause (i) above by reference to the principal amount thereof regardless of the amount of money paid up on such Notes.

The Exchange Rate Agent shall promptly notify the Issuer of each determination made as aforesaid. As used in this Section 12(b), "London Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

Section 13. Notice of any Withholding or Deduction.

If the Issuer is, with respect to any payments, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the terms of the Notes, the Issuer shall give notice thereof to the Global Agent, each other Paying Agent and the Registrar, if applicable, as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Global Agent, each other Paying Agent and the Registrar, if applicable, such information as it shall require to enable them to comply with such requirement.

Section 14. Redemption of Notes.

(a) If any Notes are to be redeemed prior to their Stated Maturity Date in accordance with their terms, the Issuer shall notify the Registrar or the London Agent not more than 75 nor less than 45 days prior to the relevant redemption date of the Issuer election to redeem such Notes in whole or in part in increments of US$1,000 or the equivalent thereof in other currencies, or as otherwise provided in the applicable Note or required by applicable laws and regulations provided, however, that at no time, shall the principal amount of any Note being redeemed in part be less than $100,000 after such partial redemption.

(b) Whenever less than all the Notes at any time outstanding are to be redeemed, the terms of the Notes to be so redeemed shall be selected by the Issuer. If less than all the Notes with identical terms at any time outstanding are to be redeemed, the Notes to be so redeemed shall be selected by the Global Agent or any Paying Agent on its behalf by lot or in any usual manner approved by it. The Global Agent or one of the Paying Agents shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of Notes selected for partial redemption, the principal amount thereof to be redeemed.

(c) Unless otherwise specified in the applicable Note, notice of redemption shall be given by the NY Paying Agent or the London Issuing Agent, at the Issuer's expense and in the form provided by the Issuer, not more than 60 nor less than 30 calendar days prior to the redemption date to each holder of a Note to be redeemed.

(d) Notices in respect of Notes to be redeemed shall be given by (i) electronic notice sent through DTC, Clearstream or Euroclear, as applicable or (ii) first-class mail, postage prepaid, to each holder's address appearing in the Note Register. All notices of redemption shall identify the Notes to be redeemed (including CUSIP, Common Code and ISIN numbers), the date fixed for redemption, the redemption price, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers (and principal amounts) of the Notes to be redeemed.

(e) Notice of redemption having been given as described above, the Notes so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in such Notes, and from and after such date such Notes shall cease to bear interest. Upon surrender of any such Notes for redemption in accordance with such notice, the Global Agent or the relevant Paying Agent shall pay or cause to be paid such Notes at the redemption price specified in such Notes, together with unpaid interest accrued on such Notes at the applicable rate borne by such Notes to the redemption date.

(f) Any Note which is to be redeemed only in part shall be surrendered to the London Issuing Agent or the Registrar, as the case may be, and the London Issuing Agent or the Registrar, as the case may be, shall either (i) complete, authenticate and deliver to a holder of such Note, without service charge, a new Note of any authorized denomination as requested by such holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered or (ii) procure that a statement indicating the amount and date of such redemption is endorsed on the relevant Note.

Section 15. Repayment of Notes.

(a) In order for any Note, in accordance with its terms, to be repaid in whole or in part at the option of the holder thereof prior to its stated maturity, such Note must be delivered by the holder thereof, with the form entitled "Option to Elect Repayment" (set forth in such Note) duly completed, to the Global Agent or such other Paying Agent, at the address set forth in such form or at such place or places of which the Issuer shall from time to time notify the holders of the Notes, not more than 60 nor less than 30 days prior to any date fixed for such repayment of such Notes (the "Optional Repayment Date").

(b) Upon surrender of any Note for repayment in accordance with the provisions set forth above, the Note to be repaid shall, on the Optional Repayment Date, become due and payable, and the Global Agent or the relevant Paying Agent shall pay or cause to be paid such Note on the Optional Repayment Date at a price, unless otherwise specified in such Note, equal to 100% of the principal amount thereof, together with accrued interest to the Optional Repayment Date.

(c) If less than the entire principal amount of any Note is to be repaid, the holder thereof shall specify the portion thereof (which shall be in increments of US$1,000 or the equivalent thereof in other currencies, or as otherwise provided in the applicable Note or required by the applicable laws and regulations for currencies other than the U.S. Dollar) which such holder elects to have repaid and shall surrender such Note to the Global Agent, and the London Issuing Agent or the Registrar, as the case may be, shall complete, authenticate and deliver to the holder of such Note, without service charge, a new Note or Notes in an aggregate principal amount equal to and in exchange for the unrepaid portion of the principal of the Note so surrendered and in such denominations as shall be specified by such holder, or as otherwise provided in the applicable Note or required by applicable laws and regulations.

Section 16. Notices to Holders.

(a) On behalf of and at the request and expense of the Issuer and except as provided by subparagraph (c), the Registrar or the London Paying Agent, as the case may be, shall give all notices required to be given by the Issuer in accordance with the Notes.

(b) All notices with respect to Notes shall be sent by the Registrar or the London Paying Agent, as the case may be, by (i) electronic notice sent through DTC, Clearstream or Euroclear, as applicable or (ii) first-class mail, postage prepaid, to the holders thereof at their addresses appearing in the Note Register and (iii) publication in a daily newspaper in Luxembourg, so long as the rules of the Luxembourg Stock Exchange so require.

Section 17. Status of the Notes and Subordination

For purposes of this Section 17 only, any reference to the term "Notes" shall mean all Notes issued in a single Series.

(a) Status of the Senior Notes

If the Notes are specified as Senior Notes, such Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank*pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) Status and Subordination of the Subordinated Notes.

If the Notes are specified as Subordinated Notes, such Notes constitute unsecured obligations of the Issuer and rank*pari passu* without any preference among themselves and other Subordinated Notes and the claims of the holders of the Notes will, in the event of the winding up of the Issuer, be subordinated in right of payment in the manner provided in the Notes to claims of all Senior Creditors of the Issuer.

(i) In the event of the winding up of the Issuer, all amounts in respect of the Notes paid to either the London Paying Agent, or, as the case may be, the NY Paying Agent by the liquidator of the Issuer in the winding up of the Issuer shall be held by the London Paying Agent, or, as the case may be, the NY Paying Agent upon trust;

(A) first for payment or satisfaction of all amounts then due and owing to the Agents under Sections 21 and 22;

(B) secondly for payment of claims of all Senior Creditors of the Issuer in the winding up of the Issuer to the extent that such claims are admitted to proof in the winding up (not having been satisfied out of the other resources of the Issuer) excluding interest accruing after commencement of the winding up; and

(C) thirdly as to the balance (if any) for payment pari passu and rateably of the amounts owing on or in respect of the Notes.

(ii) The trust secondly mentioned in paragraph (i) of this section may be performed by the London Paying Agent, or, as the case may be, the NY Paying Agent paying over to the liquidator for the time being in the winding up of the Issuer the amounts received by such the London Paying Agent, or, as the case may be, the NY Paying Agent as aforesaid (less any amounts thereof applied in the implementation of the trust first mentioned in paragraph (i) of this section) on terms that such liquidator shall distribute the same accordingly and the receipt of such liquidator for the same shall be a good discharge to the London Paying Agent, or, as the case may be, the NY Paying Agent for the performance by it of the trust secondly mentioned in paragraph (i) of this section.

(iii) The London Paying Agent, or, as the case may be, the NY Paying Agent shall be entitled and it is hereby authorized to call for and to accept as conclusive evidence thereof a certificate from the liquidator for the time being of the Issuer as to:

(A) the amount of the claims of the Senior Creditors of the Issuer referred to in paragraph (i) of this section;

(B) the persons entitled thereto and their respective entitlements; and

(iv) The perpetuity period for the purposes of the trusts mentioned in this Section 17(b) shall be 80 years from the date of a Note.

(v) The trust hereby established shall be governed in accordance with the provisions of Schedule 1 hereto.

Section 18. Cancellation of Notes.

(a) All Notes which are purchased by or on behalf of Issuer may, at the election of the Issuer, be cancelled by the Issuer. Where any Notes are purchased and cancelled as aforesaid, the Issuer shall procure that all relevant details are promptly given to the Global Agent and that all Notes so cancelled are delivered to the Global Agent. All Notes which are redeemed shall be cancelled by the Global Agent or any other Paying Agent by which they are redeemed, paid or exchanged. Each of the Paying Agents shall give to the Global Agent details of all payments made by it and shall deliver a certificate of destruction for all cancelled Notes to the Global Agent or to any Paying Agent authorized from time to time in writing by the Global Agent to accept delivery of cancelled Notes.

(b) A certificate stating:

(i) the aggregate principal amount of Notes which have been redeemed and the aggregate amount paid in respect thereof;

(ii) the number of Notes cancelled together;

(iii) the aggregate amount paid with respect to interest on the Notes; and

(iv) the serial numbers of such Notes,

shall be given to the Issuer by the Global Agent as soon as reasonably practicable upon request.

(c) Subject to being duly notified in due time and if so requested, the Global Agent shall give a certificate to the Issuer, within three months of the date of purchase and cancellation of Notes as aforesaid, stating:

(i) the principal amount of Notes so purchased and cancelled; and

(ii) the serial numbers of such Notes.

(d) The Global Agent, or the applicable Paying Agent, shall destroy (in accordance with its customary procedures) all cancelled Notes (unless otherwise previously instructed by the Issuer) and, if requested in writing, forthwith upon destruction, furnish the Issuer with a certificate of the serial numbers of the Notes.

(e) Without prejudice to the obligations of the Global Agent pursuant to Section 18(b), the Global Agent shall keep a full and complete record of all Notes and of all replacement Notes issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes. The Global Agent shall at all reasonable times make such record available to the Issuer and any person authorized by any of them for inspection and for the taking of copies thereof or extracts therefrom.

(f) All records and certificates made or given pursuant to this Section 18 and Section 19 shall make a distinction between Notes of each Series and Tranche, as appropriate.

Section 19. Issue of Replacement Notes.

(a) The Issuer will cause a sufficient quantity of additional forms of Notes to be available, upon request, to the Registrar or, as the case may be, the London Issuing Agent at its specified office for the purpose of issuing replacement Notes as provided below.

(b) The Registrar or, as the case may be, the London Issuing Agent will, subject to and in accordance with the terms of the Notes and the following provisions of this Section 19, cause to be delivered any replacement Notes which the Issuer may determine to issue in place of Notes which have been lost, stolen, mutilated, defaced or destroyed.

(c) The Registrar or, as the case may be, the London Issuing Agent shall not issue any replacement Note unless and until the applicant therefor shall have:

(i) paid such costs as may be incurred in connection therewith;

(ii) furnished it with such evidence (including evidence as to the serial number of such Note) and indemnity (which may include a bank guarantee) as the Issuer and the Registrar or, as the case may be, the London Issuing Agent may require; and

(iii) in the case of any mutilated or defaced Note surrendered the same to the Registrar or, as the case may be, the London Issuing Agent.

(d) The Registrar or, as the case may be, the London Issuing Agent shall cancel any mutilated or defaced Notes with respect to which replacement Notes have been issued pursuant to this Section 19 and shall, if requested, furnish the Issuer with a certificate stating the serial numbers of the Notes, so cancelled and, unless otherwise instructed by the Issuer in writing, shall destroy (in accordance with its customary procedures) such cancelled Notes, and, if requested, furnish the Issuer with a destruction certificate containing the information specified in Section 18(c).

(e) The Registrar or, as the case may be, the London Issuing Agent shall, on issuing any replacement Note within three Business Days inform the Issuer, the Global Agent and the Paying Agents of the serial number of such replacement Note issued and (if known) of the serial number of the Note in place of which such replacement Note has been issued.

(f) The Global Agent shall keep a full and complete record of all replacement Notes issued and shall make such record available at all reasonable times to the Issuer and any persons authorized by the Issuer for inspection and for the taking of copies thereof or extracts therefrom.

Section 20. Copies of This Agreement and Each Pricing Supplement Available for Inspection.

The Global Agent and the Paying Agents shall, for as long as any Note remains outstanding, hold copies of this Agreement, the Offering Circular (as amended or supplemented from time to time), each Pricing Supplement (except that a Pricing Supplement relating to unlisted Notes will only be available for inspection by a holder of such a Note upon production of evidence satisfactory to the relevant Paying Agent as to the identity of such holder), the Issuer's Memorandum and Articles of Association, as amended or restated, the most recently published audited annual financial statements of the Issuer and any documents incorporated by reference into the Offering Circular available for inspection. For this purpose, the Issuer shall furnish the Global Agent and the Paying Agents with sufficient copies of each of such documents.

Section 21. Commissions and Expenses.

(a) The Issuer shall pay to the Global Agent such fees and commissions as the Issuer and the Global Agent may separately agree from time to time with respect to the services of the Agents, hereunder together with any reasonable and properly documented expenses (including legal, printing, postage, tax, cable and advertising expenses) incurred by the Agents in connection with their said services. Nothing in this Agreement shall obligate the Agents to take any action which would involve any such expenses, unless and until the Global Agent shall have received payment in respect thereof.

(b) The Global Agent shall make payment of the fees and commissions due hereunder to the Agents, and shall reimburse their expenses promptly after the receipt of the relevant monies from the Issuer. The Issuer shall not be responsible for any such payment or reimbursement by the Global Agent to the Agents.

Section 22. Indemnity.

(a) The Issuer shall protect, indemnify and hold harmless the Global Agent and each of the other Agents against any losses, liabilities, costs, claims, actions, demands or expenses (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which the Agents may incur or which may be made against the Agents as a result of or in connection with their appointment by the Issuer or the exercise of the Agents' powers and duties hereunder except any losses, liabilities, costs, claims, actions, demands or expenses as may relate to, result from or arise from the Agents' or any Agent's gross negligence, willful misconduct or bad faith.

(b) The obligations of the Issuer under this section shall survive the payment of the Notes, the resignation or removal of any Agent and the termination of this Agreement.

(c) The Issuer will on demand indemnify and keep indemnified each Agent against any losses, liabilities, costs, expenses, claims, actions or demands (including, without limitation, all legal fees and expenses and any Value Added Tax payable on such sums) which such Agent may incur or which may be made against such Agent as a result of such Agent acting on such communications or instructions which such Agent believes in good faith to have been given by the Issuer.

Section 23. Repayment by the Global Agent.

(a) Any Paying Agent shall, forthwith on written demand, repay to the Issuer sums equivalent to any amounts paid by the Issuer to such Paying Agent for the payment of principal (and premium, if any) or interest with respect to any Notes and remaining unclaimed at the end of two years after the principal of such Notes shall have become due and payable (whether at the Stated Maturity Date or otherwise) and monies sufficient therefor shall have been duly made available for payment, provided that there is not any outstanding, bona fide and proper claim with respect to such amounts. Upon such repayment all liability of such Paying Agent and the Global Agent with respect to such funds shall thereupon cease.

Section 24. Conditions of Appointment.

(a) The Global Agent and the NY Paying Agent shall be entitled to deal with money paid to it by the Issuer or the Guarantor for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

(i) that it shall not exercise any right of set-off, lien or similar claim in respect thereof;

(ii) as provided in Section 24(b) below; and

(iii) that it shall not be liable to account to the Issuer for any interest thereon except as otherwise agreed in writing between the Issuer and the Global Agent.

(b) Subject to Section 17 hereof and Section 5 of the Guarantee, in acting hereunder and in connection with the Notes, the Agents shall act solely as agents of the Issuer and will not thereby assume any obligations, including fiduciary obligations, towards or relationship of agency or trust for or with any of the owners or holders of the Notes except that all funds held by the Global Agent for payment to the Noteholders and deposited by the Issuer for payment of specific Notes shall be held for the benefit of such holders or owners and applied as set forth herein, but need not be segregated from other funds except as required by law.

(c) The Agents hereby undertake to the Issuer to perform such obligations and duties, and shall be obligated to perform such duties and only such duties, as are herein, in the Notes and in the Procedures Memorandum specifically set forth, and no implied duties or obligations shall be read into this Agreement or the Notes or the Procedures Memorandum against any of the Agents.

(d) The Global Agent and each of the Paying Agents may consult with reputable legal and other professional advisers of its selection and the written opinion of such advisers, rendered in good faith, shall be full and complete protection with respect to any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(e) Each of the Agents shall be protected and shall incur no liability for or with respect to any action taken, omitted or suffered in good faith reliance upon any instruction, request or order from the Issuer or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex, facsimile or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by an Authorized Representative.

(f) Any of the Agents and any of their officers, directors and employees may become the owner of, or acquire any interest in, any Notes with the same rights that it or he would have if such Agent(s) concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or in connection with any other obligations of the Issuer as freely as if such Agent(s) were not appointed hereunder.

(g) No Agent shall be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Any Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through its agents, attorneys or custodian.

(i) In no event shall the Issuer or the Agents be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits) even if the Agents or the Issuer, as the case may be, have been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 25. Communication Between the Parties.

A copy of all communications relating to the subject matter of this Agreement between the Issuer or any Noteholders and any of the Paying Agents, the Registrar, the London Issuing Agent or the Transfer Agent shall be sent to the Global Agent by the relevant Paying Agent or the Registrar, the London Issuing Agent or the Transfer Agent, as the case may be.

Section 26. Changes in the Global Agent, the Paying Agents, the Registrar, the London Issuing Agent or the Transfer Agent

(a) The Issuer agrees that, until no Note is outstanding or until monies for the payment of all amounts with respect to all outstanding Notes have been made available to the Global Agent (whichever is the later):

(i) so long as any Notes are listed on any Stock Exchange, there will at all times be a Paying Agent, a Registrar, a London Issuing Agent and a Transfer Agent having a specified office in each location required by the rules and regulations of the relevant Stock Exchange;

(ii) there will at all times be a Paying Agent, a Registrar, a London Issuing Agent and a Transfer Agent with a specified office in a city in continental Europe unless, with respect of any Paying Agent, payments are permitted to be made in the United States and the Issuer shall have appointed a Paying Agent in the United States;

(iii) there will at all times be a Global Agent; and

(iv) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Noteholders in accordance with Section 16 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date.

(b) The Global Agent may (subject to the provisions of Section 26(d)) at any time resign as Global Agent by giving written notice to the Issuer 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 two months after the receipt of such notice by the Issuer unless the Issuer agrees to accept less notice.

(c) The Global Agent may (subject to the provisions of Section 26(d)) be removed at any time by the filing with it of an instrument in writing signed on behalf of the Issuer specifying such removal and the date when it shall become effective.

(d) Any resignation under Section 26(b) or removal under Section 26(c) shall only take effect upon the appointment by the Issuer (with notice to the Global Agent) of a successor Global Agent and (other than in cases of insolvency of the Global Agent) on the expiration of the notice to be given under Section 26(b). If, by the day falling 20 days before the expiration of any notice under Section 26(b), the Issuer has not appointed a successor Global Agent, then the Global Agent shall be entitled, following such consultation with the Issuer as may be practicable in the circumstances, on behalf of the Issuer, to appoint as a successor Global Agent in its place such reputable financial institution of good standing as it may reasonably determine to be capable of performing the duties of the Global Agent hereunder, and, if, by the day falling 10 days before the expiration of any notice under Section 26(b), the Global Agent has

not appointed a successor Global Agent, then the Global Agent may, at the expense of the Issuer, petition any court of competent jurisdiction for the appointment of a successor agent to such Global Agent. Upon the appointment of a successor agent hereunder, the parties hereto and such successor agent shall thereafter have the same rights and obligations among them as would have been the case had they then entered into an agreement in the form *mutatis mutandis* of this Agreement.

(e) In case at any time the Global Agent resigns, or is removed, or becomes incapable of action 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 if an administrator, liquidator or administrative or other receiver of it or all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they become due, or if an 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 any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, administration or liquidation, a successor Global Agent may be appointed by the Issuer by an instrument in writing filed with the successor Global Agent. Upon the appointment as aforesaid of a successor Global Agent and acceptance by the latter of such appointment and (other than in the case of insolvency of the Global Agent) upon expiration of the notice to be given under Section 30(b) the Global Agent so superseded shall cease to be the Global Agent hereunder.

(f) Subject to Section 26(a), the Issuer may terminate the appointment of any Paying Agent, the Registrar, the London Issuing Agent or the Transfer Agent at any time and/or appoint one or more further Paying Agents, Registrars, London Paying Agents or Transfer Agents by giving to the Global Agent, and to the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent, at least 45 days notice in writing to that effect.

(g) Subject to Section 26(a), all or any of the Paying Agents or Transfer Agents may resign their respective appointments hereunder at any time by giving the Issuer and the Global Agent at least 45 days written notice to that effect.

(h) Upon its resignation or removal becoming effective, the Global Agent or the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent:

(i) shall, in the case of the Global Agent, forthwith transfer all monies held by it hereunder and the records referred to in Sections 8(a), 18(c) and 19(g) to the successor Global Agent hereunder; and

(ii) shall be entitled to the payment by the Issuer of its commissions and fees for the services theretofore rendered hereunder in accordance with the terms of Section 22.

(i) Upon its appointment becoming effective, a successor Global Agent and any new Paying Agent, London Issuing Agent, Registrar or Transfer Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trust, immunities, duties and obligations of such predecessor with like effect as if originally named as Global Agent or (as the case may be) a Paying Agent, London Issuing Agent, Registrar or Transfer Agent hereunder.

Section 27. Merger and Consolidation.

Any corporation into which the Global Agent or any other Agent may be merged, or any corporation with which the Global Agent or any other Agent may be consolidated, or any corporation resulting from any merger or consolidation to which the Global Agent or any other Agent shall be a party, or any corporation to which the Global Agent or any other Agent shall sell or otherwise transfer all or substantially all the assets or the corporate trust business of the Global Agent or other Agent shall, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Global Agent or, as the case may be, Paying Agent, London Issuing Agent, Registrar or Transfer 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 Issuer, and after the said effective date all references in this Agreement to the Global Agent or, as the case may be, such Paying Agent, London Issuing Agent, Registrar or Transfer Agent shall be deemed to be references to such corporation. Notice of any such merger, consolidation or transfer shall forthwith be given to the Issuer by the relevant Agent.

Section 28. Notifications.

Following receipt of notice of resignation from the Global Agent or any Paying Agent, Registrar, London Issuing Agent or Transfer Agent and forthwith upon appointing a successor Global Agent or, as the case may be, further or other Paying Agents, Registrars, London Issuing Agents or Transfer Agents or on giving notice to terminate the appointment of any Global Agent or, as the case may be, Paying Agent, Registrar, London Issuing Agent or the Transfer Agent, the Issuer shall give or cause to be given not more than 45 days nor less than 30 days notice thereof to the Noteholders in accordance with Section 16.

Section 29. Change of Specified Office.

If the Global Agent or any Paying Agent, London Issuing Agent, the Registrar, the Euro Registrar or Transfer Agent determines to change its specified office it shall give to the Issuer and (if applicable) the Global 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 days thereafter. The Global Agent (on behalf of the Issuer) shall within 15 days of receipt of such notice (unless the appointment of the Global Agent or the relevant Paying Agent, London Issuing Agent, Registrar or Transfer Agent, as the case may be, is to terminate pursuant to Section 26 on or prior to the date of such change) give or cause to be given not more than 45 days nor less than 30 days notice thereof to the Noteholders in accordance with Section 16.

Section 30. Notices.

(a) Each communication under this Agreement shall be made by fax or by letter, or in the case of new issues of Notes, by GPR. Each communication or document to be delivered by fax or by letter to any party under this Agreement shall be sent to that party at the

fax number or address, and marked for the attention of the person (if any), from time to time designated by that party to the Agents (or, in the case of an Agent, by it to each other party) for the purpose of this Agreement. The initial telephone number, fax number, address and person so designated by the parties under this Agreement are set out on the signatory page hereto.

(b) Any communication from any party to any other party under this Agreement shall be effective (if by fax), when good receipt is confirmed by the recipient following enquiry by the sender and (if by letter) when delivered, except that a communication received outside normal business hours shall be deemed to be received on the next business day in the city in which the recipient is located.

Section 31. Taxes and Stamp Duties.

Except as set forth in Section 8(h), the Issuer agrees to pay any and all stamp and other documentary taxes or duties (other than any interest or penalties arising as a result of a failure by any other person to account promptly to the relevant authorities for any such duties or taxes after such person shall have received from the Issuer the full amount payable in respect thereof) which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

Section 32. Currency Indemnity.

If, under any applicable law and whether pursuant to a judgment being made or registered against the Issuer or for any other reason, any payment under or in connection with this Agreement is made or is 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, the Issuer shall arrange to supply the "other currency" to the Global Agent or the relevant Paying Agent, Registrar, London Issuing Agent or Transfer Agent, in accordance with the payment timeframes specified in Section 12(a) of this Agreement.

Section 33. Amendments; Meetings of Holders.

(a) The Notes may be amended by the Issuer and this Agreement may be amended by the Issuer and the Global Agent, (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein or herein, (ii) to make any further modifications of the terms of this Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes, as evidenced by an officer's certificate from the Issuer delivered to the Global Agent) or (iii) in any manner which the Issuer (and in the case of this Agreement, the Global Agent) may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes (as evidenced by an officer's certificate from the Issuer delivered to the Global Agent), to all of which each holder of Notes shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the holders of at least 66 2/3% of the principal amount of the Notes to be affected thereby, the Issuer and the Global Agent may from time to time and at any time enter into agreements modifying or amending this Agreement or the provisions of the Notes for the purpose of adding any provisions thereto or changing in any manner or eliminating any provisions of this Agreement or of modifying in any

manner the rights of the holders of Notes; *provided, however,* that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby, (i) change the Stated Maturity Date with respect to any Note or reduce or cancel the amount payable at maturity; (ii) reduce the amount payable or modify the payment date for any interest with respect to any Note or vary the method of calculating the rate of interest with respect to any Note; (iii) reduce any minimum interest rate and/or maximum interest rate with respect to any Note; (iv) modify the currency in which payments under any Note are to be made; (v) change the obligation of the Issuer to pay Additional Amounts with respect to Notes; (vi) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is necessary to modify or amend this Agreement or the provisions of the Notes or to waive any future compliance or past default; or (vii) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is required at any meeting of holders of Notes at which a resolution is adopted. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification, amendment or waiver shall be irrevocable once given and shall be conclusive and binding on all subsequent holders of such Note. Any modifications, amendments or waivers to this Agreement or the provisions of the Notes shall be conclusive and binding on all holders of Notes, whether or not notation of such modifications, amendments or waivers is made upon the Notes. It will not be necessary for the consent of the holders of Notes to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof.

(b) A meeting of holders of Notes may be called at any time and from time to time to make, give or take any request, demand authorization, direction, notice, consent, waiver or other action provided by this Agreement or the Notes to be made, given or taken by holders of Notes.

(c) If requested by the Issuer or the holders of at least 10% in principal amount of the outstanding Notes of a Series, the Global Agent shall call a meeting of holders of such Notes for any purpose specified in Section 33(b) to be held at such time and at such place in The City of New York as the Issuer shall determine. Notice of every meeting of holders of Notes, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given by the Global Agent on behalf of the Issuer to the holders of the Notes, in the same manner as provided in Section 16, not less than 21 nor more than 180 days prior to the date fixed for the meeting. If at any time the Issuer or the holders of at least 10% in principal amount of the outstanding Notes of a Series shall have requested the Global Agent to call a meeting of the holders to take any action authorized in Section 33(b), by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Global Agent shall not have given 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 holders of Notes in the amount above-specified may determine the time and the place in The City of New York for such meeting and may call such meeting by giving notice thereof as provided in this Section 33(c).

(d) To be entitled to vote at any meeting of holders of Notes of a Series, a person shall be a holder of outstanding Notes of such Series at the time of such meeting, or a person appointed by an instrument in writing as proxy for such holder.

(e) The persons entitled to vote a majority in principal amount of the outstanding Notes of the relevant Series shall constitute a quorum. In the absence of a quorum, within 30 minutes of the time appointed for any such meeting, the meeting maybe adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further 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 Section 16 except that such notice need be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage of the principal amount of the outstanding Notes which shall constitute a quorum.

Subject to the foregoing, at the reconvening of any meeting adjourned for a lack of a quorum, the persons entitled to vote 25% in principal amount of the outstanding Notes of the relevant Series constitute a quorum for the taking of any action set forth in the notice of the original meeting. Any meeting of holders of Notes at which a quorum is present may be adjourned from time to time by vote of a majority in principal amount of the outstanding Notes represented at the meeting, and the meeting may be held as so adjourned without further notice. At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters shall be effectively passed and decided if passed or decided by the persons entitled to vote a majority in principal amount of the outstanding Notes of such Series represented and voting at such meeting, provided that such amount approving such resolution shall be not less than 25% in principal amount of the outstanding Notes of such Series.

Section 34. References to Additional Amounts.

All references in this Agreement to principal, premium and interest in respect of any Note shall, unless the context otherwise requires, be deemed to mean and include all Additional Amounts, if any, payable in respect thereof as set forth in such Note.

Section 35. Descriptive Headings.

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 36. Governing Law.

This Agreement is governed by, and shall be construed in accordance with, the laws of the State of New York, United States of America, except that Sections 17(b) and Schedule 1 hereto shall be governed by and construed in accordance with the laws of England.

Section 37. Submission of Jurisdiction.

(a) The Issuer irrevocably consents and agrees, for the benefit of the Agents, and each of the Agents irrevocably consents and agrees, for the benefit of the Issuer, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement or the Notes may be brought in the

Supreme Court of the State of New York or the United States District Court for the Southern District of New York, in either case in the Borough of Manhattan, The City of New York and, until all amounts due and to become due in respect of the Notes have been paid, hereby irrevocably consents and submits to the non-exclusive jurisdiction of each such court *in personam.*

(b) The Issuer hereby irrevocably designates, appoints, and empowers Thomas Wren, Treasurer of the Guarantor (or any successor thereof), as its agent (the "Service of Process Agent") to receive, accept and acknowledge for and on its behalf, service of any and all legal process, summons, notices and documents which may be served in any action, suit or proceeding brought in any United States or State court which may be made on such Service of Process Agent in accordance with legal procedures prescribed for such courts. If for any reason such Service of Process Agent shall cease to be available to act as such, the Issuer or the Agents, as the case may be, agree to designate a new Service of Process Agent in The City of New York on the terms and for the purposes of this Section 37 satisfactory to the other parties to this Agreement. Each party to this Agreement further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents out of any of the aforesaid courts in any such action, suit or proceeding by serving a copy thereof upon the relevant Service of Process Agent (whether or not the appointment of such Service of Process Agent shall for any reason prove to be ineffective or such Service of Process Agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified air mail, postage prepaid, to such party, at its address specified in or designated pursuant to this Agreement. Each party to this Agreement agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of any party to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the undersigned or bring actions, suits or proceedings against the other parties in such other jurisdictions, and in such manner, as may be permitted by applicable law. Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement brought in the Supreme Court of the State of New York or the United States District Court for the Southern District of New York, in either case in the Borough of Manhattan, The City of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 38. Waiver of Sovereign Immunity.

To the extent that the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in respect thereof, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which

proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Notes, the Issuer, to the maximum extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement. This agreement and waiver are intended to be effective upon the execution and delivery of this Agreement by the Issuer without any further act by the Issuer and are intended to inure to the benefit of the Agents from time to time.

Section 39. Counterparts.

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

The Issuer

MBNA EUROPE FUNDING PLC

By: /s/ Duncan Aign
Name: DUNCAN AIGN
Title: DIRECTOR

c/o MBNA Europe Bank Limited,
Chester Business Park Chester CH4 9FB,
United Kingdom

Telephone: 011-44-124-467-2244
Facsimile: 011-44-124-467-2256
Attention: Treasurer

The Registrar and NY Paying Agent

DEUTSCHE BANK TRUST COMPANY
AMERICAS

By: /s/ Rodney Gaughan
Name: RODNEY GAUGHAN
Title: ASSISTANT VICE PRESIDENT

Agency Agreement signature page

60 Wall Street, 27th Floor,
New York, N.Y. 10005
United States

Telephone: 212-250-2157
Facsimile: 212-797-8614
Attention: Trust and Securities Services

The Global Agent

DEUTSCHE BANK TRUST COMPANY
AMERICAS

By: /s/ Rodney Gaughan
Name: RODNEY GAUGHAN
Title: ASSISTANT VICE PRESIDENT

Agency Agreement signature page

60 Wall Street, 27th Floor,
New York, N.Y. 10005
United States

Telephone: 212-250-2157
Facsimile: 212-797-8614
Attention: Trust and Securities Services

The Luxembourg Paying Agent,
Transfer Agent and Euro Registrar

DEUTSCHE BANK LUXEMBOURG S.A.

By: /s/ G Norman
Name: G NORMAN
Title: ASSOCIATE

/s/ Angeline Garvey
Angeline Garvey
Vice President

Agency Agreement signature page

Deutsche Bank Luxembourg S.A.
2 Bld Konrad Adenauer
L-1115 Luxembourg

Telephone: 011-352-421-22-639
Facsimile: 011-352-47-31-36
Attention: Michele Penning

The London Paying Agent
and London Issuing Agent

DEUTSCHE BANK AG LONDON

By: /s/ Angeline Garvey
Name: Angeline Garvey
Title: Vice President

/s/ Suzie Smith
Suzie Smith
Deutsche Bank AG London
Vice President

Deutsche Bank
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Telephone: 011-44-020-7547-3747
Facsimile: 011-44-020-7547-5782
Attention: Geoff Norman

Section 1. Definitions

In addition, in this Schedule, the following terms shall have the following meanings:

"Appointee" means any person appointed by a Security Agent under the Trusts;

"Liability" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imports and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses;

"Security Agents" means the London Paying Agent and the NY Paying Agent and Security Agent means any one of them;

"Trustee Acts" means the Trustee Act 1925 of Great Britain and the Trustee Act 2000 of Great Britain; and

the **"Trusts"** means those trusts established by Section 17 of the Agency Agreement and Section 5 of the Guarantee.

Section 2. Investment by the Security Agents

(A) IF the amount of the moneys at any time available for the payment of principal and interest in respect of the Notes issued by the Issuer, under Section 17 of the Agency Agreement or Section 5 of the Guarantee shall be less than 10 per cent. of the nominal amount of the Notes issued by the Issuer then outstanding the Security Agents may at their discretion invest such moneys in some or one of the investments authorised below. The London Paying Agent, or the NY Paying Agent, as the case may be, at its discretion may vary such investments and may accumulate such investments and the resulting income until the accumulations, together with any other funds for the time being under the control of the London Paying Agent, or the NY Paying Agent, as the case may be, and available for such purpose, amount to at least 10 per cent. of the nominal amount of the Notes issued by the Issuer then outstanding, and then such accumulations and funds shall be applied in accordance with Section 17 of the Agency Agreement or Section 5 of the Guarantee as the case may be.

(B) Any moneys which under the Trusts ought to or may be invested by the Security Agents may be invested in the name or under the control of the London Paying Agent, or the NY Paying Agent, as the case may be, in any investments for the time being authorised by law for the investment by trustees of trust moneys or in any other investments whether similar to the aforesaid or not which may be selected by the London Paying Agent, or the NY Paying Agent, as the case may be, or by placing the same on deposit in the name or under the control of the London Paying Agent, or the NY Paying Agent, as the case may

be, at such bank or other financial institution and in such currency as the London Paying Agent, or the NY Paying Agent, as the case may be, may think fit. If that bank or institution is the London Paying Agent, or the NY Paying Agent, as the case may be, or a subsidiary, holding or associated company of the London Paying Agent, or the NY Paying Agent, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Security Agents may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

Section 3. Supplement to Trustee Acts

WHERE there are any inconsistencies between the Trustee Acts and the provisions of the Trusts, the provisions of the Trusts shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000 of Great Britain, the provisions of the Trusts shall constitute a restriction or exclusion for the purposes of that Act. The Security Agents shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

(A) The Security Agents may in relation to the Trusts, act on the advice or certificate or opinion or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer, liquidator, receiver or other expert appointed by the Issuer, the Guarantor or, one or both of the Security Agents, or otherwise whether or not addressed to a Security Agent and no Security Agent shall be responsible for any Liability occasioned by so acting.

(B) Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and no Security Agent shall be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.

(C) The Security Agents shall be at liberty to hold the Agency Agreement, the Guarantee and any other documents relating thereto or to deposit them in any part of the world with any custodian which the London Paying Agent, or the NY Paying Agent, as the case may be, shall be at liberty to appoint under the Trusts, which is a banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the London Paying Agent, or the NY Paying Agent, as the case may be, to be of good repute and no Security Agent shall be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit PROVIDED THAT no Security Agent shall be obliged to appoint a custodian of securities payable to bearer.

(D) No Security Agent, in its capacity as Security Agent, shall be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.

(E) Save as expressly otherwise provided herein, the Security Agents shall have absolute and uncontrolled discretion as to the exercise or non-exercise of their trusts, powers, authorities and discretions under the Trusts (the exercise or non-exercise of which as between the London Paying Agent, or the NY Paying Agent, as the case may be, and the Noteholders, shall be conclusive and binding on the Noteholders,) and the Security Agents shall not be responsible for any Liability which may result from their exercise or non-exercise.

(F) No Security Agent, shall be liable to any person by reason of having acted upon any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, or (in the case of an Extraordinary Resolution in writing) that not all such holders had signed the Extraordinary Resolution or that for any reason the resolution was not valid or binding upon such holders.

(G) No Security Agent shall be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic.

(H) Without prejudice to the right of indemnity by law given to trustees, each of the Issuer and the Guarantor shall severally indemnify the Security Agents, and every Appointee (being an Appointee who shall have been appointed by a Security Agent, after prior consultation by such Security Agent, with the Issuer and the Guarantor and after consideration in good faith by such Security Agent, of any representations made by the Issuer or the Guarantor concerning the proposed appointee except where, in the reasonable opinion of that Security Agent, such consultation and consideration was not practicable) and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions under the Trusts, or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to the Trusts or any such appointment.

(I) Any consent or approval given by a Security Agent, for the purposes of the Trusts may be given on such terms and subject to such conditions (if any) as such Security Agent thinks fit and notwithstanding anything to the contrary in the Trusts may be given retrospectively.

(J) No Security Agent shall (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to such Security Agent by the Issuer, the Guarantor or any other person in connection with the Trusts and no Noteholder shall be entitled to take any action to obtain from a Security Agent any such information.

(K) The Security Agents as between themselves and the beneficiaries of the Trusts may determine all questions and doubts arising in relation to any of the provisions of the Trusts. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Security Agents shall be conclusive and shall bind such Security Agents and the beneficiaries of the Trusts.

(L) In connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Trusts, the Security Agents shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions under the Trusts for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Security Agents shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 6 to this Schedule.

(M) Any trustee of these Trusts being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business properly transacted and acts properly done by him or his firm in connection with the Trusts, and also his reasonable charges in addition to disbursements for all other work and business done and all time properly spent by him or his firm in connection with matters arising in connection with the Trusts.

(N) Each Security Agent may (after prior consultation with the Issuer and the Guarantor and after consideration in good faith of any representations made by the Issuer or the Guarantor concerning the proposed appointee except where, in the opinion of a Security Agent, such consultation and consideration is not practicable) whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons all or any of its trusts, powers, authorities and discretions vested in the Security Agents under the Trusts. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the such Security Agent may in the interests of the Noteholders think fit. The Security Agents shall, provided that reasonable care has been exercised in the selection of any such delegate or sub-delegate, not be under any obligation to supervise the proceedings or acts of any

such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The London Paying Agent, or the NY Paying Agent, as the case may be, shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.

(O) The Security Agents may (after prior consultation with the Issuer and the Guarantor and after consideration in good faith of any representations made by the Issuer or the Guarantor concerning the proposed appointee except where, in the opinion of a Security Agent, such consultation and consideration is not practicable) in the conduct of the Trusts, instead of acting personally employ and pay an agent (whether being a lawyer, nominee or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with the Trusts (including the receipt and payment of money). The London Paying Agent, or the NY Paying Agent, as the case may be, shall, provided that it shall have exercised reasonable care in the selection of any such agent or any custodian, not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or any custodian or be bound to supervise the proceedings or acts of any such agent or any custodian.

(P) Each Security Agent may (after prior consultation with the Issuer and the Guarantor and after consideration in good faith of any representations made by the Issuer or the Guarantor concerning the proposed appointee except where, in the opinion of such Security Agent, such consultation and consideration is not practicable) appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the Trusts as the London Paying Agent, or the NY Paying Agent, as the case may be, may determine, including for the purpose of depositing with a custodian the Agency Agreement, the Guarantee or any document relating to the Trusts and no Security Agent shall be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or to be bound to supervise the proceedings or acts of such person; the London Paying Agent, or the NY Paying Agent, as the case may be, is not obliged to appoint a custodian if the London Paying Agent, or the NY Paying Agent, as the case may be, invests in securities payable to bearer.

(Q) No Security Agent shall be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trusts, or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of the Agency Agreement, the Guarantee or any other document relating or expressed to be supplemental thereto.

(R) No Security Agent shall be responsible to any person for failing to request, require or receive any legal opinion relating to any Notes or for checking or commenting upon the content of any such legal opinion.

(S) No Security Agent shall be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit.

(T) No Security Agent shall be obliged to take any action under the Trusts unless indemnified to its satisfaction.

(U) In relation to any asset held by it under the Trusts, a Security Agent may appoint as its nominee any banker or banking company or company whose business includes the provision of nominee services believed by the London Paying Agent, or the NY Paying Agent, as the case may be, to be of good repute.

Section 4. Security Agent's Liability

NOTHING in the Trusts, shall in any case in which a Security Agent has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of the Trusts conferring on it any trusts, powers, authorities or discretions exempt such Security Agent from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default or breach of duty of which it may be guilty in relation to its duties under the Trusts.

Section 5. Security Agent Contracting With The Issuer And The Guarantor

No Security Agent nor any director or officer or holding company, subsidiary or associated company of a corporation acting as a trustee of the Trusts shall by reason of its or his fiduciary position be in any way precluded from:

(i) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the Guarantor or any person or body corporate associated with the Issuer or the Guarantor (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer or the Guarantor or any person or body corporate associated as aforesaid); or

(ii) accepting or holding the trusteeship of any other indenture, trust deed or any other document constituting or securing any other securities issued by or relating to the Issuer or the Guarantor or any such person or body corporate so associated or any other office of profit under the Issuer or the Guarantor or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (i) above or, as the case may be, any such trusteeship or office of profit as is referred to in (ii) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any Liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, subsidiary or associated company of a Security Agent, or any director or officer of a Security Agent, acting other than in his capacity as such a director or officer has any information, such Security Agent shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Noteholders resulting from a Security Agent's failing to take such information into account in acting or refraining from acting under or in relation to the Trusts.

Section 6. Currency Indemnity

EACH of the Issuer and the Guarantor shall severally indemnify each Security Agent, every Appointee, the Noteholders and keep them indemnified against:

(a) any Liability incurred by any of them arising from the non-payment by the Issuer or the Guarantor of any amount due to the Security Agents or the Noteholders under the Trusts by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer or the Guarantor; and

(b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under the Trusts (other than this Section) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer or the Guarantor and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the Issuer and the Guarantor separate and independent from its/their other obligations under the other provisions of the Trusts, and shall apply irrespective of any indulgence granted by either Security Agent,

or the Noteholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer or the Guarantor for a liquidated sum or sums in respect of amounts due under the Trusts (other than this Section). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and no proof or evidence of any actual loss shall be required by the Issuer or the Guarantor or its liquidator or liquidators.

Section 7. New Security Agents

THE power to appoint a new Security Agent of the Trusts shall, subject as hereinafter provided, be vested in the Issuer. One or more persons may hold office as trustee or trustees of the Trusts. Any appointment of a new trustee of the Trusts shall as soon as practicable thereafter be notified by the Issuer to the Agents and the Noteholders.

Sections 8. Security Agent's Retirement

A trustee of the Trusts, may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The retirement of any such trustee shall not become effective until a successor trustee is appointed and, if in such circumstances, no appointment has become effective within two months of the date of such notice, the London Paying Agent, or the NY Paying Agent, as the case may be, shall be entitled to appoint a new trustee of the Trusts, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

Section 9. Security Agent's Powers to be Additional

THE powers conferred upon the Security Agents under the Trusts, shall be in addition to any powers which may from time to time be vested in such Security Agents by the general law.

EXHIBIT A

FORM OF GLOBAL NOTE

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (THE "DEPOSITARY") TO MBNA EUROPE FUNDING PLC (THE "BANK") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL SECURITY AND, UNLESS AND UNTIL THIS NOTE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, IT MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY THE NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.][1]

THIS NOTE IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSURER.

[THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND SUCH NOTES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

EACH PURCHASER OF THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED IS HEREBY NOTIFIED THAT THE SELLER OF SUCH NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A ("RULE 144A") THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED, AGREES, FOR THE BENEFIT OF MBNA EUROPE FUNDING PLC (THE "ISSUER"), THAT (A) SUCH NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHO THE HOLDER

[1] Delete in the case of all Global Notes other than DTC Global Notes.

REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND THAT EACH SUCH QIB IS ALSO A "QUALIFIED PURCHASER" ("QP") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, FOR PURPOSES OF SECTION 3(C)(7) OF SUCH ACT AND WHO (W) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (X) IS NOT A PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, (Y) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THE GUARANTOR, AND (Z) WILL HOLD AND TRANSFER AT LEAST US$100,000 PRINCIPAL AMOUNT OF NOTES; OR (2) IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT; AND, IN EACH OF CASES (1) AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND IN A MINIMUM PRINCIPAL AMOUNT OF US$100,000, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF SUCH NOTES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. EACH PURCHASER OF THIS NOTE OR BENEFICIAL INTEREST HEREIN WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT (AS DEFINED HEREIN) AND WILL NOT TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN EXCEPT TO A PURCHASER WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING.

THE HOLDER UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES.

ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IF AT ANY TIME, THE ISSUER DETERMINES OR IS NOTIFIED THAT THE HOLDER OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN WAS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE REPRESENTATIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT, THE ISSUER OR THE TRANSFER AGENT MAY CONSIDER THE ACQUISITION OF THIS NOTE OR SUCH INTEREST IN THIS NOTE VOID AND REQUIRE THAT THIS NOTE OR SUCH INTEREST HEREIN BE TRANSFERRED TO A PERSON DESIGNATED BY THE ISSUER OR THE GUARANTOR.

THE HOLDER ACKNOWLEDGES THAT THE ISSUER AND THE TRANSFER AGENT RESERVE THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER PURSUANT TO

CLAUSES (A)(l)-(2) ABOVE TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER AND THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]*

[THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT'), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.] **

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* These statements and this legend contained in brackets shall appear on any Certificate issued in respect of the Restricted Global Note.

** These statements and this legend contained in brackets shall appear on any Certificate issued in respect of the Unrestricted Global Note.

REGISTERED

No. R-_____
CUSIP No.:_____
ISIN No.:_____
Common Code:_____

MBNA EUROPE FUNDING PLC

GLOBAL NOTE

ORIGINAL ISSUE DATE:

PRINCIPAL AMOUNT:

MATURITY DATE:

SPECIFIED CURRENCY:

☐ FIXED RATE NOTE
☐ FLOATING RATE NOTE

☐ U.S. dollar
☐ Other:

☐ SENIOR NOTE
☐ SUBORDINATED NOTE

MBNA EUROPE FUNDING PLC (the "Issuer"), incorporated as a public limited liability company with limited liability in England and Wales, for value received, hereby promises to pay to _____, or registered assigns thereof, the principal amount specified above, as adjusted in accordance with Schedule 1 hereto, on the Maturity Date specified above (except to the extent redeemed or repaid prior to the Maturity Date) and to pay interest thereon (i) in accordance with the provisions set forth on the reverse hereof under the caption "Fixed Rate Interest Provisions," if this Note is designated as a "Fixed Rate Note" above, or (ii) in accordance with the provisions set forth on the reverse hereof under the caption "Floating Rate Interest Provisions," if this Note is designated as a "Floating Rate Note" above, in each case as such provisions may be modified or supplemented by the terms and provisions set forth in the Pricing Supplement attached hereto (the "Pricing Supplement"), and (to the extent that the payment of such interest shall be legally enforceable) to pay interest at the Default Rate per annum specified in the Pricing Supplement on any overdue principal and premium, if any, and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Note (or any predecessor Note) is registered at the close of business on the fifteenth calendar day

(whether or not a Business Day (as defined on the reverse hereof)) next preceding the applicable Interest Payment Date (unless otherwise specified in the Pricing Supplement) (each, a "Regular Record Date"); *provided, however*, that interest payable at Maturity (as defined on the reverse hereof) will be payable to the person to whom principal shall be payable. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder as of the close of business on such Regular Record Date, and shall instead be payable to the person in whose name this Note (or any predecessor Note) is registered at the close of business on a special record date for the payment of such defaulted interest (the "Special Record Date") to be fixed by the Global Agent (as defined below), notice whereof shall be given by the Global Agent to the holder of this Note not less than 15 calendar days prior to such Special Record Date.

This Note and any other notes of the same Series (as defined in the Agency Agreement) are hereinafter referred to as the "Notes". The Notes are issued and to be issued under an Agency Agreement dated as of September 15, 2004 (as amended from time to time, the "Agency Agreement") among the Issuer, Deutsche Bank Trust Company Americas, as global agent (the "Global Agent"), the Global Agent acting through its specified office in New York as paying agent (the "NY Paying Agent") and as registrar (the "Registrar"), Deutsche Bank AG London, as paying agent (the "London Paying Agent") and as issuing agent (the "London Issuing Agent") and Deutsche Bank Luxembourg S.A., as transfer agent (the "Transfer Agent") and as paying agent (the "Luxembourg Paying Agent"; together with the Paying Agent and the London Paying Agent, the "Paying Agents"; individually, a "Paying Agent"). The terms Global Agent, NY Paying Agent, Registrar, London Paying Agent, London Issuing Agent, Luxembourg Paying Agent and Transfer Agent shall include any additional or successor agents appointed in such capacities by the Issuer.

The payments of all amounts due in respect of this Note are irrevocably guaranteed by MBNA America Bank, National Association (the "Guarantor") pursuant to a Guarantee dated September 15, 2004.

The Issuer shall cause to be kept at the office of the Registrar designated below a register (the register maintained in such office or any other office or agency of the Registrar, herein referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes issued in registered form and of transfers of such Notes. The Issuer has initially appointed the Global Agent acting through its specified office in New York as "Registrar" for the purpose of registering Notes issued in registered form and transfers of such Notes. The Issuer reserves the right to rescind its designation as Registrar at any time, and transfer such function to another bank or financial institution.

The transfer of this Note is registrable in the Note Register, upon surrender of this Note for registration of transfer at the office or agency of the Registrar, or any transfer agent maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar (or such transfer agent) and the Global Agent duly executed by, the holder hereof or its attorney duly authorized in writing.

Payment of principal of, premium, if any, and interest on, this Note due at Maturity will be made in immediately available funds upon presentation and surrender of this

Note at the office of a Paying Agent maintained for that purpose;*provided,* that this Note is presented to such Paying Agent in time for such Paying Agent to make such payment in accordance with its normal procedures. Payments of interest on this Note (other than at Maturity) will be made by wire transfer to such account as has been appropriately designated to the Global Agent by the person entitled to such payments.

Reference is made to the further provisions of this Note set forth on the reverse hereof and in the Pricing Supplement, which further provisions shall for all purposes have the same effect as if set forth at this place. In the event of any conflict between the provisions contained herein or on the reverse hereof and the provisions contained in the Pricing Supplement, the latter shall control. Reference herein to "this Note", "hereof", "herein" and comparable terms shall include the Pricing Supplement.]*.

The statements set out in the legend above in respect of certain matters relating to the Securities Act of 1933 [and the Investment Company Act of 1940]* are an integral part of this Certificate and by acceptance hereof the holder of such Certificate or any owner of an interest in the Global Note in respect of which this Certificate is issued agrees to be subject to and bound by the terms and provisions set out in such legend.

Unless the certificate of authentication hereon has been executed by the Registrar, by manual signature of an authorized signatory, this Note shall not be valid or obligatory for any purpose.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, except that if this is a Subordinated Note, the subordination provisions of "Status of the Notes and Subordination – Status and Subordination of the Subordinated Notes" shall be governed by and construed in accordance with the laws of England.

The language contained in brackets shall appear on any Certificate issued in respect of the Restricted Global Note.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

MBNA EUROPE FUNDING PLC

By: _____
Authorized Signatory

Dated:

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to
in the within-mentioned Agency Agreement.

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Registrar

By: _____
Authorized Officer

[*Reverse of Note*]

[ATTACH REVERSE OF NOTE IN FORM
OF EXHIBIT C TO AGENCY AGREEMENT]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the within Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT NUN ACT — _____ (Cust) Custodian _____ (Minor)

under Uniform Gifts to Minors Act

_____
State

Additional abbreviations may also be used
though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto_____

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address,
including postal zip code, of assignee)

the within Note and all rights thereunder, and hereby

irrevocably constitutes and appoints _____

to transfer said Note on the books of the Issuer, with full power of substituting in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

Schedule 1

SCHEDULE OF TRANSFERS AND EXCHANGES

The following increases and decreases in the principal amount of this Note have been made:

Date of Transfer	Increase (Decrease) in Principal Amount of this Note Due to Transfer Between Global Notes	Principal Amount of this Note After Transfer	Notation made by or on behalf of the Issuer

FORM OF DEFINITIVE NOTE

THIS NOTE IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSURER.

[THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND SUCH NOTES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

EACH PURCHASER OF THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED IS HEREBY NOTIFIED THAT THE SELLER OF SUCH NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A ("RULE 144A") THEREUNDER.

THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED, AGREES, FOR THE BENEFIT OF MBNA EUROPE FUNDING PLC (THE "ISSUER"), THAT (A) SUCH NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHO THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND THAT EACH SUCH QIB IS ALSO A "QUALIFIED PURCHASER" ("QP") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, FOR PURPOSES OF SECTION 3(C)(7) OF SUCH ACT AND WHO (W) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (X) IS NOT A PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, (Y) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THE GUARANTOR, AND (Z) WILL HOLD AND TRANSFER AT LEAST US$100,000 PRINCIPAL AMOUNT OF NOTES; OR (2) IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT; AND, IN EACH OF CASES (1) AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY

STATE OF THE UNITED STATES AND IN A MINIMUM PRINCIPAL AMOUNT OF US$100,000, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF SUCH NOTES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. EACH PURCHASER OF THIS NOTE OR BENEFICIAL INTEREST HEREIN WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT (AS DEFINED HEREIN) AND WILL NOT TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN EXCEPT TO A PURCHASER WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING.

THE HOLDER UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES.

ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IF AT ANY TIME, THE ISSUER DETERMINES OR IS NOTIFIED THAT THE HOLDER OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN WAS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE REPRESENTATIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT, THE ISSUER OR THE TRANSFER AGENT MAY CONSIDER THE ACQUISITION OF THIS NOTE OR SUCH INTEREST IN THIS NOTE VOID AND REQUIRE THAT THIS NOTE OR SUCH INTEREST HEREIN BE TRANSFERRED TO A PERSON DESIGNATED BY THE ISSUER OR THE GUARANTOR.

THE HOLDER ACKNOWLEDGES THAT THE ISSUER AND THE TRANSFER AGENT RESERVE THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER PURSUANT TO CLAUSES (A)(1)-(2) ABOVE TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER AND THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]*

[THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF

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* The language contained in brackets shall appear on any Certificate issued in respect of any Note transferred pursuant to, and in reliance on, Rule 144A under the Securities Act in accordance with this Agency Agreement.

1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.]**

No. R-_____ REGISTERED
CUSIP No.:_____
ISIN No.:_____
Common Code:_____

** The language contained in brackets shall appear on any Certificate issued in respect of any Note transferred pursuant to, and in reliance on, Regulation S under the Securities Act in accordance with this Agency Agreement and shall not appear on any Certificate issued in respect of any Note transferred pursuant to, and in reliance on, Rule 144A under the Securities Act in accordance with this Agency Agreement.

MBNA EUROPE FUNDING PLC

(Definitive Note)

ORIGINAL ISSUE DATE:

PRINCIPAL AMOUNT:

MATURITY DATE:

SPECIFIED CURRENCY:

☐ FIXED RATE NOTE
INTEREST RATE: _____%

☐ U.S. dollar

☐ FLOATING RATE NOTE

☐ Other:

☐ SENIOR NOTE
☐ SUBORDINATED NOTE

INTEREST RATE DETERMINATION:

OPTION TO ELECT PAYMENT IN SPECIFIED CURRENCY

☐ ISDA RATE
☐ REFERENCE RATE DETERMINATION

(if Specified Currency is other than the United States dollar):
Yes No

EXCHANGE RATE AGENT:

AUTHORIZED DENOMINATIONS:

MARGIN (PLUS OR MINUS)
(ISDA Rate only):

FLOATING RATE OPTION
(ISDA Rate only):

DESIGNATED MATURITY
(ISDA Rate only):

RESET DATE
(ISDA Rate only):

INITIAL INTEREST RATE
(Reference Rate Determination only): _____%

INDEX MATURITY
(Reference Rate Determination only):

INTEREST RATE BASIS OR BASES
(Reference Rate Determination only):

IF CMT RATE:
Designated CMT Moneyline Telerate Page:
Designated CMT Maturity Index:

IF LIBOR:
☐ LIBOR Moneyline Telerate
☐ LIBOR Reuters

DESIGNATED LIBOR CURRENCY
(Reference Rate Determination only):

SPREAD (PLUS OR MINUS) AND/OR SPREAD MULTIPLIER (Reference Rate Determination only):

INITIAL INTEREST RESET DATE (Reference Rate Determination only):

INTEREST RESET PERIOD (Reference Rate Determination only):

INTEREST RESET DATES (Reference Rate Determination only):

INTEREST CALCULATION (Reference Rate Determination only):

INTEREST PAYMENT DATES:

☐ Regular Floating Rate Note
☐ Floating Rate/Fixed Rate Note
Fixed Rate Commencement Date:
Fixed Interest Rate:
☐ Inverse Floating Rate Note
Fixed Interest Rate:

INTEREST PAYMENT PERIOD:

REGULAR RECORD DATES (if other than the 15th day prior to each Interest Payment Date):

CALCULATION AGENT:

MAXIMUM INTEREST RATE:

MINIMUM INTEREST RATE:

INITIAL REDEMPTION DATE:

ANNUAL REDEMPTION PERCENTAGE REDUCTION:

INITIAL REDEMPTION PERCENTAGE:

HOLDER'S OPTIONAL REPAYMENT DATE(S):

DAY COUNT CONVENTION
☐ 30/360 for the period from_____to_____.
☐ Actual/360 for the period from_____to_____.
☐ Actual/Actual for the period from_____to_____.
☐ Other:

BUSINESS DAY CONVENTION
☐ Floating Rate Convention
☐ Following Business Day Convention
☐ Modified Following Business Day Convention
☐ Preceding Business Day Convention

ORIGINAL ISSUE DISCOUNT
Yes No
Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:
Issue Price:_____%

☐ Other

DEFAULT RATE: _____%

MBNA Europe Funding plc (the "Issuer"), for value received, hereby promises topay to _____, or registered assigns thereof, the principal amount specified above on the Maturity Date specified above (except to the extent redeemed or repaid prior to the Maturity Date) and to pay interest thereon (i) in accordance with the provisions set forth on the reverse hereof under the caption "Fixed Rate Interest Provisions", if this Note is designated as a "Fixed Rate Note" above, or (ii) in accordance with the provisions set forth on the reverse hereof under the caption "Floating Rate Interest Provisions," if this Note is designated as a "Floating Rate Note" above, and (to the extent that the payment of such interest shall be legally enforceable) to pay interest at the Default Rate per annum specified above on any overdue principal and premium, if any, and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Note (or any predecessor Note) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day (as defined on the reverse hereof)) next preceding the applicable Interest Payment Date (unless otherwise specified above) (each, a "Regular Record Date"); *provided, however*, that interest payable at Maturity (as defined on the reverse hereof) will be payable to the person to whom principal shall be payable. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder as of the close of business on such Regular Record Date, and shall instead be payable to the person in whose name this Note (or any predecessor Note) is registered at the close of business on a special record date for the payment of such defaulted interest (the "Special Record Date") to be fixed by the Global Agent (as defined below), notice whereof shall be given by the Global Agent to the holder of this Note not less than 15 calendar days prior to such Special Record Date.

This Note and any other notes of the same Series (as defined in the Agency Agreement) are hereinafter referred to as the "Notes". The Notes are issued and to be issued under an Agency Agreement dated as of September 15, 2004 (as amended from time to time, the "Agency Agreement") among the Issuer, Deutsche Bank Trust Company Americas, as global agent (the "Global Agent"), the Global Agent acting through its specified office in New York as paying agent (the "NY Paying Agent") and as registrar (the "Registrar"), Deutsche Bank AG London, as paying agent (the "London Paying Agent") and as issuing agent (the "London Issuing Agent") and Deutsche Bank Luxembourg S.A., as transfer agent (the "Transfer Agent") and as paying agent (the "Luxembourg Paying Agent"; together with the NY Paying Agent and the London Paying Agent, the "Paying Agents"; individually, a "Paying Agent"). The terms Global Agent, NY Paying Agent, Registrar, London Paying Agent, London Issuing Agent, Luxembourg Paying Agent and Transfer Agent shall include any additional or successor agents appointed in such capacities by the Issuer.

The payments of all amounts due in respect of this Note are irrevocably guaranteed by MBNA America Bank, National Association (the "Guarantor") pursuant to a Guarantee dated September 15, 2004.

The Issuer shall cause to be kept at the office of the Registrar designated below a register (the register maintained in such office of any other office or agency of the Registrar, herein referred to as the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes issued in registered form and of transfers of such Notes. The Issuer has initially appointed the Global Agent acting through its specified office in New York as "Registrar" for the purpose of registering Notes issued in registered form and transfers of such Notes. The Issuer reserves the right to rescind its designation as Registrar at any time, and transfer such function to another bank or financial institution.

The transfer of this Note is registrable in the Note Register or, as the case may be, the Euro Note Register (as defined below), upon surrender of this Note for registration of transfer at the office or agency of the Registrar or, as the case may be, the Euro Registrar or any transfer agent maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to such registrar or such transfer agent and the Global Agent duly executed by, the holder hereof or its attorney duly authorized in writing.

The Euro Registrar (as defined in the Agency Agreement), as registrar for Definitive Notes (as defined in the Agency Agreement) issued in lieu of interests an a Global Note (as defined in the Agency Agreement) previously held through Euroclear or Clearstream shall maintain at its principal office in Luxembourg, or such other location as may be agreed from time to time, a note register for such Definitive Notes (the "Euro Note Register"). The term "Euro Note Register" shall mean the register in which shall be recorded the names, addresses and taxpayer identification numbers of the holders of Definitive Notes issued in lieu of interests an a Global Note previously held through Euroclear or Clearstream, the serial and CUSIP numbers (or Code/ISIN Numbers, as the case may be) of the Notes, the Original Issue Dates thereof and details with respect to the transfer and exchange of Notes.

Payment of principal of, premium, if any, and interest on, this Note due at Maturity will be made in immediately available funds upon presentation and surrender of this Note at the office of a Paying Agent maintained for that purpose; *provided,* that this Note is presented to such Paying Agent in time for such Paying Agent to make such payment hi accordance with its normal procedures. Payments of interest on this Note (other than at Maturity) will be made by check mailed to the holder of this Note as of the Regular Record Date with respect to such Interest Payment Date at the address shown in the Note Register specified below; *provided, however,* that a holder of US$10,000,000 or more in aggregate principal amount (or the equivalent thereof in other currencies) of Notes (whether identical or different terms and provisions) shall be entitled to receive payments of interest, other than interest due at Maturity, by wire transfer of immediately available funds if appropriate written wire transfer instructions have been received by the Global Agent not less than 16 days prior to the applicable Interest Payment Date.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

The statements set out in the legend above in respect of certain matters relating to the Securities Act of 1933 [and the Investment Company Act of 1940]* are an integral part of this Certificate and by acceptance hereof, the Noteholder in respect of which this Certificate is issued agrees to be subject to and bound by the terms and provisions set out in such legend.

Unless the certificate of authentication hereon has been executed by the Registrar or as the case may be, the Euro Registrar, by manual signature of an authorized signatory, this Note shall not be valid or obligatory for any purpose.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, except that if this is a Subordinated Note, the subordination provisions of "Status of the Notes and Subordination – Status and Subordination of the Subordinated Notes" shall be governed by and construed in accordance with the laws of England.

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* The language contained in brackets shall appear on any Certificate issued in respect of any Note transferred pursuant to, and in reliance on, Rule 144A under the Securities Act in accordance with the Agency Agreement.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

MBNA EUROPE FUNDING PLC

By: _____
Authorized Signatory

Dated:

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to
in the within-mentioned Agency Agreement.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Registrar

By: _____
Authorized Officer

OR

DEUTSCHE BANK LUXEMBOURG S.A., as Euro Registrar

By: _____
Authorized Officer

[Reverse of Note]

[ATTACH REVERSE OF NOTE IN FORM
OF EXHIBIT C TO AGENCY AGREEMENT]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the within Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common
TEN ENT	—	as tenants by the entireties
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

_____
State

Additional abbreviations may also be used
though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and

transfers) unto _____

_____

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

(Please print or typewrite name and address, including postal zip code, of assignee)

_____

the within Note and all rights thereunder, and hereby

irrevocably constitutes and appoints _____

_____

_____

to transfer said Note on the books of the Issuer, with full power of substituting in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as written upon the within Note in every particular, without alteration or enlargement or any change whatsoever.

_____

Signature Guarantee

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

FORM OF REVERSE OF NOTE

[Reverse of Note]

The Notes are issuable only in denominations of US$100,000 and integral multiples of US$1,000 in excess thereof (or equivalent denominations in other currencies, subject to any other statutory or regulatory minimums). This Note, and any Note issued in exchange or substitution therefor or in place hereof, or upon registration of transfer, exchange or partial redemption or repayment of this Note, may be issued only in an Authorized Denomination specified in the Pricing Supplement (or, if this Note is in definitive form, specified on the face hereof).

Unless otherwise provided herein or in the Pricing Supplement, the principal of, and premium, if any, and interest on, this Note are payable in the Specified Currency indicated on the face hereof (or, if such Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued such Specified Currency as at the time of such payment is legal tender for the payment of debts). If this Note is a DTC Global Note and the Specified Currency indicated on the face hereof is other than U.S. dollars, any such amounts paid by the Issuer will be converted by the Global Agent, or such other agent as may be specified in the Pricing Supplement (or, if this Note is in definitive form, specified on the face hereof), which for these purposes shall act as currency exchange agent (the "Exchange Rate Agent"), into U.S. dollars for payment to the holder of this Note.

If this Note is a DTC Global Note and the Specified Currency indicated on the face hereof is other than the U.S. dollar, any U.S. dollar amount to be received by the holder of this Note will be based on the Exchange Rate Agent's bid quotation as of 11:00 a.m., London time, on the second day on which banks are open for business in London and New York City preceding the applicable payment date, for the purchase of U.S. dollars with the Specified Currency for settlement on such payment date of the aggregate amount of the Specified Currency payable to all holders of Notes denominated other than in the U.S. dollar scheduled to receive U.S. dollar payments. If such bid quotation is not available, the Exchange Rate Agent will obtain a bid quotation from a leading foreign exchange bank in London or New York City selected by the Exchange Rate Agent for such purchase. If no such bids are available, payment of the aggregate amount due to the holder of this Note on the payment date will be made in the Specified Currency. All currency exchange costs will be borne by the holder of this Note by deductions from such payments. All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding upon the Agent and the holder of this Note.

If this Note is a DTC Global Note and the Specified Currency indicated on the face hereof is other than the U.S. dollar, the holder of this Note may elect to receive payment of principal (and premium, if any) and interest on this Note in the Specified Currency indicated on the face hereof through standard DTC procedures. If this Note is in definitive form (specified

on the face hereof), and the Specified Currency indicated on the face hereof is other than the U.S. dollar, the holder of this Note may elect to receive payment of principal (and premium, if any) and interest on this Note in the Specified Currency indicated on the face hereof by submitting a written notice to the Global Agent at 60 Wall Street, 27th Floor, New York, N.Y. 10005, United States, Attention: Trust and Securities Services, on or prior to the fifth Business Day following the applicable Regular Record Date in the case of interest and the tenth calendar day prior to the payment date for the payment of principal. Such notice, which may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission, shall contain (i) the holder's election to receive all or a portion of such payment in the Specified Currency for value on the relevant Interest Payment Date or Maturity, as the case may be, and (ii) wire transfer instructions to an account denominated in the Specified Currency with respect to any payment to be made in the Specified Currency. Any such election made with respect to this Note by the holder will remain in effect with respect to any further payments of principal of (and premium, if any) and interest on this Note payable to the holder of this Note unless such election is revoked on or prior to the fifth Business Day following the applicable Regular Record Date in the case of interest and the tenth calendar day prior to the payment date for the payment of principal.

If (i) this Note is a DTC Global Note and the holder of this Note shall have duly made an election to receive all or a portion of a payment of principal of (and premium, if any) or interest on this Note in the Specified Currency indicated on the face hereof, or (ii) if this Note is not a DTC Global Note, in the case of (i) or (ii) in the event the Specified Currency indicated on the face hereof has been replaced by another currency (a "Replacement Currency"), any amount due pursuant to this Note may be repaid, at the option of the Issuer, in the Replacement Currency or in U.S. Dollars, at a rate of exchange which takes into account the conversion, at the rate prevailing on the most recent date on which official conversion rates were quoted or set by the national government or other authority responsible for issuing the Replacement Currency, from the Specified Currency to the Replacement Currency and, if necessary, the conversion of the Replacement Currency into U.S. Dollars at the rate prevailing on the date of such conversion.

If (i) this Note is a DTC Global Note and the holder of this Note shall have duly made an election to receive all or a portion of a payment of principal of (and premium, if any) or interest on this Note in the Specified Currency indicated on the face hereof, or (ii) if this Note is not a DTC Global Note, in the case of (i) or (ii) if such Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, the Issuer will be entitled to satisfy its obligations to the holder of this Note by making such payments of principal of (and premium, if any) or interest on this Note in U.S. dollars until the Specified Currency is again available. In such circumstances, the U.S. dollar amount to be received by the holder of this Note will be made on the basis of the most recently available bid quotation from a leading foreign exchange bank in London or New York City selected by the Exchange Rate Agent, for the purchase of U.S. dollars with the Specified Currency for settlement on such payment date of the aggregate amount of the Specified Currency payable to all holders of Notes denominated other than in the U.S. dollar scheduled to receive U.S. dollar payments. Any payment made under such circumstances in U.S. dollars where the payment is required to be made in the Specified Currency will not constitute an "Event of Default" with respect to this Note.

The Issuer has initially appointed Deutsche Bank Trust Company Americas as global agent (the "Global Agent"), acting through its specified office in New York as paying agent (the "NY Paying Agent"), Deutsche Bank AG London as paying agent (the "London Paying Agent") and Deutsche Bank Luxembourg S.A. as paying agent (the "Luxembourg Paying Agent"; together with the Global Agent, the NY Paying Agent and the London Paying Agents, the "Paying Agents"; individually, a "Paying Agent"), which term shall include any additional or successor paying agents appointed pursuant to the Agency Agreement) to act as paying agents in respect of the Notes. If this Note is in registered form, this Note may be presented or surrendered for payment, and notices, designations or requests in respect of payments with respect to this Note may be served, at the office or agency of any Paying Agent maintained for that purpose. The Global Agent may at any time rescind any designation of a Paying Agent, appoint any additional or successor Paying Agents or approve a change in the office through which a Paying Agent acts.

Subject to any fiscal or other laws and regulations applicable thereto in the place of payment, payments on Notes to be made in a Specified Currency other than the U.S. dollar will be made by a check in the Specified Currency drawn on, or by wire transfer to an account in the Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, a Global Agent (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorized foreign exchange Global Agent) in the principal financial center of the country of the Specified Currency, *provided, however,* a check may not be delivered to an address in, and an amount may not be transferred to an account at a Agent located in, the United States of America or its possessions by any office or agency of the Agent, the Global Agent or any Paying Agent.

Fixed Rate Interest Provisions

If this Note is designated as a "Fixed Rate Note" on the face hereof, the Agent will pay interest on each Interest Payment Date specified in the Pricing Supplement (or, if this Note is in definitive form, specified on the face hereof) and on the Maturity Date or any Redemption Date or Holder's Optional Repayment Date (as defined below) (each such Maturity Date, Redemption Date and Holder's Optional Repayment Date and the date on which the principal or an installment of principal is due and payable by declaration of acceleration as provided herein being hereinafter referred to as a "Maturity" with respect to the principal repayable on such date), commencing on the first Interest Payment Date next succeeding the Original Issue Date specified on the face hereof, at the Interest Rate per annum specified in the Pricing Supplement (or, if this Note is in definitive form, specified on the face hereof), until the principal hereof is paid or duly made available for payment.

Payments of interest hereon will include interest accrued from and including the most recent Interest Payment Date to which interest on this Note (or any predecessor Note) has been paid or duly provided for (or, if no interest has been paid or duly provided for, from and including the Original Issue Date) to but excluding the relevant Interest Payment Date or Maturity, as the case may be. Unless otherwise specified in the Pricing Supplement (or, if this Note is in definitive form, on the face hereof), if the Specified Currency of this Note is U.S. Dollars and the Maturity Date specified on the face hereof falls more than one year from the Original Issue Date, interest payments for this Note shall be computed and paid on the basis of a

360-day year of twelve 30-day months. Unless otherwise specified in the Pricing Supplement (or, if this Note is in definitive form, on the face hereof), if the Specified Currency of this Note is U.S. Dollars and the Maturity Date specified on the face hereof falls one year or less from the Original Issue Date, interest payments for this Note shall be computed and paid on the basis of the actual number of days in the year divided by 360. If the Specified Currency of this Note is a currency other than U.S. Dollars, interest hereon will be computed by applying the Actual/Actual (ISMA) Convention.

The "Actual/Actual (ISMA) Convention" is as follows:

(a) if the number of days in the related period from and including the most recent Interest Payment Date (or from and including the Interest Commencement Date, which unless otherwise specified in the applicable Pricing Supplement shall be the Original Issue Date) to but excluding the related payment date (the "Accrual Period") is equal to or shorter than the Determination Period (as defined below) 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 Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(b) if the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date on which interest was paid (or from and including the Interest Commencement Date), 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 Interest Payment Dates that would occur in one calendar year assuming interest was to be 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 Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year.

"Determination Period" means the period from and including a Determination Date to but excluding the next Determination Date. "Determination Date" means each date specified in the Pricing Supplement or, if none is specified, each Interest Payment Date.

Unless otherwise provided herein or in the Pricing Supplement, if any Interest Payment Date or the Maturity of this Note falls on a day which is not a Business Day, the related payment of principal of, premium, if any, or interest on, this Note shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payments were due, and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or the Maturity, as the case may be.

Floating Rate Interest Provisions

If this Note is designated as a "Floating Rate Note" on the face hereof, the Agent will pay interest on each Interest Payment Date specified in the Pricing Supplement (or, if this Note is in definitive form, specified on the face hereof) and at Maturity, commencing on the first Interest Payment Date next succeeding the Original Issue Date specified on the face hereof (or, if the Original Issue Date is between a Regular Record Date and the Interest Payment Date immediately following such Regular Record Date, on the second Interest Payment Date following the Original Issue Date), at a rate per annum determined in accordance with the provisions hereof (and, if this Note as in global form, in accordance with the Pricing Supplement), until the principal hereof is paid or duly made available for payment.

Payments of interest hereon will include interest accrued from and including the most recent Interest Payment Date to which interest on this Note (or any predecessor Note) has been paid or duly provided for (or,.if no interest has been paid or duly provided for, from and including the Original Issue Date) to but excluding the relevant Interest Payment Date or Maturity, as the case may be (each such period an "Interest Period").

Unless otherwise specified herein or in the Pricing Supplement, if any Interest Payment Date (or other date which is subject to adjustment in accordance with a Business Day Convention specified on the face hereof or in the Pricing Supplement) in respect of this Note (other than an Interest Payment Date at Maturity) would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified on the face hereof or in the Pricing Supplement is:

(1) the "Floating Rate Convention," such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the next 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 Payment Period on the face hereof 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 succeeding 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 succeeding day that is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day; or

(4) the "Preceding Business Day Convention," such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day.

If the Maturity of this Note falls on a day that is not a Business Day, the related payment of principal of, premium, if any, and interest on, this Note will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue on the amount so payable for the period from and after such Maturity.

If "ISDA Rate" is specified on the face hereof or in the Pricing Supplement in connection with the determination of the rate of interest on this Note, the rate of interest on this Note for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus the Margin, if any, specified on the face hereof or in the Pricing Supplement. Unless otherwise specified on the face hereof or in the Pricing Supplement, "ISDA Rate" means, with respect to any Interest Period, the rate equal to the Floating Rate that would be determined by the Global Agent or other person specified on the face hereof or in the Pricing Supplement pursuant to an interest rate swap transaction if the Global Agent or that other person were acting as Calculation Agent for that swap transaction in accordance with the terms of an agreement in the form of the Interest Rate and Currency Exchange Agreement published by the International Swaps and Derivatives Association, Inc. (the "ISDA Agreement") and evidenced by a Confirmation (as defined in the ISDA Agreement) incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified on the face hereof or in the Pricing Supplement;

(B) the Designated Maturity is the period specified on the face hereof or in the Pricing Supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate for a currency, the first day of that Interest Period or (ii) in any other case, as specified on the face hereof or in the Pricing Supplement.

As used in this paragraph, "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", and "Reset Date" have the meanings ascribed to those terms in the ISDA Definitions.

If "Reference Rate Determination" is specified on the face hereof or in the Pricing Supplement in connection with the determination of the rate of interest on this Note, this Note will bear interest at a rate per annum equal to the Initial Interest Rate specified on the face hereof or in the Pricing Supplement until the Initial Interest Reset Date specified on the face hereof or in the Pricing Supplement and thereafter at a rate per annum determined as follows:

1. If this Note is designated as a "Regular Floating Rate Note" on the face hereof or in the Pricing Supplement or if no designation is made for Interest Calculation on the face hereof or in the Pricing Supplement, then, except as described below or in the Pricing Supplement, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases specified on the face hereof or in the Pricing Supplement (i) plus or minus the applicable Spread, if any, and/or (ii) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the

face hereof or in the Pricing Supplement. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note is payable shall be reset as of each Interest Reset Date specified on the face hereof or in the Pricing Supplement; *provided, however,* that the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate.

2. If this Note is designated as a "Floating Rate/Fixed Rate Note" on the face hereof or in the Pricing Supplement, then, except as described below or in the Pricing Supplement, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases specified on the face hereof or in the Pricing Supplement (i) plus or minus the applicable Spread, if any, and/or (ii) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the face hereof or in the Pricing Supplement. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note is payable shall be reset as of each Interest Rate Date specified on the face hereof or in the Pricing Supplement; *provided, however,* that (i) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate and (ii) the interest rate in effect commencing on, and including, the Fixed Rate Commencement Date to the Maturity Date shall be the Fixed Interest Rate, if such a rate is specified on the face hereof or in the Pricing Supplement, or if no such Fixed Interest Rate is so specified, the interest rate in effect hereon on the Business Day immediately preceding the Fixed Rate Commencement Date.

3. If this Note is designated as an "Inverse Floating Rate Note" on the face hereof or in the Pricing Supplement, then, except as described below or in the Pricing Supplement, this Note shall bear interest equal to the Fixed Interest Rate indicated on the face hereof or in the Pricing Supplement minus the rate determined by reference to the applicable Interest Rate Basis or Bases specified on the face hereof or in the Pricing Supplement (i) plus or minus the applicable Spread, if any, and/or (ii) multiplied by the applicable Spread Multiplier, if any, specified and applied in the manner described on the face hereof or in the Pricing Supplement; *provided, however,* that, unless otherwise specified on the face hereof or in the Pricing Supplement, the interest rate hereon will not be less than zero percent. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note is payable shall be reset as of each Interest Rate Reset Date specified on the face hereof or in the Pricing Supplement; *provided, however,* that the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

Except as provided above, if "Reference Rate Determination" is specified on the face hereof or in the Pricing Supplement in connection with the determination of the rate of interest on this Note, the interest rate in effect on each day shall be (a) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding such Interest Reset Date or (b) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the next preceding Interest Reset Date. Each Interest Rate Basis shall be the rate determined in accordance with the applicable provision below. If any Interest Reset Date (which term includes the term Initial Interest Reset Date unless the context otherwise requires) would otherwise be a day that is not a Business Day, such Interest Reset Date shall be adjusted in accordance with the Business Day Convention specified on the face hereof or in the Pricing Supplement.

Unless otherwise specified on the face hereof or in the Pricing Supplement, the "Interest Determination Date" with respect to the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate, the J.J. Kenny Rate, the CD Rate and the Prime Rate will be the second Business Day preceding each Interest Reset Date; the "Interest Determination Date" with respect to the Eleventh District Cost of Funds Rate will be the last working day of the month immediately preceding each Interest Reset Date on which the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco") publishes the Index (as defined below); the Interest Determination Date with respect to EURIBOR will be the second Target Settlement Day (as defined below) preceding each Interest Reset Date; the "Interest Determination Date" with respect to LIBOR shall be the second London Banking Day (as defined below) preceding each Interest Reset Date; the "Interest Determination Date" with respect to the Treasury Rate will be the day in the week in which the related Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); *provided, however,* that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date shall be such preceding Friday; *and provided, further,* that if an auction shall fall on any Interest Reset Date, then the Interest Reset Date shall instead be the first Business Day following such auction. If the interest rate of this Note is determined with reference to two or more Interest Rate Bases as specified on the face hereof or in the Pricing Supplement, the Interest Determination Date pertaining to this Note will be the latest Business Day which is at least two Business Days prior to such Interest Reset Date on which each Interest Rate Basis is determinable. Each Interest Rate Basis shall be determined on such date, and the applicable interest rate shall take effect on the Interest Reset Date.

"Target Settlement Day" shall mean a day (other than a Saturday or a Sunday) on which the Trans-European Automated Real-Time Gross Settlement Transfer System or any successor thereto is open.

"London Banking Day" means any day (other than a Saturday or a Sunday) on which dealings in deposits in the Designated LIBOR Currency (as defined herein) are transacted in the London interbank market.

Determination of CMT Rate. If an Interest Rate Basis for this Note is the CMT Rate, as indicated on the face hereof or in the Pricing Supplement, the CMT Rate shall be determined as of the applicable Interest Determination Date (a "CMT Rate Interest Determination Date"), as the rate displayed on the Designated CMT Moneyline Telerate Page under the caption "...Treasury Constant Maturities... Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index for (i) if the Designated CMT Moneyline Telerate Page is 7051, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Moneyline Telerate Page is 7052, the weekly or monthly average, as indicated on the face hereof or in the Pricing Supplement, for the week, or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related CMT Rate Interest Determination Date falls. If

such rate is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may be published by either the Board of Governors of the U.S. Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determined to be comparable to the rate formerly displayed on the Designated CMT Moneyline Telerate Page and published in H.15(519) (as defined below). If such information is not provided by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate for the CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in The City of New York (which may include the Dealers and their affiliates) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Note quotations, the CMT Rate for such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 p.m., New York City time, on the CMT Rate Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least US$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offered rates obtained and neither the highest nor the lowest of such quotes will be eliminated; *provided, however,* that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT Rate determined as of the CMT Rate Interest Determination Date will be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two Treasury Notes with an original maturity as described in the third preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the Calculation Agent will obtain quotations for the Treasury Note with the shorter remaining term to maturity.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities (either 1,2, 3, 5,7,10,20 or 30 years) specified on the face hereof or in the Pricing Supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified on the face hereof or in the Pricing Supplement, the Designated CMT Maturity Index shall be 2 years.

"Designated CMT Moneyline Telerate Page" means the display on Moneyline Telerate, Inc. (or any successor service) on the page designated on the face hereof or in the Pricing Supplement (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified on the face hereof or in the Pricing Supplement, the Designated CMT Moneyline Telerate Page shall be 7052 for the most recent week.

"H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the U.S. Federal Reserve System.

Determination of Commercial Paper Rate. If an Interest Rate Basis for this Note is the Commercial Paper Rate, as indicated on the face hereof or in the Pricing Supplement, the Commercial Paper Rate shall be determined as of the applicable Interest Determination Date (a "Commercial Paper Rate Interest Determination Date"), as the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified on the face hereof or in the Pricing Supplement as published in H.I 5(519) under the heading "Commercial Paper-Nonfinancial". In the event that such rate is not published by 3:00 p.m., New York City time, on the related Calculation Date, then the Commercial Paper Rate shall be the Money Market Yield on such Commercial Paper Rate Interest Determination Date of the rate for commercial paper having the Index Maturity specified on the face hereof or in the Pricing Supplement as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose of displaying such rate, under the heading "Commercial Paper-Nonfinancial". If by 3:00 p.m., New York City time, on the related Calculation Date such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 a.m., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of United States commercial paper in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent for commercial paper having the Index Maturity designated on the face hereof or in the Pricing Supplement placed for an industrial issuer whose bond rating is "Aa," or the equivalent, from a nationally recognized statistical rating organization; *provided, however,* that if any of the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date shall be the rate in effect on such Commercial Paper Rate Interest Determination Date.

"H.I 5 Daily Update" means the daily update of H.I 5(519), available through the world-wide-web site of the Board of Governors of the Federal Reserve System at http://www.bog.frb.fed.us/releases/hl5/update, or any successor site or publication.

"Money Market Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

Determination of Eleventh District Cost of Funds Rate. If an Interest Rate Basis for this Note is the Eleventh District Cost of Funds Rate, as indicated on the face hereof or in the Pricing Supplement, the Eleventh District Cost of Funds Rate shall be determined as of the applicable Interest Determination Date (an "Eleventh District Cost of Funds Rate Interest Determination Date"), as the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Eleventh District Cost of Funds Rate Interest Determination Date falls, as set forth under the caption "11th District" on the display designated as page "7058" (or any other page as may replace such page) on Moneyline Telerate, Inc. (or any successor service thereof) ("Moneyline Telerate Page 7058") as of 11:00 a.m., San Francisco time, on such Eleventh District Cost of Funds Rate Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 7058 on any related Eleventh District Cost of Funds Rate Interest Determination Date, the Eleventh District Cost of Funds Rate for such Eleventh District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding the date of such announcement. If the FHLB of San Francisco fails to announce such rate for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date, then the Eleventh District Cost of Funds Rate determined as of such Eleventh District Cost of Funds Rate Interest Determination Date shall be the Eleventh District Cost of Funds Rate in effect on such Eleventh District Cost of Funds Rate Interest Determination Date.

Determination of J.J. Kenny Rate. If an Interest Rate Basis for this Note is the J.J. Kenny Rate, as indicated on the face hereof or in the Pricing Supplement, the J.J. Kenny Rate shall be determined as of the applicable Interest Determination Date (a "J.J. Kenny Interest Determination Date") as the rate in the high grade weekly index (the "Weekly Index") on such date made available by Kenny Information Systems ("Kenny") to the Calculation Agent. The Weekly Index Maturity is, and shall be, based upon 30-day yield evaluations at par of bonds, the interest of which is exempt from federal income taxation under the Code of not less than five high grade component issuers selected by Kenny which shall include, without limitation, issuers of general obligation bonds. The specific issuers included among the component issuers may be changed from time to time by Kenny in its discretion. The bonds on which the Weekly Index is based shall not include any bonds on which the interest is subject to a minimum tax or similar tax under the Code unless all tax-exempt bonds are subject to such tax. In the event Kenny ceases to make available such Weekly Index, a successor indexing agent will be selected by the Calculation Agent, such index to reflect the prevailing rate for bonds rated in the highest short-term rating category by Moody's Investors Service, Inc. and Standard & Poor's Ratings Group in respect of issuers most closely resembling the high grade component issuers selected by Kenny for its Weekly Index, the interest on which is (i) variable on a weekly basis, (ii) exempt from federal income taxation under the Code and (iii) not subject to a minimum tax or similar tax under the Internal Revenue of Code of 1986, as amended, unless all tax-exempt bonds are subject to such tax. If such successor indexing agent is not available, the rate for any J.J.

Kenny Interest Determination Date shall be 67% of the rate determined if the Treasury Rate option had been originally selected. The Calculation Agent shall calculate the J.J. Kenny Rate in accordance with the foregoing.

Determination of Federal Funds Rate. If an Interest Rate Basis for this Note is the Federal Funds Rate, as indicated on the face hereof or in the Pricing Supplement, the Federal Funds Rate shall be determined as of the applicable Interest Determination Date (a "Federal Funds Rate Interest Determination Date"), as the rate on such date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" as such rate is displayed on Moneyline Telerate, Inc. (or any successor service) on page 120 (or any other page as may replace such page on such service) ("Moneyline Telerate Page 120"), or if such rate does not appear on Moneyline Telerate Page 120 or, if not so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on such Federal Funds Rate Interest Determination Date, as published in H.15 Daily Update or such other recognized electronic source used for the purpose of displaying such rate under the heading "Federal Funds (Effective)". If by 3:00 p.m., New York City time, on the related Calculation Date such rate is not published on Moneyline Telerate Page 120, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date for United States dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the heading "Federal Funds (Effective)". If such rate does not appear on Moneyline Telerate Page 120 or is not yet published in H.15(519), H.15 Daily Update or another recognized source by 3:00 p.m., New York City time, on the related calculation date, then the Federal Funds Rate on the Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent prior to 9:00 a.m., New York City time, on such Federal Funds Rate Interest Determination Date; *provided, however,* that if any of the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date shall be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

Determination of EURIBOR. If the Interest Rate Basis for this Note is EURIBOR, as indicated on the face hereof or in the Pricing Supplement, EURIBOR Notes shall bear interest at the rates (calculated with reference to EURIBOR and the Spread and/or Spread Multiplier, if any) specified in the Pricing Supplement.

Unless otherwise specified in the Pricing Supplement, "EURIBOR" shall be determined by the Calculation Agent as of the applicable Interest Determination Date (a "EURIBOR" Interest Determination Date"), in accordance with the following provisions:

(a) The rate for deposits in Euro as sponsored, calculated and published jointly by the European Banking Federation and ACI — The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity specified in the Pricing Supplement, commencing on the Interest Reset Date, as that rate appears on Moneyline Telerate, Inc. (or any successor service) on

page 248 (or any other page as may replace such page on such service) ("Moneyline Telerate Page 248") as of 11:00 a.m. Brussels time, on the EURIBOR Interest Determination Date.

(b) If the rate referred to in clause (a) above does not appear on CMT Moneyline Telerate Page 248, or is not so published by 11:00 a.m. Brussels time, on the EURIBOR Interest Determination Date, EURIBOR for such EURIBOR Interest Determination Date will be the rate calculated by the Calculation Agent as the arithmetic mean of at least two quotations obtained by the Calculation Agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market, in the European interbank market, to provide the Calculation Agent with its offered quotation for deposits in Euro for the period of the Index Maturity designated in the Pricing Supplement, commencing on the Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 a.m., Brussels time, on the EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of US$1,000,000 in Euros that is representative for a single transaction in Euro in such market at such time.

(c) If fewer than two quotations referred to in clause (b) above are so provided, the rate on the EURIBOR Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., Brussels time, on such EURIBOR Interest Determination Date by four major banks in the Euro-zone for loans in Euro to leading European banks, having the Index Maturity designated in the Pricing Supplement, commencing on the Interest Reset Date and in principal amount not less than the equivalent of US$1,000,000 in Euros that is representative for a single transaction in Euro in such market at such time.

(d) If the banks so selected by the Calculation Agent are not quoting as mentioned in clause (c) above, EURIBOR determined as of such EURIBOR Interest Determination Date will be EURIBOR in effect on such EURIBOR Interest Determination Date.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union (the "Maastricht Treaty").

Determination of LIBOR. If an Interest Rate Basis for this Note is LIBOR, as indicated on the face hereof or in the Pricing Supplement, LIBOR shall be determined by the Calculation Agent as of the applicable Interest Determination Date (a "LIBOR Interest Determination Date"), in accordance with the following provisions:

(a) with respect to any LIBOR Interest Determination Date, LIBOR will be either: (i) if "LIBOR Reuters" is specified on the face hereof or in the Pricing Supplement, the arithmetic mean of the offered rates (unless the specified Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Designated LIBOR Currency (as defined below) having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, that appear (or, if only a single rate is required as aforesaid, appears) on the Designated LIBOR Page as of 11:00 a.m., London time, on that LIBOR Interest Determination Date, or (ii) if "LIBOR Moneyline Telerate" is specified on the face hereof or in the Pricing Supplement or if neither "LIBOR Moneyline Telerate" nor

"LIBOR Reuters" is specified as the method for calculating LIBOR, the rate for deposits in the Designated LIBOR Currency having the Index Maturity specified on the face hereof or in the Pricing Supplement, commencing such Interest Reset Date, that appears on the Designated LIBOR Page specified on the face hereof or in the Pricing Supplement, as of 11:00 a.m., London time, on that LIBOR Interest Determination Date. If fewer than two such offered rates appear, or if no such rate appears, as applicable, LIBOR in respect of that LIBOR Interest Determination Date will be determined as if the parties had specified the rate described in (b) below.

(b) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the applicable Designated LIBOR Page as specified in clause (a) above, the Calculation Agent will request the principal London offices of each of four major reference banks (which may include affiliates of the Dealers) in the London interbank market, as selected by the Calculation Agent ("Reference Banks"), to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity designated on the face hereof or in the Pricing Supplement, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are provided, LIBOR in respect of that LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR in respect of that LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in the applicable Principal Financial Center, on that LIBOR Interest Determination Date by three major banks (which may include affiliates of the Dealers) in the applicable Principal Financial Center selected by the Calculation Agent for loans in the Designated LIBOR Currency to leading European banks having the Index Maturity designated on the face hereof or in the Pricing Supplement and in a principal amount that is representative for a single transaction in such Designated LIBOR Currency in such market at such time; *provided, however,* that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR with respect to such LIBOR Interest Determination Date will be the rate of LIBOR in effect on such LIBOR Interest Determination Date.

"Designated LIBOR Currency" means the currency specified on the face hereof or in the Pricing Supplement as to which LIBOR shall be calculated. If no such currency is specified on the face hereof or in the Pricing Supplement, the Designated LIBOR Currency shall be United States dollars.

"Designated LIBOR Page" means either (a) if "LIBOR Reuters" is specified on the face hereof or in the Pricing Supplement, the display on the Reuters Monitor Money Rates Service (or any successor service) for the purpose of displaying London interbank offered rates of major banks for the applicable Designated LIBOR Currency, or (b) if "LIBOR Moneyline Telerate," is specified on the face hereof or in the Pricing Supplement, or neither "LIBOR Reuters" nor "LIBOR Moneyline Telerate" is specified as the method for calculating LIBOR, the display on Moneyline Telerate, Inc. (or any successor service) for the purpose of displaying London interbank rates of major banks for the applicable Designated LIBOR Currency.

"Principal Financial Center" will generally be the capital city of the country of the specified Designated LIBOR Currency, except that with respect to U.S. dollars, Swiss francs and Euros, the Principal Financial Center shall be The City of New York, Zurich and the Euro-Zone, respectively.

Determination of CD Rate. If an Interest Rate Basis for this Note is the CD Rate, as indicated on the face hereof or in the Pricing Supplement, the CD Rate shall be determined as of the applicable Interest Determination Date (a "CD Rate Interest Determination Date") as the rate on such date for negotiable United States dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the heading "CDs (secondary market)" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such CD Rate Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity specified in the applicable Pricing Supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "CDs (secondary market)." If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent for negotiable United States dollar certificates of deposit of major United States money market banks for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement in an amount that is representative for a single transaction in that market at that time; *provided, however*, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

Determination of Prime Rate. If an Interest Rate Basis for this Note is the Prime Rate, as indicated on the face hereof or in the Pricing Supplement, the Prime Rate shall be determined as of the applicable Interest Determination Date (a "Prime Rate Interest Determination Date") as the rate on such date as such rate is published in H.15(519) under the heading "Bank Prime Loan". If such rate is not published prior to 3:00 p.m., New York City time, on the related Calculation Date, then the Prime Rate shall be as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the heading "Bank Prime Loan". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean of rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME 1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME 1 Page for such Prime Rate Interest Determination Date, the Prime Rate shall be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may

include affiliates of the Dealers) in The City of New York selected by the Calculation Agent; *provided, however,* that if the banks selected as aforesaid are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date shall be the Prime Rate in effect on such Prime Rate Interest Determination Date.

"Reuters Screen USPRIME 1 Page" means the display on the Reuters Monitor Money Rates Service (or any successor service) on the "USPRIME 1" page (or such other page as may replace the USPRIME 1 page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

Determination of Treasury Rate. If an Interest Rate Basis for this Note is the Treasury Rate, as specified on the face hereof or in the Pricing Supplement, the Treasury Rate shall be determined as of the applicable Interest Determination Date (a 'Treasury Rate Interest Determination Date") as the rate from the auction held on such Treasury Rate Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified on the face hereof or in the Pricing Supplement under the heading "INVESTMENT RATE" on the display on Moneyline Telerate, Inc. (or any successor service) on page 56 (or any other page as may replace such page on such service), ("Moneyline Telerate Page 56") or page 57 (or any other page as may replace such page on such service) ("Moneyline Telerate Page 57"), or, if not published by 3:00 p.m., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield, of the auction rate of such Treasury Bills as announced by the United States Department of Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement is not so announced by the United States Department of the Treasury, or if no such Auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market" or, if not yet published by 3:00 P.M., New York City tune, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market." If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Treasury Rate will be calculated by the Calculation Agent and will be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three primary United States government securities dealers (which may include the Dealers or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement; *provided, however,* that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

Unless otherwise specified on the face hereof or in the Pricing Supplement, accrued interest hereon shall be an amount calculated by multiplying the face amount hereof by an accrued interest factor. Such accrued interest factor shall be computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. Unless otherwise specified on the face hereof or in the Pricing Supplement, the interest factor for each such day shall be computed and paid on the basis of a 360-day year of twelve 30-day months if the Day Count Convention specified on the face hereof or in the Pricing Supplement is "30/360" for the period specified thereunder, or by dividing the applicable per annum interest rate by 360 if the Day Count Convention specified on the face hereof or in the Pricing Supplement is "Actual/360" for the period specified thereunder, or by dividing the applicable per annum interest rate by the actual number of days in the year if the Day Count Convention specified on the face hereof or in the Pricing Supplement is "Actual/Actual" for the period specified thereunder. If no Day Count Convention is specified on the face hereof or in the Pricing Supplement, the interest factor for each day in the relevant Interest Period shall be computed, if an Interest Rate Basis specified on the face hereof or in the Pricing Supplement is the CMT Rate or Treasury Rate or if the Specified Currency indicated on the face hereof or in the Pricing Supplement is Sterling, as if "Actual/Actual" had been specified thereon and, in all other cases, as if "Actual/360" had been specified thereon. Unless otherwise specified on the face hereof or in the Pricing Supplement, if interest on this Note is to be calculated with reference to two or more Interest Rate Bases as specified on the face hereof or in the Pricing Supplement, the interest factor will be calculated in each period in the same manner as if only one of the applicable Interest Rate Bases applied.

Unless otherwise specified on the face hereof or in the Pricing Supplement, if "Reference Rate Determination" is specified on the face hereof or in the Pricing Supplement in connection with the determination of the rate of interest on this Note, the "Calculation Date", if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day and (ii) the Business Day immediately preceding the applicable Interest Payment Date or Maturity Date, as the case may be. All calculations on this Note shall be made by the Calculation Agent specified on the face hereof or such successor thereto as is duly appointed by the Issuer. The determination of any interest rate by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding upon the holder hereof.

All percentages resulting from any calculation on this Note be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths

of a percentage point rounded upward (e.g., 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655) and 9.876544% (or 0.09876544) would be rounded to 9.87654% (or 0.0987654)), and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent or, if the Specified Currency is other than U.S. dollars, to the nearest unit (with one-half cent or unit being rounded upward).

At the request of the holder hereof, the Calculation Agent shall provide to the holder hereof the interest rate hereon then in effect and, if determined, the interest rate which shall become effective for the next Interest Period.

Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, specified on the face hereof. In addition to any Maximum Interest Rate applicable hereto pursuant to the above provisions, the interest rate on this 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.

Redemption for Tax Reasons

The Issuer may redeem this Note in whole but not in part at any time at a redemption price equal to the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof determined as of the date of redemption), together, if appropriate, with accrued interest to but excluding the date fixed for redemption, if the Issuer shall determine, based upon a written opinion of independent counsel selected by the Issuer, that as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) or any change in application or official interpretation of such laws, regulations or rulings of any Relevant Taxing Jurisdiction (as defined below) or any political subdivision or taxing authority thereof or therein affecting taxation, which amendment or change is effective on or after the Original Issue Date of this Note, the Issuer or the Guarantor would be required to pay Additional Amounts (as defined below) on the occasion of the next payment due with respect to this Note.

Notice of intention to redeem this Note will be given at least once as described herein not less than 30 days nor more than 60 days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such Additional Amounts (as defined below) remains in effect and cannot be avoided by the Issuer's taking reasonable measures available to it. From and after any redemption date (each, a "Redemption Date"), if monies for the redemption of this Note shall have been made available for redemption on such Redemption Date, this note shall cease to bear interest, if applicable, and the only right of the holder of this Note shall be to receive payment of the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof) and, if appropriate, all unpaid interest accrued to such Redemption Date. Unless otherwise specified in the Pricing Supplement, the Redemption Date with respect to any Floating Rate Note will be an Interest Payment Date.

Redemption at the Option of the Issuer

Unless otherwise specified on the face hereof or in the Pricing Supplement, this Note will not be subject to any sinking fund. This Note may be redeemed by the Issuer either in whole or in part on and after the Initial Redemption Date, if any, specified on the face hereof or in the Pricing Supplement. If no Initial Redemption Date is specified on the face hereof or in the Pricing Supplement, this Note may not be redeemed prior to the Maturity Date except as provided below in the event that any Additional Amounts (as defined below) are required to be paid by the Issuer with respect to this Note. On and after the Initial Redemption Date, if any, this Note may be redeemed in increments of US$1,000 (or, if the Specified Currency indicated on the face hereof is other than the U.S. dollar, in such Authorized Denominations specified on the face hereof or in the Pricing Supplement) at the option of the Issuer at the applicable Redemption Price (as defined below), together with unpaid interest accrued hereon at the applicable rate borne by this Note to the Redemption Date, on written notice given not more man 60 nor less than 30 calendar days prior to the Redemption Date (unless otherwise specified on the face hereof or in the Pricing Supplement); *provided*, *however*, that, in the event of redemption of this Note in part only, the unredeemed portion hereof shall be an Authorized Denomination specified on the face hereof or in the Pricing Supplement. In the event of redemption of this Note in part only, a new Note for the unredeemed portion hereof shall be issued in the name of the holder hereof upon the surrender hereof.

The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face hereof or in the Pricing Supplement of the principal amount of this Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date specified on the face hereof or in the Pricing Supplement by the Annual Redemption Percentage Reduction, if any, specified on the face hereof or in the Pricing Supplement, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

Repayment at the Option of the Holder

If this Note is a Senior Note, this Note may be subject to repayment at the option of the holder hereof in accordance with the terms hereof on any Holder's Optional Repayment Date(s), if any, specified on the face hereof or in the Pricing Supplement. If no Holder's Optional Repayment Date is specified on the face hereof or in the Pricing Supplement or if this Note is a Subordinated Note, this Note will not be repayable at the option of the holder hereof prior to the Maturity Date. On any Holder's Optional Repayment Date, this Note will be repayable in whole or in part in increments of US$1,000 (or, if the Specified Currency indicated on the face hereof is other than the U.S. dollar, in such Authorized Denominations specified on the face hereof or in the Pricing Supplement) at the option of the holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest hereon payable to the date of repayment; *provided, however*, that, in the event of repayment of this Note in part only, the unrepaid portion hereof shall be an Authorized Denomination specified on the face hereof or in the Pricing Supplement. For this Note to be repaid in whole or in part at the option of the holder hereof on a Holder's Optional Repayment Date, this Note must be delivered, with the form entitled "Option to Elect Repayment" attached hereto duly completed, to the Global Agent at the address set forth on such form or at such other address which the Issuer shall from time to time notify the holders of the Notes, not more than 60

nor less than 30 days prior to such Holder's Optional Repayment Date unless otherwise specified on the face hereof or in the Pricing Supplement. In the event of repayment of this Note in part only, a new Note for the unrepaid portion hereof shall be issued in the name of the holder hereof upon the surrender hereof. Exercise of such repayment option by the holder hereof shall be irrevocable.

Additional Amounts

All payments of principal, premium, if any, and interest with respect to this Note will be made without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied within a Relevant Taxing Jurisdiction (as defined below) unless that withholding or deduction is required by law. If a withholding or deduction is required by law, the Issuer or the Guarantor, as the case may be, will pay to the holder hereof on behalf of an owner of a beneficial interest herein (an "Owner") such additional amounts ("Additional Amounts") as may be necessary in order that every net payment of principal, of premium, if any, or interest made to the holder hereof on behalf of such Owner, after such deduction or other withholding for or on account of any present or future tax, assessment, duty or other governmental charge of any nature whatsoever imposed, levied or collected by or on behalf of the jurisdiction under the laws of which the Issuer or the Guarantor, as the case may be, is organized (or any political subdivision or taxing authority of or in that jurisdiction having the power to tax), or any jurisdiction from or through which any amount is paid by the Issuer or the Guarantor, as the case may be (or any political subdivision or taxing authority of or in that jurisdiction having the power to tax) (each a "Relevant Taxing Jurisdiction"), will not be less than the amount provided for in this Note with respect to such Owner's interest; *provided, however*, that neither the Issuer nor the Guarantor shall be required to make any payment of Additional Amounts for or on account of:

(a) any tax, fee, duty, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such Owner (or between a fiduciary, settlor, beneficiary, member or shareholder, if such Owner is an estate, trust, partnership or corporation) and a Relevant Taxing Jurisdiction (other than a connection resulting solely from such Owner holding this Note), including, without limitation, such Owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been present, carrying on or engaged in trade or business therein or having or having had a permanent establishment or fixed basis therein, or (ii) the presentation of this Note for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, fee, duty, assessment or other governmental charge imposed by reason of such Owner's past or present status as a personal holding company, foreign personal holding company or controlled foreign corporation with respect to the United States or as a corporation which accumulates earnings to avoid United States federal income tax;

(d) any tax, fee, duty, assessment or other governmental charge which is payable otherwise than by withholding from payments of principal or interest with respect to this Note;

(e) any tax, fee, duty, assessment or other governmental charge imposed on interest received by anyone who owns (actually or constructively) 10% or more of the total combined voting power of all classes of stock of the Guarantor;

(f) any tax, fee, duty, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence, identity or connection with any Relevant Taxing Jurisdiction of the Owner of such Note, if such compliance is required by statute or by regulation of any Relevant Taxing Jurisdiction as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(g) any tax, fee, duty, assessment or other governmental change where such withholding or deduction is imposed on a payment to a holder who would be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union;

(h) any withholding or deduction which is imposed on a payment to an individual and which is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27,2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h);

nor shall Additional Amounts be paid to any holder of this Note on behalf of any Owner who is a fiduciary or partnership or other than the sole Owner to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or Owner would not have been entitled to payment of the Additional Amounts had such beneficiary, settlor, member or Owner been the sole Owner of this Note.

Whenever in this Note there is mentioned, in any context, the payment of the principal of, or premium, if any, or interest on, or in respect of, this Note, such mention shall be deemed to include mention of the payment of Additional Amounts provided for herein to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Note and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

Except as specifically provided herein or in the Pricing Supplement, (i) neither the Issuer nor any Paying Agent shall be required to make any payment with respect to any tax, fee, duty, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein; (ii) a Paying Agent on behalf of the Issuer shall have the right, but not the duty, to withhold from any amounts otherwise payable to a holder of this Note such amount as is necessary for the payment of any such taxes, fees, duties, assessments or other governmental charges; and (iii) if such an amount is withheld, the amount payable to the holder of this Note shall be the amount otherwise payable reduced by the amount so withheld.

Events of Default: Acceleration of Maturity

"Senior Note" means any Note issued pursuant to the Issuer's Global Note program which is identified on its face as a senior note.

"Subordinated Note" means any Note issued pursuant to the Issuer's Global Note program which is identified on its face as a subordinated note.

Senior Notes. If this Note is a Senior Note, the occurrence of any of the following events shall constitute an "Event of Default" with respect to this note:

(i) default in the payment of any interest (including any Additional Amounts) with respect to this Note when due, which continues for 30 days;

(ii) default in the payment of any principal of, or premium, if any, on, any of this Note when due;

(iii) default in the performance of any covenant or agreement of the Issuer contained in this Note, which continues for 90 days after written notice (as provided herein) to the Issuer and the Global Agent by the holder hereof, specifying such default or breach and requiring it remedied;

(iv) if (A) an order is made against the Issuer under any applicable liquidation, insolvency, composition, reorganization or other similar laws, or an order is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, or as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of the Issuer, or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially the whole of the undertaking or assets of the Issuer and (B) in any case is not discharged within 60 days;

(v) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganization or other similar laws;

(vi) the entry by a court having jurisdiction in the premises of (a) a decree or order for relief in respect of the Guarantor in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or (b) a decree or order appointing a conservator, receiver, liquidator, assignee, trustee,

sequestrator or any other similar official of the Guarantor, or of substantially all of the property of the Guarantor, or ordering the winding up or liquidation of the affairs of the Guarantor, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days;

(vii) the commencement by the Guarantor of a voluntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by the Guarantor to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable United States federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable United States federal or state bankruptcy, insolvency, reorganization or similar law, or the consent by the Guarantor to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Guarantor or of substantially all of the property of the Guarantor, or the making by the Guarantor of an assignment for the benefit of creditors, or the taking of corporate action by the Guarantor in furtherance of any such action.

If an Event of Default shall occur and be continuing, the holder of this Senior Note may declare the principal amount of, and accrued interest and premium, if any, on, this Senior Note due and payable immediately by written notice to the Issuer and the Global Agent. Upon such declaration and notice, such principal amount, accrued interest and premium, if any, shall become immediately due and payable. Any Event of Default with respect to this Senior Note may be waived by the holder hereof.

Subordinated Notes. If this Note is a Subordinated Note, the occurrence of any of the following events shall constitute an "Event of Default" with respect to this note:

(i) If default is made in the payment of principal, premium (if any) or interest due in respect of the Notes and such default continues for a period of 30 days, any holder of the Notes may without further notice institute proceedings for the winding up of the Issuer in England and/or Wales (but not elsewhere) or (to the extent permitted by applicable laws or regulations) for the winding-up of the Guarantor in the United States (but not elsewhere) or submit a claim in the winding-up of the Issuer or the Guarantor (whether in England and/or Wales or, as the case may be, the United States or elsewhere), but may take no further action against the Issuer or take any action to wind up the Guarantor in respect of such default.

Under the United States Federal Deposit Insurance Act, currently only the Federal Deposit Insurance Corporation has the authority to wind up the Guarantor.

(ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by an Extraordinary Resolution (as defined below) of the holders of the Notes, an order is made or an effective resolution is passed for the winding up of the Issuer or the Guarantor (whether in England and/or Wales or, as the case may be, in the United States or elsewhere), any holder of Notes may give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become immediately due and repayable, together with accrued interest (if any) as provided in the Notes. In the case of a winding up of the Guarantor, the Notes shall become immediately and automatically due and payable without any declaration or other notice to the Issuer or the Guarantor or any other formality required.

For purposes of this Note, the term "Extraordinary Resolution" shall mean (a) a resolution passed at a meeting of the holders of the Notes duly convened and held by a majority consisting of not less than three-fourths of the persons voting at such meeting upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of all holders of Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders of the Notes.

(iii) Without prejudice to paragraph (i) or (ii) above, if the Issuer or the Guarantor fails to perform, observe, or comply with any obligation, condition or provision binding on it under the Agency Agreement or the Notes (other than any obligation of the Issuer or the Guarantor for the payment of any principal, premium, if any, or interest in respect of the Notes) and such failure continues for more than 10 days following service by any holder of Notes on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied the holder of Notes may without further notice, institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may think fit to enforce such obligation, condition or provision provided that neither the Issuer nor the Guarantor shall as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or any damages.

(iv) No remedy against the Issuer or the Guarantor, other than as referred to in this section "Events of Default; Acceleration of Maturity —*Subordinated Notes'"* shall be available to the holders of Notes whether for the recovery of amounts owing in respect of the Notes or in respect of any breach of the

Issuer or the Guarantor of any of its other obligations under or in respect of the Notes.

Status of the Notes and Subordination

(a) Status of the Senior Notes

If the Notes are specified as Senior Notes on the face thereof, the Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and *rank, pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) Status and Subordination of the Subordinated Notes.

If the Notes are specified as Subordinated Notes on the face thereof, the Notes constitute unsecured obligations of the Issuer and rank pari passu without preference among themselves and other Subordinated Notes and the claims of the holders of the Notes will, in the event of the winding up of the Issuer, be subordinated in right of payment in the manner provided in the Notes to claims of all Senior Creditors of the Issuer. "Senior Creditors of the Issuer" means all unsubordinated creditors of the Issuer.

(i) In the event of the winding up of the Issuer, all amounts in respect of the Notes paid to either the London Paying Agent (as defined in the Agency Agreement), or, as the case may be, the NY Paying Agent (as defined in the Agency Agreement) by the liquidator of the Issuer in the winding up of the Issuer shall be held by the London Paying Agent, or, as the case may be, the NY Paying Agent upon trust;

(A) first for payment or satisfaction of all amounts then due and owing to the Agents under Sections 21 and 22 of the Agency Agreement;

(B) secondly for payment of claims of all Senior Creditors of the Issuer in the winding up of the Issuer to the extent that such claims are admitted to proof in the winding up (not having been satisfied out of the other resources of the Issuer) excluding interest accruing after commencement of the winding up; and

(C) thirdly as to the balance (if any) for payment pari passu and rateably of the amounts owing on or in respect of the Notes.

(ii) The trust secondly mentioned in paragraph (i) of this section may be performed by the London Paying Agent, or, as the case may be, the NY Paying Agent paying over to the liquidator for the time being in the winding up of the Issuer the amounts received by the London Paying Agent, or, as the case may be, the NY Paying Agent as aforesaid (less any amounts thereof applied in the implementation of the trust first mentioned in paragraph (i) of this section) on terms that such liquidator shall

distribute the same accordingly and the receipt of such liquidator for the same shall be a good discharge to the London Paying Agent, or, as the case may be, the NY Paying Agent for the performance by it of the trust secondly mentioned in paragraph (i) of this section.

(iii) The London Paying Agent, or, as the case may be, the NY Paying Agent shall be entitled and it is hereby authorized to call for and to accept as conclusive evidence thereof a certificate from the liquidator for the time being of the Issuer as to:

(A) the amount of the claims of the Senior Creditors of the Issuer referred to in paragraph (i) of this section;

(B) the persons entitled thereto and their respective entitlements; and

(iv) The perpetuity period for the purposes of the trusts mentioned in this subclause (b) shall be 80 years from the date of this Note.

(v) The trust hereby established shall be governed in accordance with the provisions of Schedule 1 to the Agency Agreement.

In relation to Subordinated Notes of the Issuer, subject to applicable law, no holder of a Note may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each holder of a Note shall, be virtue of his subscription purchase or holding of any Subordinated Note be deemed to have waived all such rights of set-off.

Transfer Certificates

A beneficial interest in a Restricted Note (as defined in the Agency Agreement) may be exchanged for an interest in an Unrestricted Note (as defined in the Agency Agreement) whether before or after the expiration of the Distribution Compliance Period (as defined in the Agency Agreement), only upon receipt by the Transfer Agent of a written certificate of the beneficial owner as set forth in Exhibit D-l to the Agency Agreement

A Definitive Note (as defined in the Agency Agreement) bearing the Restricted Note Legend (as defined in the Agency Agreement) maybe transferred to a person who takes delivery in the form of a Definitive Note not bearing the Restricted Note legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor as set forth in Exhibit D-l to the Agency Agreement.

A beneficial interest in a Unrestricted Note may be transferred to a person who takes delivery in the form of an interest in a Restricted Note whether before or after the expiration of the Distribution Compliance Period, only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor as set forth in Exhibit D-2 to the Agency Agreement.

A Definitive Note not bearing the Restricted Note Legend may be transferred to a person who takes delivery in the form of a Definitive Note bearing the Restricted Note legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor as set forth in Exhibit D-2 to the Agency Agreement.

A Definitive Note bearing the Restricted Note Legend may be transferred to a person who takes delivery in the form of a Definitive Note bearing the Restricted Note legend only upon receipt by the Transfer Agent of a written certificate on behalf of the transferor as set forth in Exhibit D-2 to the Agency Agreement.

Notes Beneficially Owned by Persons Not OIB/OPs.

(a) Notwithstanding anything to the contrary elsewhere in this Note or the Agency Agreement, any transfer of a beneficial interest in any Restricted Notes to a Non-Permitted Holder shall be null and void and any such purported transfer of which the Issuer or the Transfer Agent shall have notice may be disregarded by the Issuer and the Transfer Agent for all purposes.

(b) If any Non-Permitted Holder shall become the beneficial owner of any Restricted Note, the Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder by the Issuer or the Transfer Agent (and notice by the Transfer Agent to the Issuer, if the Transfer Agent makes the discovery), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer its Restricted Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Restricted Notes or interest in Restricted Notes to a purchaser selected by the Issuer that is a not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer, or the Transfer Agent acting on behalf of the Issuer, may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Restricted Notes, and selling such Restricted Notes to the highest such bidder. However, the Issuer or the Transfer Agent may select a purchaser by any other means determined by it in its sole discretion. The holder of each Restricted Note, the Non-Permitted Holder and each other Person in the chain of title from the holder to the Non Permitted Holder, by its acceptance of an interest in the Restricted Notes, agrees to cooperate with the Issuer and the Transfer Agent to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale under this subsection shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any Person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Information

For so long as any of the Notes remain Outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish to any holder of a Note or any owner of a beneficial interest in a Global Note, or any prospective purchaser of a Note designated by such holder or beneficial owner, who is a QIB, or to the Registrar or London Issuing Agent, as the case may be, for delivery to such holder or beneficial

owner or prospective purchaser, as the case may be, in connection with any sale thereof, in each case at the holder's or such purchaser's written request to the Issuer, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act, unless the Issuer is subject to and is in compliance with Section 13 or 15(d) of the Exchange Act or exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder.

Judgment Currency

The Issuer shall make any payment required to be made by it under this Note in the currency of this Note. The Issuer's liability to provide payment under this Note will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into a currency other than the Specified Currency as indicated on the face of this Note (the "Other Currency") except to the extent the tender or recovery results in the effective receipt by the holder of this Note of the full amount of the Specified Currency so payable, based on the rate of exchange in effect on the date of receipt. Accordingly, the Issuer will be liable to the holder of this Note in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the Specified Currency so payable, without being affected by any judgment obtained for any other sums due.

Submission to Jurisdiction

The Issuer irrevocably and unconditionally consents and submits to the nonexclusive jurisdiction of any federal or state court in the State of New York, County of New York to settle any disputes which may arise out of or in connection with this Note and, accordingly, agrees that any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with it may be brought in those courts. The Issuer irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any Proceedings in those courts and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any Proceedings have been brought in an inconvenient forum and irrevocably agrees that a judgment in any Proceedings brought in the courts of New York shall be conclusive and binding upon the Issuer. Nothing contained in this Note limits any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not. The Issuer irrevocably designates, appoints and empowers MBNA America Bank, National Association, 1100 North King Street, Wilmington, Delaware 19884-2721, Attention: Treasurer (or any successor thereof) as its designee, appointee and authorized agent to receive for and on its behalf service of any and all legal processes, summons, notices and documents that may be served in any Proceedings brought against it with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement, and that may be made on such designee, appointee and authorized agent in accordance with legal procedures prescribed for such courts, and it is understood that the designation and appointment of MBNA America Bank as such authorized agent shall become effective immediately without any further action on the part of the Issuer, represents that it has notified MBNA America Bank of such designation and appointment and that MBNA America Bank has accepted the same. The Issuer further agrees that, to the extent permitted by law, proper service of process upon MBNA America Bank (or its successors as agent for service of process) and written notice of said service to them given

pursuant to this Note, shall be deemed in every respect effective service of process upon the Issuer, in any such Proceeding. If for any reason such designee, appointee and agent hereunder shall cease to be available to act as such, the Issuer agrees to designate a new designee, appointee and agent in The City of New York, New York on the terms and for the purposes of this Note. The Issuer further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such Proceeding against it by serving a copy thereof upon the relevant agent for service of process referred to in this Note (whether or not the appointment of such agent shall for any reason prove to be ineffective or such agent shall accept or acknowledge such service) and by mailing copies thereof by registered or certified air mail, postage prepaid, to the Issuer at its address specified in this Note. The Issuer agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service of any judgment rendered in any action or proceeding based thereon.

Miscellaneous

Notwithstanding anything to the contrary contained herein, if this Note is identified as an Original Issue Discount Note on the face hereof or in the Pricing Supplement, the amount payable to the holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to (i) the Amortized Face Amount (as defined below) as of the date of such event, plus (ii) with respect to any redemption of this Note (other than as provided above in the event that Additional Amounts are required to be paid by the Issuer with respect to this Note), the Initial Redemption Percentage specified on the face hereof or in the Pricing Supplement (as adjusted by the Annual Redemption Percentage Reduction, if any) minus 100% multiplied by the Issue Price specified on the face hereof or in the Pricing Supplement, net of any portion of such Issue Price which has been paid prior to the date of redemption, or the portion of the Issue Price (or the net amount) proportionate to the portion of the unpaid principal amount to be redeemed, plus (iii) any accrued interest to the date of such event the payment of which would constitute qualified stated interest payments within the meaning of U.S. Treasury Regulations Section 1.1273-l(c) under the Code. The "Amortized Face Amount" shall mean an amount equal to (i) the Issue Price plus (ii) the aggregate portions of the original issue discount (the excess of the amounts considered as part of the "stated redemption price at maturity" of this Note within the meaning of Section 1273(a)(2) of the Code, whether denominated as principal or interest, over the Issue Price) which shall theretofore have accrued pursuant to Section 1272 of the Code (without regard to Section 1272(a)(7) of the Code) from the date of issue of this Note to the date of determination, minus (iii) any amount considered as part of the "stated redemption price at maturity" of this Note which has been paid from the date of issue to the date of determination.

As used herein, "Business Day" means, unless otherwise specified on the face hereof or in the Pricing Supplement, any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in The City of New York and The City of London. As used herein, "London Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments hi London.

Any action by the holder of this Note shall bind all future holders of this Note, and of any Note issued in exchange or substitution herefor or in place hereof, in respect of anything done or permitted by the Issuer or by the Global Agent in pursuance of such action.

In case any Note shall at any time become mutilated, defaced, destroyed, lost or stolen, and such Note or evidence of the loss, theft or destruction thereof satisfactory to the Issuer and the Registrar or London Issuing Agent, as the case may be, and such other documents or proof as may be required by the Issuer and the Registrar or London Issuing Agent, as the case may be, shall be delivered to the Registrar or London Issuing Agent, as the case may be, the Registrar or London Issuing Agent, as the case may be, shall issue a new Note, of like tenor and principal amount, having a serial number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note or in lieu of the Note destroyed, lost or stolen but, in the case of any destroyed, lost or stolen Note, only upon receipt of evidence satisfactory to the Issuer and the Registrar or London Issuing Agent, as the case may be, that such Note was destroyed, stolen or lost, and, if required, upon receipt of indemnity satisfactory to the Issuer. Upon the issuance of any substituted Note, the Issuer may require the payment of a sum sufficient to cover all expenses and reasonable charges connected with the preparation and delivery of a new Note. If any Note which has matured or has been redeemed or repaid or is about to mature or to be redeemed or repaid shall become mutilated, defaced, destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Note) upon compliance by the holder with the provisions of this paragraph.

No recourse shall be had for the payment of principal of, premium, if any, or interest on, this Note for any claim based hereon, or otherwise in respect hereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Issuer or of any successor corporation, either directly or through the Issuer or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

The Notes are issued and to be issued subject to, and with the benefit of, the provisions of the Agency Agreement. The Notes may be amended by the Issuer, and the Agency Agreement may be amended by the Issuer and the Global Agent, (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer (and, in the case of the Agency Agreement, the Global Agent) may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes to all of which each holder of Notes shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the holders of at least 66 2/3% of the principal amount of the Notes to be affected thereby, the Issuer and the Global Agent may from time to time and at any time enter into agreements modifying or amending the Agency Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Agency Agreement.

No provision of this Note shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay principal of, premium, if any, and interest on, and any Additional Amounts with respect to, this Note in the Specified Currency indicated on the face hereof (of if no such currency is designated, as provided herein, in U.S. dollars) at the times, places and rate herein prescribed.

No service charge shall be made to a holder of this Note for any transfer or exchange of this Note, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Global Agent, the NY Paying Agent, the Registrar, the London Paying Agent, the Luxembourg Paying Agent and the Transfer Agent (collectively, together with any successors thereto, the "Agents") or any agent of the Issuer or the Agents may treat the holder in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Agents nor any such agent shall be affected by notice to the contrary except as required by applicable law.

All notices to the Issuer under this Note shall be in writing and addressed to the Issuer c/o MBNA Europe Bank Limited, Chester Business Park Chester CH4 9FB, United Kingdom, Attention: Treasurer, or to such other address of the Issuer as the Issuer may notify the holders of the Notes.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Issuer to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount hereof to be repaid, together with accrued and unpaid interest hereon, payable to the date of repayment, to the undersigned, at

_____.

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, if this Note is in definitive form, the undersigned must give to the NY Paying Agent at Deutsche Bank Trust Company Americas, 60 Wall Street, New York, NY 10005 United States, attention: Trust and Securities Services or at such other place or places of which the Issuer shall from time to time notify the holders of the Notes, not more than 60 days nor less than 30 days prior to the date of repayment, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of US$1,000, or equivalent denominations in other currencies) which the holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination specified on the face of the within Note) of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid):

US$ _____

Dated: _____

_____

Signature

NOTICE: The signature on this "Option to Elect Repayment" form must correspond with the name as written upon the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

_____

Signature Guarantee

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

FORM OF CERTIFICATION TO BE DELIVERED IN CONNECTION WITH
(1) EXCHANGES OR TRANSFERS OF INTERESTS IN THE RESTRICTED
GLOBAL NOTES FOR INTERESTS IN THE UNRESTRICTED GLOBAL NOTES
AND (2) EXCHANGES OR TRANSFERS OF INDIVIDUAL DEFINITIVE
CERTIFICATES BEARING THE RESTRICTED NOTE LEGEND FOR INDIVIDUAL
DEFINITIVE CERTIFICATES NOT BEARING THE RESTRICTED NOTE LEGEND

MBNA EUROPE FUNDING PLC ("the Issuer")
Notes issued pursuant to the Global Note Program (the "Notes")

FOR EXCHANGE OR TRANSFER OF (1) AN INTEREST IN THE RESTRICTED GLOBAL NOTES OR (2) A NOTE REPRESENTED BY AN INDIVIDUAL DEFINITIVE
CERTIFICATE BEARING THE RESTRICTED NOTE LEGEND:

We propose to exchange or transfer US$[_____] principal amount of Notes represented by the Restricted Global Note (CUSIP No. [_____], ISIN No. [_____], Common Code No. [_____]) held by DTC in the name of [insert name of transferor] for Notes, or to a person who wishes to acquire such Notes, represented by the Unrestricted Global Note (CUSIP No. [_____], ISIN No. [_____], Common Code No. [_____]) held by [DTC][Euroclear][Clearstream].

OR

We propose to exchange or transfer US$[ ] principal amount of Notes represented by an individual definitive Certificate bearing the Restricted Note Legend and registered in the name of [insert name of transferor] for Notes, or to a person who wishes to acquire such Notes, represented by an individual definitive Certificate not bearing the Restricted Note Legend.

AND

We confirm that such Notes have been offered and sold in an offshore transaction to a non-U.S. person as defined in, and in accordance with, Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act").

FOR ISSUANCE OF AN INDIVIDUAL DEFINITIVE CERTIFICATE NOT BEARING THE RESTRICTED NOTE LEGEND:

Accordingly, we request that you issue a Certificate in respect of such Notes bearing the Unrestricted Note Legend rather than the Restricted Note Legend.

This certificate and the statements contained herein are made for your benefit and for the benefit of the Issuer. Terms used in this certificate have the meanings set forth in

Regulation S and capitalized terms not otherwise defined herein have the meanings given to them in the Agency Agreement.

Very truly yours,

[insert name of transferor]

By: _____
Authorized Signatory

EXHIBIT D-2

FORM OF CERTIFICATION TO BE DELIVERED IN CONNECTION WITH (1) EXCHANGES OR TRANSFERS OF INTERESTS IN THE UNRESTRICTED GLOBAL NOTES FOR INTERESTS IN THE RESTRICTED GLOBAL NOTES, (2) EXCHANGES OR TRANSFERS OF INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE RESTRICTED NOTE LEGEND FOR INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE RESTRICTED NOTE LEGEND AND (3) EXCHANGES OR TRANSFERS OF INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE RESTRICTED NOTE LEGEND FOR INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE RESTRICTED NOTE LEGEND

MBNA EUROPE FUNDING PLC ("the Issuer")
Notes issued pursuant to the Global Note Program (the "Notes")

FOR EXCHANGE OR TRANSFER OF (1) AN INTEREST IN THE UNRESTRICTED GLOBAL NOTES, (2) A NOTE REPRESENTED BY AN INDIVIDUAL DEFINITIVE CERTIFICATE NOT BEARING THE RESTRICTED NOTE LEGEND OR (3) A NOTE REPRESENTED BY AN INDIVIDUAL DEFINITIVE CERTIFICATE BEARING THE RESTRICTED NOTE LEGEND:

We propose to exchange or transfer US$[ ] principal amount of Notes represented by the Unrestricted Global Note held in the name of [insert name of transferor] for Notes, or to a person who wishes to acquire such Notes, represented by the Restricted Global Note (CUSIP No. [_____], ISIN No. [_____], Common Code No. [_____]).

OR

We propose to exchange or transfer US$[ ] principal amount of Notes represented by an individual definitive Certificate which does not bear the Restricted Note Legend and registered in the name of [insert name of transferor] for Notes, or to a person who wishes to acquire such Notes, represented by an individual definitive Certificate bearing the Restricted Note Legend.

OR

We propose to exchange or transfer US$[ ] principal amount of Notes represented by an individual definitive Certificate bearing the Restricted Note Legend and registered in the name of [insert name of transferor] for Notes, or to a person who wishes to acquire such Notes, represented by an individual definitive Certificate bearing the Restricted Note Legend.

AND

We confirm that such notes have been offered and sold either to a Person who (A) (i) is a QIB who is also a Qualified Purchaser, (ii) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers and is not a plan referred to in Paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (iii) is aware that the sale of the Restricted Notes to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, (iv) is aware that the Issuer will not be registered under the Investment Company Act in reliance on the exemption set forth in Section 3(c)(7) thereof, (v) is acquiring such Restricted Notes for its own account or for the account of a QIB who is also a Qualified Purchaser, as the case may be, (vi) was not formed for the purpose of investing in the Issuer or the Guarantor, (vii) will (and each account for which it is purchasing will) hold and transfer such Notes in at least the minimum principal amount of US$100,000, (viii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories, and (ix) will provide notice of the transfer restrictions to any subsequent transferees or (B) is not a U.S. Person and is purchasing the Notes in an offshore transaction pursuant to Regulation S. It understands that in the event that at any time the Issuer determines or is notified that such holder was in breach, at the time given, of any of the representations set forth in this paragraph, the Issuer, the Guarantor or the Transfer Agent may consider the acquisition of the related Notes or interest in the related Notes void and require that the related Notes or such interest be transferred to a person designated by the Issuer or the Guarantor. In each of cases (A) and (B), such offer or sale is in accordance with all applicable securities laws of the states of the United States and in a minimum principal amount of US$100,000, and that (B) it has notified any subsequent purchaser of such Notes from it of the resale restrictions referred herein.

FOR ISSUANCE OF AN INDIVIDUAL DEFINITIVE CERTIFICATE BEARING THE RESTRICTED NOTE LEGEND:

Accordingly, we request that you issue a Certificate in respect of such Notes bearing the Restricted Note Legend.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer. Capitalized terms not otherwise defined herein have the meanings given to them in the Agency Agreement.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signatory

FORM OF DTC IMPORTANT SECTION 3(c)(7) NOTICE

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#:	[number]
DATE:	[date]
TO:	ALL PARTICIPANTS
FROM:	[name, title, Underwriting Department]
ATTENTION:	[Managing Partner/Officer; Cashier, Operations, Data Processing and Underwriting Managers]
SUBJECT:	Section 3(c)(7)/Rule 144A restrictions for Notes issued by MBNA Europe Funding plc
(A) CUSIP Number	[_____]
(B) Security Description	[_____]
(C) Offer Amount	US $[_____]
(D) Dealer(s)	[_____]
(E) Paying Agent	[_____]
(F) Closing Date	[_____]

Special Instructions:

See Attached Important Instructions from the Issuer.

[TO BE PLACED ON ISSUER LETTERHEAD]

[Title of Security]

[CUSIP]

MBNA Europe Funding plc (the "Issuer") and the dealers, [_____], are putting Participants on notice that they are required to follow these purchase and transfer restrictions with regard to the above referenced security, issued by MBNA Europe Funding plc.

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940 (the "Investment Company Act") and the exemption provided by Rule 144A under the Securities Act of 1933 (the "Securities Act") offers, sales and resales of [insert title of securities], issued by MBNA Europe Funding plc (the "Notes") within the United States or to U.S. Persons may only be made in minimum denominations of US $100,000 and multiples of US $1,000 in excess thereof to "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A that are also "qualified purchasers" ("Qualified Purchasers") within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of the Notes represents to and agrees with the Issuer and the dealers, that

(i) It (A) (i) is a QIB who is also a Qualified Purchaser, (ii) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers and is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (iii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, (iv) is aware that the Issuer will not be registered under the Investment Company Act in reliance on the exemption set forth in Section 3(c)(7) thereof, (v) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser, as the case may be, (vi) was not formed for the purpose of investing in the Issuer or the Guarantor, (vii) will (and each account for which it is purchasing will) hold and transfer such Notes in at least the minimum principal amount of US$100,000, (viii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories, and (ix) will provide notice of the transfer restrictions to any subsequent transferees or (B) is not a U.S. Person and is purchasing the Notes in an offshore transaction pursuant to Regulation S. It understands that in the event that at any time the Issuer determines or is notified that such purchaser was in breach, at the time given, of any of the representations set forth in this paragraph (i), the Issuer, the Guarantor or the Transfer Agent may consider the acquisition of the related Notes or interest in the related Notes void and require that the related Notes or such interest be transferred to a person designated by the Issuer or the Guarantor.

(ii) It understands that the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act, that the Issuer has not been registered under the Investment Company Act and that the Notes may not be reoffered, resold, pledged or otherwise transferred except (A)(i) to a person who it reasonably believes is a QIB who is also a Qualified Purchaser in accordance with Rule 144A and who (w) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers, (x) is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (y) was not formed for the purpose of investing in the Issuer or the Guarantor, and (z) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser; or (ii) in an offshore transaction to a non-U.S. person complying with Regulation S; in each of cases (i) and (ii), in accordance with all applicable securities laws of the states of the United States and in a minimum principal amount of US$100,000, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred herein. It understands that the Notes will, for so long as the Issuer is relying on Section 3(c)(7) of the Investment Company Act, bear a legend with respect to such transfer restrictions. See 'Transfer Restrictions" in the Issuer's Offering Circular dated September 15,2004.

(iii) It acknowledges that the Issuer and the Transfer Agent reserve the right prior to any sale or other transfer pursuant to clause 2(A)(ii) above to require the delivery of such certifications, legal opinions and other information as the Issuer and the Transfer Agent may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions.

(iv) It will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.

The charter, bylaws, organizational documents or securities issuance documents of the Issuer provide that the Issuer will have the right to (i) require any holder of Notes that is a U.S. Person who is determined not to be both a QIB and a Qualified Purchaser to sell the Notes to a QIB that is also a Qualified Purchaser or (ii) redeem any Notes held by such a holder on

specified terms. In addition, the Issuer has the right to refuse to register or otherwise honor a transfer of Notes to a proposed transferee that is a U.S. Person who is not both a QIB and a Qualified Purchaser. As used herein the terms "United States" and "U.S. Person" have the meanings given such terms in Regulation S under the Securities Act.

The restrictions on transfer required by the Issuer (outlined above) will be reflected under the notation "3c7" in DTC's User Manuals and in upcoming editions of DTC's Reference Directory.

Any questions or comments regarding this subject may be directed to MBNA Europe Funding plc; Attn: Treasurer, +44-124-467-2244.

FORM OF EUROCLEAR IMPORTANT SECTION 3(c)(7) NOTICE

EUROCLEAR BANK S.A./N.V.

IMPORTANT

B#:	[number]
DATE:	[date]
TO:	ALL PARTICIPANTS
FROM:	[name, title, Underwriting Department]
ATTENTION:	[Managing Partner/Officer; Cashier, Operations, Data Processing and Underwriting Managers]
SUBJECT:	Section 3(c)(7)/Rule 144A restrictions for [insert title of securities], issued by MBNA Europe Funding plc
(A) CUSIP Number	[_____]
(B) ISIN/Common Code	[_____]
(C) Security Description	[_____]
(D) Offer Amount	[_____]
(E) Dealer(s)	[_____]
(F) Paying Agent	[_____]
(G) Closing Date	[_____]

Special Instructions:

Euroclear has been informed by MBNA Europe Funding plc (the "Issuer") and the Dealers that Participants are required to follow the instructions below:

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940 (the "Investment Company Act") and the exemption provided by Rule 144A under the Securities Act of 1933 (the "Securities Act") offers, sales and resales of [insert title of securities], issued by MBNA Europe Funding plc (the "Notes") within the United States or to U.S. Persons may only be made in minimum denominations of US $100,000 and multiples of US $1,000 in excess thereof to "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A that are also "qualified purchasers" ("Qualified Purchasers") within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of the Notes represents to and agrees with the Issuer and the dealers, that

(i) It (A) (i) is a QIB who is also a Qualified Purchaser, (ii) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers and is not a plan referred to in Paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (iii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, (iv) is aware that the Issuer will not be registered under the Investment Company Act in reliance on the exemption set forth in Section 3(c)(7) thereof, (v) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser, as the case may be, (vi) was not formed for the purpose of investing in the Issuer or the Guarantor, (vii) will (and each account for which it is purchasing will) hold and transfer such Notes in at least the minimum principal amount of US$100,000, (viii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories, and (ix) will provide notice of the transfer restrictions to any subsequent transferees or (B) is not a U.S. Person and is purchasing the Notes in an offshore transaction pursuant to Regulation S. It understands that in the event that at any time the Issuer determines or is notified that such purchaser was in breach, at the time given, of any of the representations set forth in this paragraph (i), the Issuer, the Guarantor or the Transfer Agent may consider the acquisition of the related Notes or interest in the related Notes void and require that the related Notes or such interest be transferred to a person designated by the Issuer or the Guarantor.

(ii) It understands that the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act, that the Issuer has not been registered under the Investment Company Act and that the Notes may not be reoffered, resold, pledged or otherwise transferred except (A)(i) to a person who it reasonably believes is a QIB who is also a Qualified Purchaser in accordance with Rule 144A and who (w) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities

of unaffiliated issuers, (x) is not a plan referred to in Paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (y) was not formed for the purpose of investing in the Issuer or the Guarantor, and (z) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser; or (ii) in an offshore transaction to a non-U.S. person complying with Regulation S; in each of cases (i) and (ii), in accordance with all applicable securities laws of the states of the United States and in a minimum principal amount of US$100,000, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred herein. It understands that the Notes will, for so long as the Issuer is relying on Section 3(c)(7) of the Investment Company Act, bear a legend with respect to such transfer restrictions. See "Transfer Restrictions" in the Issuer's Offering Circular dated September 15, 2004.

(iii) It acknowledges that the Issuer and the Transfer Agent reserve the right prior to any sale or other transfer pursuant to clause 2(A)(ii) above to require the delivery of such certifications, legal opinions and other information as the Issuer and the Transfer Agent may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions.

(iv) It will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.

The charter, bylaws, organizational documents or securities issuance documents of the Issuer provide that the Issuer will have the right to (i) require any holder of Notes that is a U.S. Person who is determined not to be both a QIB and a Qualified Purchaser to sell the Notes to a QIB that is also a Qualified Purchaser or (ii) redeem any Notes held by such a holder on specified terms. In addition, the Issuer has the right to refuse to register or otherwise honor a transfer of Notes to a proposed transferee that is a U.S. Person who is not both a QIB and a Qualified Purchaser. As used herein the terms "United States" and "U.S. Person" have the meanings given such terms in Regulation S under the Securities Act.

The restrictions on transfer required by the Issuer (outlined above) will be reflected in Annex

3(c)(7) of Euroclear's New Issues Acceptance Guide.

Any questions or comments regarding this subject may be directed to MBNA Europe Funding plc; Attn: Treasurer, +44-124-467-2244.

FORM OF CLEARSTREAM BANKING IMPORTANT SECTION 3(c)(7) NOTICE

CLEARSTREAM BANKING LUXEMBOURG

IMPORTANT

B#:	[number]
DATE:	[date]
TO:	ALL PARTICIPANTS
FROM:	[name, title, Underwriting Department]
ATTENTION:	[Managing Partner/Officer; Cashier, Operations, Data Processing and Underwriting Managers]
SUBJECT:	Section 3(c)(7)/Rule 144A restrictions for [insert title of Securities], due [_____], issued by MBNA Europe Funding plc
(A) CUSIP Number	[_____]
(B) ISIN/Common Code	[_____]
(C) Security Description	[_____]
(D) Offer Amount	US $[_____]
(E) Dealer(s)	[_____]
(F) Paying Agent	[_____]
(G) Closing Date	[_____]

Special Instructions:

Clearstream Banking has been informed by MBNA Europe Funding plc (the "Issuer") and the Dealers that Participants are required to follow the instructions below:

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940 (the "Investment Company Act") and the exemption provided by Rule 144A under the Securities Act of 1933 (the "Securities Act") offers, sales and resales of [insert title of securities], issued by MBNA Europe Funding plc (the "Notes") within the United States or to U.S. Persons may only be made in minimum denominations of US $100,000 and multiples of US $1,000 in excess thereof to "qualified institutional buyers" ("QIBs") within the meaning of Rule 144A that are also "qualified purchasers" ("Qualified Purchasers") within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of the Notes represents to and agrees with the Issuer and the dealers, that

(i) It (A) (i) is a QIB who is also a Qualified Purchaser, (ii) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers and is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (iii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, (iv) is aware that the Issuer will not be registered under the Investment Company Act in reliance on the exemption set forth in Section 3(c)(7) thereof, (v) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser, as the case may be, (vi) was not formed for the purpose of investing in the Issuer or the Guarantor, (vii) will (and each account for which it is purchasing will) hold and transfer such Notes in at least the minimum principal amount of US$100,000, (viii) understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories, and (ix) will provide notice of the transfer restrictions to any subsequent transferees or (B) is not a U.S. Person and is purchasing the Notes in an offshore transaction pursuant to Regulation S. It understands that in the event that at any time the Issuer determines or is notified that such purchaser was in breach, at the time given, of any of the representations set forth in this paragraph (i), the Issuer, the Guarantor or the Transfer Agent may consider the acquisition of the related Notes or interest in the related Notes void and require that the related Notes or such interest be transferred to a person designated by the Issuer or the Guarantor.

(ii) It understands that the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act, that the Issuer has not been registered under the Investment Company Act and that the Notes may not be reoffered, resold, pledged or otherwise transferred except (A)(i) to a person who it reasonably believes is a QIB who is also a Qualified Purchaser in accordance with Rule 144A and who (w) is not a broker-dealer that owns and invests on a discretionary basis less than US$25 million in securities

of unaffiliated issuers, (x) is not a plan referred to in Paragraph (a)(l)(i)(D) or (a)(l)(i)(E) of Rule 144A or a trust fund referred to in Paragraph (a)(l)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, (y) was not formed for the purpose of investing in the Issuer or the Guarantor, and (z) is acquiring such Notes for its own account or for the account of a QIB who is also a Qualified Purchaser; or (ii) in an offshore transaction to a non-U.S. person complying with Regulation S; in each of cases (i) and (ii), in accordance with all applicable securities laws of the states of the United States and in a minimum principal amount of US$100,000, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred herein. It understands that the Notes will, for so long as the Issuer is relying on Section 3(c)(7) of the Investment Company Act, bear a legend with respect to such transfer restrictions. See "Transfer Restrictions" in the Issuer's Offering Circular dated September 15,2004.

(iii) It acknowledges that the Issuer and the Transfer Agent reserve the right prior to any sale or other transfer pursuant to clause 2(A)(ii) above to require the delivery of such certifications, legal opinions and other information as the Issuer and the Transfer Agent may reasonably require to confirm that the proposed sale or other transfer complies with the foregoing restrictions.

(iv) It will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.

The charter, bylaws, organizational documents or securities issuance documents of the Issuer provide that the Issuer will have the right to (i) require any holder of Notes that is a U.S. Person who is determined not to be both a QIB and a Qualified Purchaser to sell the Notes to a QIB that is also a Qualified Purchaser or (ii) redeem any Notes held by such a holder on specified terms. In addition, the Issuer has the right to refuse to register or otherwise honor a transfer of Notes to a proposed transferee that is a U.S. Person who is not both a QIB and a Qualified Purchaser. As used herein the terms "United States" and "U.S. Person" have the meanings given such terms in Regulation S under the Securities Act.

The restrictions on transfer required by the Issuer (outlined above) will be reflected in Chapter 7 ("Custody Business Operations - New Issues"), Section 7.3 ("General Procedure for the Admission and Distribution of New Issues of Syndicated International Instruments") in Clearstream Banking's Reference Directory.

Any questions or comments regarding this subject may be directed to MBNA Europe Funding plc; Attn: Treasurer, +44-124-467-2244.

Exhibit 4(zz)

Australian MTN Deed Poll

Bank of America Corporation

A$3,000,000,000 Australian Medium Term Note Program

Allens Arthur Robinson
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel 61 2 9230 4000
Fax 61 2 9230 5333
www.aar.com.au

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THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM-TERM NOTE PROGRAM HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THE NOTES NOR ANY INTEREST OR PARTICIPATION IN THE NOTES 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, UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM-TERM NOTE PROGRAM 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 ORGANISED 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 SECTION 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THE NOTES ARE NOT SAVINGS ACCOUNTS OR DEPOSITS, ARE NOT OBLIGATIONS OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE ISSUER AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

NEITHER THE NOTEHOLDERS NOR THE BENEFICIAL OWNERS OF THE NOTES SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST ON THE NOTES EXCEPT PURSUANT TO THE PROVISIONS OF THE NOTES.

Date May 18, 2006

Granted by:

Parties

1. **Bank of America Corporation,** a corporation organised under the laws of the State of Delaware, United States of America, with its principal offices located at Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, United States of America (the ***Issuer***).

Recitals

A The Issuer established an A$3,000,000,000 Australian Medium-Term Note Program (the***Program)*** under which it proposes to issue Notes from time to time on the terms of this Deed Poll.

B The Notes will be issued initially in registered form by inscription in the Register to be maintained by the Registrar. The Notes in registered form may be exchanged for Notes in bearer definitive form subject to, and in accordance with, the Terms and Conditions.

C The Issuer enters into this Deed Poll for the benefit, amongst others, of the holders from time to time of Notes, the holders of the Issuer's Senior Indebtedness, in respect of Subordinated Notes, and the Dealers.

IT IS AGREED AND DECLARED as follows.

1. Definitions and Interpretation

1.1 Definitions

Definitions in the applicable Pricing Supplement and in the Terms and Conditions apply in this Deed Poll unless the context otherwise requires or the relevant term is defined in this Deed Poll.

Pricing Supplement means the pricing supplement executed by the Issuer and prepared in relation to the Notes of the relevant Tranche or Series (substantially in the form of annexure B of the Program Agreement) as a supplement, modification or replacement of the Terms and Conditions and giving details of that Tranche or Series.

Program Agreement means the Program Agreement dated on or about the date of this Deed Poll between the Issuer and the Dealers named in it.

Terms and Conditions means the terms and conditions applicable to a Note set out in schedule 3, as supplemented, modified or replaced by the relevant Pricing Supplement.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

(a) The singular includes the plural and the converse.

(b) A gender includes all genders.

(c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.

(e) A reference to a clause, annexure or schedule is a reference to a clause of, or annexure or schedule to, this Deed Poll.

(f) A reference to a party to this Deed Poll or another agreement or document includes the party's successors and permitted substitutes or assigns.

(g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(h) A reference to ***writing*** includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.

(i) A reference to ***conduct*** includes an omission, statement or undertaking, whether or not in writing.

(j) Mentioning anything after ***include, includes*** or ***including*** does not limit what else might be included.

(k) All references to ***time*** shall, unless the context otherwise requires, be references to Sydney, Australia, time.

1.3 Document or agreement

A reference to:

(a) an ***agreement*** includes a security interest, Guarantee, undertaking, deed, agreement or legally enforceable arrangement whether or not in writing; and

(b) a ***document*** includes an agreement (as so defined) in writing or a certificate, notice, instrument or document.

A reference to a specific agreement or document (including this deed) includes it as amended, novated, supplemented or replaced from time to time, except to the extent prohibited by a Program Document.

1.4 Registration and transfer

References in this Deed Poll to:

(a) ***registration*** or ***recording*** include inscription, and ***register*** and ***record*** have a corresponding meaning; and

(b) ***transfer*** includes transmission.

1.5 Inconsistencies

In the event of an inconsistency, the provisions will prevail in the following order:

(a) the Pricing Supplement;

(b) this Deed Poll; and

(c) the Terms and Conditions.

1.6 Banking Act 1959

The Issuer is not authorised under the ***Banking Act*** *1959* of the Commonwealth of Australia to carry on banking business and is not subject to prudential supervision by the Australian Prudential Regulation Authority.

1.7 United States Tax Compliance

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.

2. The Notes

2.1 Creation of Notes

(a) Notes are issued initially in registered form. Subject to the Program Agreement, the Issuer may create Registered Notes at any time by procuring the Registrar to inscribe the details of those Registered Notes in the Register in accordance with the relevant Terms and Conditions.

(b) The Terms and Conditions in relation to those Notes, once issued, shall include the provisions of the relevant Pricing Supplement.

(c) The execution of any Pricing Supplement shall not constitute the issue of a Note, the acknowledgement of any debt or any promise to pay by the Issuer. No Registered Note will be created or issued except in accordance with subclause 2.2, and once created or issued the information contained in the Register with respect to those Registered Notes will have the effect provided under the Terms and Conditions.

2.2 Constitution and title

(a) The Registered Notes are constituted by this Deed Poll and inscription in the Register. The obligations of the Issuer are constituted by, and specified in, this Deed Poll. Each Note is a separate debt obligation of the Issuer and may be transferred separately from any other Note.

(b) Title to the Registered Notes is conclusively evidenced for all purposes by inscription in the Register. The making of, or giving effect to, a manifest error in an inscription in the Register will not avoid the constitution, issue or transfer of a Registered Note. The Issuer will procure the Registrar to rectify any manifest error of which it becomes aware.

(c) No certificate or other evidence of title to a Registered Note will be issued by or on behalf of the Issuer unless the Issuer determines otherwise or is required to do so under any applicable law or regulation.

2.3 Denomination

Each Note must be denominated in Australian dollars in such amount or amounts as set out in the relevant Pricing Supplement.

2.4 Status

(a) The Senior Notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally with all other unsecured and unsubordinated indebtedness of the Issuer. The Subordinated Notes are unsecured and subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer.

(b) The indebtedness evidenced by the Subordinated Notes, subject to the extent set out in the Terms and Conditions, 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.

(c) The further provisions relating to Subordinated Notes are as set out in Condition 2.7(b) of the Terms and Conditions and otherwise in the Terms and Conditions.

(d) The ranking of Registered Notes is not affected by the date of inscription in the Register.

2.5 Issuer to inform Registrar and Issuing and Principal Paying Agent

On or before the Issue Date of a Note, the Issuer must give the Registrar and the Issuing and Principal Paying Agent a copy of the relevant Pricing Supplement.

3. Rights and Obligations of Noteholders

3.1 Rights of Noteholders

(a) A Noteholder is entitled, in respect of each Registered Note for which that person's name is inscribed in the Register, to the payment of the principal amount and interest in accordance with the Terms and Conditions and Pricing Supplement applicable to that Registered Note, together with the other benefits given to Noteholders under this Deed Poll including, unless the Note is purchased and cancelled prior to the relevant Maturity Date in accordance with the Terms and Conditions, the payment of the Redemption Amount of such Note on the relevant Maturity Date as specified in the Terms and Conditions and the relevant Pricing Supplement.

(b) The Issuer irrevocably undertakes to make all those payments on the due date, together with the payment of principal and interest in respect of the Registered Notes in accordance with the Terms and Conditions and Pricing Supplement applicable to those Registered Notes.

3.2 Deed poll and enforcement

This Deed Poll is a deed poll. Each Dealer and each Noteholder and any person claiming through a Noteholder has the benefit of this Deed Poll and can enforce it even though they may not be in existence at the time this Deed Poll is executed. Each Noteholder may enforce its rights under this Deed Poll independently from the Registrar and each other Noteholder, as the case may be.

3.3 Noteholders bound

Each Noteholder, and any person claiming through a Noteholder, who asserts an interest in a Note is bound by this Deed Poll. Persons claiming interests in a Note must do so in accordance with the rules of any clearing or other system for the holding of such interests, or in accordance with law, and obtain the interests in a Note provided by such system or by law.

3.4 Lodgement with Registrar

(a) The Issuer shall deliver an executed counterpart of this Deed Poll to the Registrar for it to hold for the benefit of Noteholders for so long as the Program remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of any Registered Notes (including, without limitation, its obligations under this Deed Poll) have been discharged in full. The Issuer acknowledges the right of every Noteholder to the production of this Deed Poll.

(b) Each Noteholder is taken to have irrevocably appointed and authorised the Registrar to hold this Deed Poll in New South Wales on behalf of that Noteholder, with the powers expressly delegated to the Registrar under the relevant Agency and Registry Agreement and other powers reasonably incidental to those powers.

(c) The Registrar has no duties or responsibilities in that capacity except those expressly set out in each Agency and Registry Agreement.

3.5 Schedules and conditions

The Notes are issued upon and subject to:

(a) the Terms and Conditions;

(b) the applicable Pricing Supplement; and

(c) the Agency and Registry Agreement;

each of which are binding on the Issuer and the Noteholders and all persons claiming through or under them respectively.

3.6 Issuing and Principal Paying Agent

Each Noteholder is taken to acknowledge that:

(a) the Issuing and Principal Paying Agent is the Issuer's agent, not theirs; and

(b) the Issuing and Principal Paying Agent does not owe any fiduciary duty to any Noteholder.

3.7 Name on Register

The person whose name appears in the Register will be treated by the Issuer, the Issuing and Principal Paying Agent and the Registrar as the absolute owner of the relevant Registered Note. Neither the Issuer nor the Registrar nor any other person is, except as required by order of a court of competent jurisdiction, or as required by law, obliged to take notice of any other claim to or in respect of Registered Notes.

3.8 Payment of Interest falling due before Exchange Date

Payments of interest otherwise falling due before the date the Registered Notes convert to permanent form will be made only upon and to the extent of delivery to the Issuing and Principal Paying Agent of a signed certificate or certificates, dated not earlier than the Exchange Date, from Austraclear based upon a written certification or certifications from Austraclear and the Austraclear Participants shown in the records of Austraclear as holding an interest in the Registered Note in substantially the form set out in Schedule 1 and 2 to this Deed Poll respectively with respect to such Registered Notes.

4. The Registrar and Issuing and Principal Paying Agent

4.1 Appointment

(a) The Issuer undertakes to ensure that a person acts at all times as registrar and issuing and principal paying agent in respect of the Registered Notes and properly performs the functions required of the registrar and issuing and principal paying agent. The Issuer will promptly replace the registrar or issuing and principal paying agent if it is not properly performing its duties.

(b) The issuer will not appoint any registrar or issuing or paying agent which is located in the United States.

4.2 Duties

Each of the Registrar and the Issuing and Principal Paying Agent has no duties or responsibilities except those expressly set out in each of the Agency and Registry Agreement, the Terms and Conditions and this Deed Poll.

5. Terms and Conditions

5.1 Terms and Conditions

The Issuer agrees to its obligations as set out in the Terms and Conditions.

6. Undertaking by Issuer

The Issuer undertakes to procure the production by the Registrar to each Noteholder (upon request by that Noteholder) of a certified copy or, if necessary, the original, of this Deed Poll.

7. Governing Law and Jurisdiction

7.1 Governing law

This Deed Poll is governed by the law in force in New South Wales. The subordination provisions contained in Condition 2.7 of the Terms and Conditions are governed by New York law.

7.2 Jurisdiction

Each person taking benefit of or bound by this Deed Poll irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts with jurisdiction in New South Wales. Each party waives any right it has to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

7.3 Process Agent

The Issuer appoints BA Australia Limited (ABN 50 004 617 341) to act as its process agent in New South Wales. If that person ceases to have an office in Australia, the Issuer shall ensure that there is another person appointed immediately to receive process on its behalf.

8. Power of Attorney

Each attorney executing this Deed Poll states that he or she has no notice of revocation or suspension of his power of attorney.

Schedule 1

Form of Certificate to be Presented by Austraclear

BANK OF AMERICA CORPORATION
(the ***Issuer***)

A$[*] NOTES DUE [*]

Series No. [*]
Tranche No. 1

(the ***Instruments***)

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to interest on or a portion of the principal amount set forth below (our "Member Organisations") substantially to the effect set forth in the Deed Poll as of the date hereof, [ ] principal amount of the above-captioned Instruments (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or estates or trusts described in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (taking into account changes thereto and associated effective dates, elections, and transition rules) ("United States persons"), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1) ("financial institutions")) purchasing for their own account or for resale, or (b) acquired the Instruments through and are holding through on the date hereof (as such terms "acquired through" and "holding through" are described in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6)) foreign branches of United States financial institutions (and in either case(a) of (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 Instruments for purposes of resale directly or indirectly to a United States 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 Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii). We will retain all certifications from our Member Organisations 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, America Samoa, Wake Island and the Northern Mariana Islands.

The Instruments 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 purchased 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.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise or any rights or collection of any interest) any portion of the Instruments expected in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements make by such Member Organisations 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 at the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States and, if required, shall be retained in the manner specified in such laws. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Date: [ ]*

Austraclear Limited, as operator of the Austraclear System

By: [authorised signature]

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* *To be dated not earlier than the Exchange Date.*

Schedule 2

Form of Certificate of Beneficial Ownership

BANK OF AMERICA CORPORATION
(the ***Issuer***)

A$[*] NOTES DUE [*]

Series No.[*]
Tranche No. 1

(the ***Instruments***)

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Instruments held by you for our account (i) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or estates or trusts described in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (taking into account changes thereto and associated effective dates, elections, and transition rules) ("United States persons"), (ii) are owned by United States 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) ("financial institutions")) purchasing for their own account or for resale, or (b) acquired the Instruments through and are holding through on the date hereof (as such terms "acquired through" and "holding through" are described in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6)) foreign branches of United States financial institutions (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 Instruments 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 further to certify that such financial institution has not acquired the Instruments for purposes of resale directly or indirectly to a United States 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 Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii).

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 Instruments 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 purchased 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.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Instruments 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 Instruments in respect of which we are not able to certify and as to which we understand exercise of any rights (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, if applicable, certain securities laws of the United States and, if required, shall be retained in the manner specified in such laws. 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 authorise you to produce this certification to any interested party in such proceedings.

Date: [ ]*

[*] as or as agent for the beneficial owner of the Instruments.

By: [authorised signature]

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* *To be dated not earlier than fifteen days before the Exchange Date.*

Schedule 3

Terms and Conditions of the Notes

TERMS AND CONDITIONS OF THE NOTES

The following (other than the words in italics) are the Terms and Conditions of the Notes as supplemented, modified or replaced in relation to any Notes by the relevant Pricing Supplement which will be applicable to a particular Tranche of Notes.

The Notes are constituted by the Deed Poll dated on or about May 18, 2006 (the ***Deed Poll***) executed by Bank of America Corporation (the ***Issuer***) and are issued with the benefit of the Agency and Registry Agreement. Copies of those documents are available for inspection at the following office of the Issuing and Principal Paying Agent:

Level 35, AAP Centre, 259 George Street, SYDNEY NSW 2000

The registered holders of Notes and any subsequent holders of Notes in bearer form (in each case, ***Noteholders***) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions contained in the Deed Poll and the Agency and Registry Agreement.

1. Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears.

Additional Amounts has the meaning given in Condition 7.

Agency and Registry Agreement means any agreement between the Issuer and the Issuing and Principal Paying Agent and Registrar for the issuing, paying agency and registry services for the Notes and any other agreement for any of those services.

ATO means the Australian Taxation Office.

Austraclear means Austraclear Limited (ACN 002 060 773) or its successor.

Austraclear Letter means the letter dated on or about May 18, 2006 from the Issuer to each of Austraclear and the Registrar and Issuing and Principal Paying Agent and under which Austraclear confirms that it will provide certain services for the Issuer in relation to the Program and will allow the Registrar to access the Austraclear System.

Austraclear System means the system operated by Austraclear in accordance with the Regulations.

Australian dollars or ***A$*** means the lawful currency of Australia from time to time.

BBSW means, in relation to an Interest Period, the rate per annum (expressed as a percentage) calculated by the Issuing and Principal Paying Agent by taking the rates quoted on the Reuters Screen BBSW Page at approximately 10:10am, Sydney time, on the first day of that Interest Period for at least five banks quoting on that page, as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Screen BBSW page) having a tenor equal to or closest approximating the Interest Period, eliminating the highest and lowest mean rates and taking the average of the remaining mean rates.

If in respect of the first day of an Interest Period, fewer than five banks have quoted rates on the Reuters BBSW Page, the rate for that Interest Period shall be calculated as above by taking the rates otherwise quoted by five banks on application by the Issuing and Principal Paying Agent for such a bill of the same tenor. If in respect of the first day of an Interest Period, the rate for that Interest Period cannot be determined in accordance with the foregoing procedures, then the rates shall be the rate as reasonably determined by the Issuing and Principal Paying Agent, having regard to comparable indices and available.

Bearer Exchange Notice means a notice substantially in the form of Schedule 4 to the Deed Poll.

Bearer Note means a note in bearer form.

Business Day means a day on which:

(a) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency markets) in Sydney and Charlotte, North Carolina and any additional business centres specified in the applicable Pricing Supplement;

(b) Austraclear is open for business, excluding a Saturday, Sunday or public holiday in Sydney; and

(c) if a Note is to be issued or paid, each relevant clearing system (including the Austraclear System, Euroclear and/or Clearstream) is operating.

Business Day Convention in respect of a Note, means the convention specified in the relevant Pricing Supplement for that Note and recorded in the Register for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term ***Business Day Convention*** and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(a) if ***Following*** is specified, that date will be the following Business Day;

(b) if ***Modified Following*** or ***Modified*** is specified, that date will be the following Business Day unless that day falls in the next calendar month, in which case that date will be the preceding Business Day; and

(c) if ***Preceding*** is specified, that date will be the preceding Business Day.

Clearstream means Clearstream Banking, societe anonyme or its successor.

Coupon means any interest coupon appertaining to a Bearer Note.

Couponholder means the holder of a Coupon.

Day Count Basis means, in respect of the calculation of an amount of interest on any Note for any period of time (***Calculation Period***), the day count basis specified in the relevant Pricing Supplement and:

(a) if ***Actual/365*** or ***Actual/Actual*** is specified, the actual number of days in the Calculation Period in respect of which payment is being made (being inclusive of the first day, but exclusive of the last day, of that Calculation Period) divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i)

the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); or

(b) if ***Actual/365 (Fixed)*** is specified, the actual number of days in the Calculation period in respect of which payment is being made divided by 365; or

(c) if ***Actual/360*** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360; or

(d) if ***30/360 360/360*** or ***Bond Basis*** is specified, the number of days in the Calculation Period in respect of which payment is being made (being inclusive of the first day, but exclusive of the last day, of that Calculation Period) divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30h or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or

(e) if ***RBA Bond Basis*** is specified, one divided by the number of Interest Payment Dates in a year; or

(f) such other basis as may be specified in the relevant Pricing Supplement as being the applicable basis for the calculation of the amount of interest in respect of a Series of Notes.

Dealer means each person described as such who is an original party to the Program Agreement (and who has not been removed or retired in accordance with the terms of Program Agreement), any person who accedes to the Program Agreement as a Dealer or any person appointed as a Dealer under a relevant Syndication Agreement.

Determination Notice has the meaning given in Condition 5.3.

Early Redemption Amount means, in relation to any Note, the Redemption Amount payable on redemption at any time prior to its Maturity Date together with accrued interest up to but excluding the date of redemption, unless otherwise stated in the relevant Pricing Supplement.

Euroclear means Euroclear Bank S.A./N.V., as operator of the Euroclear System or its successor.

Event of Default means an event specified in Condition 9.

Exchange Date mean the first Business Day following the expiration of the 40 day distribution compliance period as set forth in Regulation S of the General Regulations under the Securities Act.

Fixed Rate Note means a Note that bears interest at a fixed rate.

Floating Rate Note means a Note that bears interest at a floating or variable rate.

Interest Accrual Date means, in relation to any Note, the date specified in the Pricing Supplement as the date on and from which interest accrues on that Note.

Interest Amount means, in relation to any Note, the amount of interest payable in respect of such Note as determined under Condition 3.4.

Interest Payment Date means, in relation to any Note, each date specified in, or determined in accordance with the provisions of, the Pricing Supplement as a date on which a payment of interest on that Note is due and adjusted, if necessary, in accordance with the applicable Business Day Convention.

Interest Period means, in relation to any Note, the period from and including an Interest Payment Date (or, in the case of the first period, the Interest Accrual Date) to but excluding the next Interest Payment Date.

Interest Rate means, in relation to any Note, the rate of interest (expressed as a per cent per annum) payable in respect of that Note specified in or calculated or determined in accordance with the provisions of the Pricing Supplement.

Issue Date means, in relation to any Note, the date recorded or to be recorded in the Register as the date on which the Note is issued.

Issue Price in relation to a Note, means the issue price specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement for that Note.

Issuing and Principal Paying Agent means JPMorgan Chase Bank N.A., Sydney Branch in its capacity as issue and paying agent or any other issue and paying agent specified in the relevant Pricing Supplement or any other Program Document.

Maturity Date means, in relation to any Note, the date specified in the Pricing Supplement as the Maturity Date for that Note.

Meeting Provisions means the provisions for the convening of meetings and passing of resolutions by Noteholders set out in the Schedule to these Terms and Conditions.

Maximum Interest Rate has the meaning given in Condition 3.4.

Minimum Interest Rate has the meaning given in Condition 3.4.

Note means a Registered Note and/or a Bearer Note, as the context may require, and such Note may be a Senior Note or a Subordinated Note as indicated in the applicable Pricing Supplement.

Noteholder means:

(i) in the case of a Registered Note, a person whose name is for the time being entered in the Register as a holder of a Note and when a Note is entered into the Austraclear System includes Austraclear or any other entity acting on behalf of any member of the Austraclear System; and/or

(ii) in the case of a Bearer Note, the bearer of such Note,

as the context may require.

Offering Circular means at any time the offering circular issued in connection with the issue, sale or purchase of Notes, as revised, supplemented or amended from time to time

by the Issuer, and such documents as are from time to time incorporated into it by reference (but not including any information or documents superseded by any information subsequently included or incorporated).

Optional Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement.

Optional Redemption Date has the meaning given in Condition 5.4 and the specific date identified in the relevant Pricing Supplement.

Outstanding Principal Amount means, in relation to any Note, the principal amount outstanding on that Note from time to time.

Paying Agent means any paying agent in respect of the Notes appointed by the Issuer pursuant to the Agency and Registry Agreement.

Pricing Convention means unless otherwise specified in the relevant Pricing Supplement:

(a) in respect of a Floating Rate Note, the FRN convention as published by the Australian Financial Markets Association (AFMA); or

(b) in respect of a Fixed Rate Note, the Reserve Bank of Australia bond basis.

Pricing Supplement means the pricing supplement executed by the Issuer and prepared in relation to the Notes of the relevant Tranche or Series (substantially in the form set out in the Offering Circular) as a supplement, modification or replacement of the Terms and Conditions and giving details of that Tranche or Series.

Program Agreement means the agreement so entitled dated on or about the date of the Deed Poll between the Issuer and the Dealers named in that agreement.

Program Document means each of:

(a) the Program Agreement;

(b) the Deed Poll;

(c) any Agency and Registry Agreement;

(d) the Austraclear Letter;

(e) any Offering Circular;

(f) the relevant Notes;

(g) the relevant Syndication Agreement (if applicable); and

(h) the relevant Pricing Supplement.

Put Option Notice means the notice which must be delivered to the Registrar (in the case of Registered Notes) or any Paying Agent (in the case of Bearer Notes), as the case may be, by any Noteholder to exercise its option to redeem a Note prior to its Maturity Date.

Redemption Amount means, in relation to any Note, the Outstanding Principal Amount or such other redemption amount as may be specified in or calculated or determined in accordance with the provisions of the Pricing Supplement.

Register means a register of Notebholders maintained by the Registrar on behalf of the Issuer in which is entered the name and address of Noteholders whose Notes are carried on that Register, the amount of Notes held by each Noteholder and the Tranche, Series, date of issue and transfer of those Notes and any other particulars which the Issuer sees fit.

Registered Note means a note in registered form.

Registrar means JPMorgan Chase Bank N.A., Sydney Branch, in its capacity as registrar of the Notes or such other person appointed by the Issuer to establish and maintain the Register on the Issuer's behalf from time to time.

Regulations means the regulation and Operating manual of Austraclear or the terms and conditions and operating procedures of Euroclear or Clearstream, as the case may be, from time to time.

Securities Act means the United States Securities Act of 1933, as amended.

Senior Notes has the meaning given in Condition 2.7.

Senior Indebtedness has the meaning given in Condition 2.7.

Series means Notes having identical terms except that the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches it comprises, or as otherwise agreed and referred to in the Pricing Supplement as being a Series.

Subordinated Notes has the meaning given in Condition 2.7.

Talon means a talon attached on issue to a Bearer Note which is exchangeable in accordance with its provisions for further Coupons appertaining to the Note, the talon being in or substantially in the form set out in Schedule 5 to the Deed Poll or in such other form as may be agreed between the Issuer, the Issuing and Principal Paying Agent and the relevant Dealer and includes any replacements for Talons issued in accordance with Condition 11.

Tenor of a Note means the number of days from, and including, its Issue Date to but excluding, its Maturity Date.

Tranche means Notes issued on the same Issue Date the terms of which are identical in all respects (except that a Tranche may comprise Notes in more than one denomination) or as otherwise agreed and referred to in the Pricing Supplement as being a Tranche.

US$ means the lawful currency of the United States of America from time to time.

Transfer and Acceptance Form means such form as the Registrar adopts in line with the then current market practice to effect a transfer of Notes.

United States means the United States of America or any of its territories or possessions.

United States Alien has the meaning given in Condition 7.

1.2 Deed Poll provisions

Subclauses 1.2 and 1.3 of the Deed Poll apply to these Terms and Conditions except that each reference in them to ***this Deed Poll*** is to be read as if it were a reference to ***these Terms and Conditions.***

1.3 Interpretations

References in these Terms and Conditions to issues, sales, or transfers, including cognate expressions, of Notes, and related dealings in Notes, include issues, sales or transfers, and cognate expressions, in interests or participations in Notes, and related dealings in such interests or participations.

2. Form, Title and Status

2.1 Form

(a) Each Registered Note is issued in temporary registered form. The holders of Registered Notes are recorded in the Register. Registered Notes will convert to permanent form upon and to the extent of delivery to the Issuing and Principal Paying Agent of a certificate or certificates dated not earlier than the Exchange Date issued by Austraclear in substantially the form set out in Schedule 1 of the Deed Poll with respect to such Registered Notes.

(b) Each certificate or certificates shall be based upon a written certification or certifications in substantially the form set out in Schedule 2 of the Deed Poll received by Austraclear in writing by hand or by facsimile from the persons appearing in its records as being the owners of the Registered Notes being exchanged (the ***Austraclear Participants***).

(c) The delivery to the Issuing and Principal Paying Agent by Austraclear of any certificate referred to above may be relied upon by the Issuer and the Issuing and Principal Paying Agent as conclusive evidence, without further investigation, that a corresponding certification or certifications has or have been delivered to Austraclear by the Austraclear Participants.

(d) Registered Notes in permanent form are exchangeable for Bearer Notes only in accordance with Condition 2.8 below. Bearer Notes are not exchangeable for Registered Notes.

(e) Each Note is a separate debt obligation of the Issuer and may (subject to Condition 4.7) be transferred.

(f) If the Notes are not lodged in Austraclear, appropriate adjustments to the certification procedure will be made to the satisfaction of the Issuer.

2.2 Currency and amounts

(a) Notes will be denominated in and issued in such minimum denominations of Australian dollars as agreed between the Issuer and relevant Dealers and set out in the Pricing Supplement provided that the minimum denomination shall at all times be equal to or greater than A$100,000.

(b) In respect of an offer or invitation received in Australia, Notes may only be issued if the amount subscribed for, or the consideration, payable to the Issuer, by the relevant Noteholder is a minimum of A$500,000 (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates (within the

meaning of those expressions in Part 6D.2 of the *Corporations Act 2001*)) unless the offer or invitation is otherwise in circumstances such that by virtue of s708 of the *Corporations Act 2001* no disclosure is required to be made under Part 6D.2 of that Act.

2.3 Registered Note owners

(a) Subject to 2.3(c) below, the person whose name is inscribed in the Register as the registered owner of any Registered Note from time to time will be treated by the Issuer, the Issuing and Principal Paying Agent and the Registrar as the absolute owner of such Registered Note for all purposes whether or not any payment in relation to such Registered Note is overdue and regardless of any notice of ownership, trust or any other interest inscribed in the Register, subject to rectification for fraud or error. Two or more persons registered as Noteholders are taken to be a joint holders with right of survivorship between them.

(b) Subject to 2.3(c) below, upon a person acquiring title to a Registered Note by virtue of becoming registered as the owner of that Registered Note, all rights and entitlements arising by virtue of the Deed Poll in respect of that Registered Note vest absolutely in the registered owner of the Registered Note, so that no person who has previously been registered as the owner of the Registered Note nor any other person has or is entitled to assert against the Issuer, or the Registrar or the registered owner of the Registered Note for the time being and from time to time any rights, benefits or entitlements in respect of the Registered Note.

(c) Neither the Issuer nor the Registrar nor any other person is, except as required by order of a court of competent jurisdiction, or as required by law, obliged to take notice of any other claim to or in respect of Registered Notes.

2.4 Inscription conclusive

Each inscription in the Register in respect of a Registered Note is:

(a) sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the Registered Note;

(b) evidence for the benefit of the relevant Noteholder, that a separate and individual acknowledgement by the Issuer of its indebtedness to that person is constituted by the Deed Poll and of the vesting in such person of all rights vested in a Noteholder by the Deed Poll; and

(c) evidence that the person whose name is so inscribed is entitled to the benefit of an unconditional and irrevocable undertaking by the Issuer constituted by the Deed Poll that the Issuer will make all payments of principal and interest (if any) in respect of the Registered Note in accordance with these Terms and Conditions.

2.5 Manifest errors

The making of, or the giving effect to, a manifest error in an inscription into the Register will not avoid the constitution, issue or transfer of a Registered Note. The Registrar must correct any manifest error of which it becomes aware.

2.6 No certificate

(a) Except as permitted under paragraph (b), no certificate or other evidence of title shall be issued by or on behalf of the Issuer to evidence title to a Registered Note unless the Issuer determines that certificates should be made available or that it is required to do so under any applicable law or regulation.

(b) The Issuer agrees, on request by a Noteholder, to procure the Registrar to provide (and the Registrar agrees to provide) to the Noteholder, at that Noteholder's expense, a certified extract of the particulars entered on the Register in relation to that Noteholder and the Registered Notes held by it.

2.7 Status

The ranking of Notes is not affected by the date of registration of any Noteholder in the Register. The Issuer is not authorised under the *Banking Act 1959 of the Commonwealth of Australia (*the ***Banking Act)*** to carry on banking business and is not subject to prudential supervision by the Australian Prudential Regulation Authority. The Notes are not Deposit Liabilities under the Banking Act.

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.

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 (as defined below) of the Issuer.

Senior Indebtedness means any indebtedness for money borrowed (including all indebtedness of the Issuer for borrowed and purchased money of the Issuer, all obligations arising from off-balance sheet guarantees by the Issuer and direct credit substitutes and obligations of the Issuer 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 and Registry Agreement, or is thereafter created, incurred, or assumed, for which the Issuer 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 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 the Issuer.

(b) ***Status of Subordinated Notes***

The indebtedness evidenced by the Subordinated Notes, 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 Subordinated Notes.

The Issuer shall not make any payment on account of principal, premium, if any, interest, or any other amounts payable on 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% 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 Issuer's 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 will be paid 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 its 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 outstanding of the Issuer's Senior Indebtedness.

The preceding subordination provisions relating to the Issuer's Subordinated Notes are governed by New York law.

2.8 Exchange of Registered Notes for Bearer Notes

(a) Registered Notes in permanent form with an aggregate principal amount of not less than A$500,000 are exchangeable, at the option of the Noteholder, for a Bearer Note for a principal amount equal to the principal amount of the Registered Notes being exchanged. Bearer Notes will be made available for collection by the persons entitled at the specified office of the Issuing and Principal Paying Agent outside the United States or, at the request of the person entitled, mailed, at the

risk of the person entitled, to the address specified in the Bearer Exchange Notice, provided such address is outside the United States.

(b) The Issuer undertakes to procure that the relevant Bearer Notes will be duly issued in accordance with these Terms and Conditions and the Agency and Registry Agreement.

(c) Whenever a Registered Note is to be exchanged for a Bearer Note, the Issuer shall procure the prompt delivery of such Bearer Note, duly authenticated by the Issuing and Principal Paying Agent and, to the extent applicable, with Coupons attached in an aggregate principal amount equal to the principal amount of the relevant Registered Note to the relevant Noteholder within 120 days of the Noteholder requesting such exchange.

(d) On any occasion on which a Registered Note is exchanged in accordance with the procedure set out above, the Issuer shall procure that:

(i) the aggregate principal amount of the Bearer Notes which are delivered in definitive form is noted on the Register; and

(ii) the remaining principal amount of the Registered Notes (which shall be the previous principal amount thereof less the amount referred to at (i) above) is noted on the Register, whereupon the principal amount of the Registered Notes shall for all purposes be as most recently noted.

(e) The option of the Noteholders provided for in this Condition 2.8 may be exercised by the relevant Noteholder giving notice to the Issuing and Principal Paying Agent substantially in the form of the notice set out in Schedule 4 to the Deed Poll or in such other form available from the Issuing and Principal Paying Agent from time to time and stating the principal amount of Notes in respect of which the option is exercised. Each such notice must be accompanied by the payment to the Issuing and Principal Paying Agent of such reasonable professional costs and production costs as specified by the Issuing and Principal Paying Agent at the relevant time on account of the expenses to be incurred by it or the Issuer in connection with an exchange under this Condition 2.8 (including, without limitation, the cost of printing the definitive Bearer Notes).

2.9 Declaration

A Noteholder may only exercise the option to exchange Registered Notes for Bearer Notes under Condition 2.8 if that Noteholder provides a declaration, substantially as set out in Appendix 1 to the Bearer Exchange Notice, that:

(a) such Noteholder is not an Australian resident, as defined in the *Income Tax Assessment Act 1936,* or otherwise holding the Bearer Notes to which the declaration applies, in the course of carrying on business in Australia at or through a permanent establishment in Australia; and

(b) such Noteholder will notify the Issuer if either:

(i) such Noteholder holds or commences to hold the Bearer Notes, to which the declaration applies, as either an Australian resident, as defined in the *Income Tax Assessment Act 1936,* or in the course of carrying on business in Australia at or through a permanent establishment in Australia; or

(ii) such Noteholder disposes of any part of such Noteholder's beneficial interest in the Bearer Notes, to which the declaration applies, to either:

(A) an Australian resident, as defined in the *Income Tax Assessment Act 1936*; or

(B) a person who otherwise acquires or would hold those Bearer Notes in the course of carrying on business in Australia at or through a permanent establishment in Australia.

Such notification (the ***Notice***):

(AA) must include the name and address (in Australia) of the relevant Noteholder, in the event of Condition 2.9(b)(i) above, and the name and address of each of the relevant Noteholder and the subsequent transferee of that Noteholder's beneficial interest in the Bearer Notes, in the event of Condition 2.9(b)(ii) above; and

(BB) must occur within a reasonable time after the occurrence of any of the events set out in Condition 2.9(b) above and provided that it occurs prior to the first Interest Payment Date after that occurrence.

If an option to exchange has been exercised, any subsequent Noteholder (i.e., other than the person who exercises the exchange option) of the Bearer Notes will also be required to notify the Issuer, copied to the Issuing and Principal Paying Agent, on its behalf if either (b)(i) or (b)(ii) above occurs. Such notification is to include the name and address of that subsequent Noteholder of the Bearer Notes.

2.10 Bearer Note payment exception

No payment of interest under a Bearer Note is required to be made by the Issuer or the Issuing and Principal Paying Agent on its behalf unless the person to whom that interest payment is to be made has provided the Issuer or the Issuing and Principal Paying Agent on its behalf with its name and address if required to do so by Conditions 2.8 or 2.9 above (as applicable).

2.11 Form of Bearer Notes

The Bearer Notes will be substantially in the form set out in Schedule 5 to the Deed Poll.

3. Interest

3.1 Application

Notes may be interest bearing on a fixed or floating rate basis, as specified in the applicable Pricing Supplement.

3.2 Period of accrual of interest

Interest accrues on Notes from the relevant Interest Accrual Date at the applicable Interest Rate. Interest ceases to accrue on such Notes from the relevant Maturity Date unless default is made in the payment of any principal amount in respect of such Notes. In that event, any overdue principal of a Note continues to bear interest at the default rate specified in the relevant Pricing Supplement, both before and after any judgment, until it is paid in full to the relevant Noteholder.

3.3 Interest Payment Dates

Interest is payable on the relevant Interest Payment Dates.

3.4 Calculation of Interest Amount

The Interest Amount must be calculated by the Issuing and Principal Paying Agent, Registrar or other person appointed as calculation agent by the Issuer and named as such in the relevant Pricing Supplement by applying the Interest Rate to the Outstanding Principal Amount of each applicable Note, multiplying such sum by the relevant Day Count Basis for the relevant Interest Period and rounding the resultant figure to the nearest cent (half a cent being rounded upwards) having regard to the relevant Pricing Convention subject, in all cases, to any specified Minimum Interest Rate or Maximum Interest Rate as may be specified in the applicable Pricing Supplement.

The applicable Pricing Supplement may specify a minimum rate at which the Notes may bear interest (the ***Minimum Interest Rate***). If the Interest Rate determined in accordance with the provisions of this Condition 3.4 is less than the specified Minimum Interest Rate, the Interest Rate shall be such Minimum Interest Rate. The applicable Pricing Supplement may specify a Maximum Interest Rate. If the Interest Rate determined in accordance with the provisions of this Condition 3.4 is greater than the maximum rate at which the Notes bear interest (the ***Maximum Interest Rate***), the Interest rate shall be such Maximum Interest Rate.

3.5 Notification of Interest Rate and Interest Amount

The Issuer will procure that the Issuing and Principal Paying Agent, Registrar or other person appointed as calculation agent by the Issuer and named as such in the relevant Pricing Supplement will, if requested in writing by a Noteholder of any Note, notify that Noteholder of the Interest Rate, the Interest Amount and the relevant Interest Payment Date. In relation to any Note, the Interest Amount and the Interest Payment Date (but in no event, the Interest Rate) so notified may be subsequently amended (or appropriate alternative arrangements made by the Issuing and Principal Paying Agent, Registrar or other person appointed as calculation agent by the Issuer and named as such in the relevant Pricing Supplement by way of adjustment) without notice if and to the extent that the Interest Period is extended or shortened.

3.6 Notification, etc. to be final

Except as provided in Condition 3.5, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Issuing and Principal Paying Agent, Registrar or other person appointed as calculation agent by the Issuer and named as such in the relevant Pricing Supplement are (in the absence of willful default, bad faith or manifest error) binding on the Issuer, the Issuing and Principal Paying Agent, the Registrar and all Noteholders of Notes and no liability to those Noteholders attaches to the Issuing and Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions.

3.7 Floating Rate Notes

If the Pricing Supplement specifies the Interest Rate applicable to that Tranche of Notes as being Floating Rate, the Interest Rate applicable to such Notes during the Interest Period will be the sum of the margin specified in the Pricing Supplement and BBSW.

3.8 Business Days

(a) **(Fixed Rate Notes)** In the event that any Interest Payment Date or Maturity Date on a fixed rate Note is not a Business Day, interest on such fixed rate Note will be paid on the next succeeding Business Day without any additional interest.

(b) **(Floating Rate Notes)** If a payment is due under a floating rate Note on a day which is not a Business Day, the date for payment will be adjusted according to the Business Day Convention applicable to that Note.

4. Transfers

4.1 Transfer subject to Agency and Registry Agreement

For so long as any Registered Note is lodged in the Austraclear System:

(a) the right of a relevant Noteholder to be registered as the holder of that Registered Note, and the transfer of any Registered Note, shall be governed by the Agency and Registry Agreement and the Regulations; and

(b) to the extent any provision of these Terms and Conditions are inconsistent with the Agency and Registry Agreement, the Agency and Registry Agreement shall prevail.

4.2 Austraclear

(a) Unless the relevant Pricing Supplement otherwise provides, the Registered Notes will be lodged, subject to the agreement of Austraclear, into the Austraclear System.

(b) If the Registered Notes are lodged into the Austraclear System, the Registrar will enter Austraclear in the Register as the Noteholder of those Registered Notes. While those Registered Notes remain in the Austraclear System:

(i) all payments and notices required of the Issuer or the Registrar in relation to those Registered Notes will be made or directed to Austraclear in accordance with the Regulations; and

(ii) all dealings (including transfers and payments) in relation to those Registered Notes within the Austraclear System will be governed by the Regulations and need not comply with these Terms and Conditions to the extent of any inconsistency.

(c) If Austraclear is entered in the Register in respect of a Registered Note, despite any other provision of these Terms and Conditions, that Registered Note is not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of that Registered Note, and the relevant member of the Austraclear System to whose security account the Registered Note is credited in respect of that Registered Note (the ***Relevant Member***) has no right to request any registration or any transfer of that Registered Note, except that:

(i) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Note), a transfer of that Registered Note from Austraclear to the Issuer may be entered in the Register; and

(ii) if either:

(A) Austraclear gives notice to the Registrar stating that the Relevant Member has stated to Austraclear that it needs to be registered in relation to the Registered Note in order to pursue any rights against the Issuer; or

(B) Austraclear purports to exercise any power it may have under the Regulations from time to time or these Terms and Conditions, to require Registered Notes to be transferred on the Register to the Relevant Member,

the Registered Note may be transferred on the Register from Austraclear to the relevant Member. In any of these cases, the Registered Note will cease to be held in the Austraclear System.

(d) On admission to the Austraclear System, interests in the Registered Notes may be held through Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in the Registered Notes in Euroclear are held in the Austraclear System by Westpac Custodian Nominees Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Registered Notes in Clearstream, are held in the Austraclear System by ANZ Nominees Limited as nominee of Clearstream.

(e) The rights of a holder of interests in Registered Notes held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream and their respective nominees and the rules and regulations of the Austraclear System.

(f) In addition, any transfer of interests in Registered Notes which are held through Euroclear or Clearstream and to the extent such transfer will be recorded in the Austraclear System, will be subject to the *Corporations Act 2001* (Cth) and the other requirements set out in the Notes.

4.3 Transfers of Notes

(a) Registered Notes are transferable without the consent of the Issuer or the Registrar. Registered Notes entered in the Austraclear System will be transferable only in accordance with the Regulations.

(b) Title to Bearer Notes, Coupons and Talons (as applicable) passes by delivery.

(c) The holder of any Bearer Note, Coupon or Talon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or note it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such holder.

4.4 Transfer amounts

Notes may only be transferred in accordance with all applicable laws and regulations of each relevant jurisdiction. Notes which are transferred in respect of offers or invitations received in Australia must be transferred for a consideration of not less than A$500,000 (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates) unless the offer or invitation is such that by virtue of s708 of the *Corporations Act 2001* no disclosure is required to be made under Part 6D.2 of that Act.

4.5 Transfer and Acceptance Forms for Registered Notes

Subject to Condition 4.2, a Registered Note is transferable in whole (but not in part) by a duly completed and (if applicable) stamped Transfer and Acceptance Form obtainable from the Registrar. Unless a contrary intention is expressed in a Transfer and Acceptance Form, all contracts relating to the transfer of Registered Notes are governed by the laws applicable to the Notes. The Issuer is not obliged to stamp the Transfer and Acceptance Form.

4.6 Registration requirements for transfer

Every Transfer and Acceptance Form in respect of Registered Notes must be:

(a) signed by the transferor and the transferee;

(b) delivered to the office of the Registrar for registration;

(c) accompanied by such evidence as the Registrar may reasonably require to prove the title of the transferor or the transferor's right to transfer those Registered Notes; and

(d) duly stamped, if necessary.

4.7 Registration of transfers

Subject to this Condition 4, the Registrar must register a transfer of Registered Notes. Upon entry of the name, address and all other required details of the transferee in the Register, the Issuer must recognise the transferee as the Noteholder entitled to the Registered Notes

that are the subject of the transfer. Entry of such details in the Register constitutes conclusive proof of ownership by that transferee of those Registered Notes. The transferor remains the owner of the relevant Registered Notes until the required details of the transferee are entered in the Register in respect of those Registered Notes. Subject to Condition 4.9, the Registrar must register the transfer of a Registered Note whether or not the Transfer and Acceptance Form to which the transfer relates has been marked by the Registrar.

4.8 No fee

No fee or other charge is payable to the Issuer or the Registrar in respect of the transfer or registration of any Registered Note.

4.9 Marking of transfer

The Registrar may mark any Transfer and Acceptance Form in its customary manner. Such marking prohibits a dealing with the relevant Registered Notes as specified in the marking notation for a period from the date of marking to the earliest of:

(a) 15 days from the date of marking;

(b) the date the Registrar cancels the marking notation on the Transfer and Acceptance Form; and

(c) the date the Registrar receives notification of the execution of the marked Transfer and Acceptance Form by the transferee.

4.10 Destruction

Any Transfer and Acceptance Form may, with the prior written approval of the Issuer, be destroyed by the Registrar after the entry in the Register of the particulars set out in the form. On receipt of such approval, the Registrar must destroy the Transfer and Acceptance Form as soon as reasonably practicable and promptly notify the Issuer in writing of its destruction.

4.11 Deceased persons/bankrupt persons/unincorporated associations

(a) A person becoming entitled to a Registered Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may transfer the Registered Note or, if so entitled become registered as the Noteholder of the relevant Registered Note upon producing such evidence as to that entitlement or status as the Registrar considers sufficient.

(b) The Registrar may decline to give effect to a transfer of any Registered Notes entered in the Register in the name of a deceased person who has two or more personal representatives unless the Transfer and Acceptance Form is executed by all of them.

(c) A transfer to an unincorporated association is not permitted.

4.12 Aggregate transfers

Where the transferor executes a transfer of less than all Registered Notes registered in its name, and the specific Registered Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Registered Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Registered Notes registered as having been transferred equals the aggregate principal amount of the Registered Notes expressed to be transferred in the transfer.

4.13 Stamp duty

(a) The Issuer will bear any stamp duty payable on the issue and subscription of the Registered Notes.

(b) The Noteholder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the notes.

5. Redemption and Purchase

5.1 Maturity

Unless previously redeemed or purchased and cancelled in accordance with these Terms and Conditions, each Note must be redeemed on its Maturity Date at its Redemption Amount.

5.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 calendar days' notice (which notice shall be irrevocable) to the Issuing and Principal paying Agent, the Registrar and to the Noteholders, in accordance with Condition 12, if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obligated to pay Additional Amounts as discussed in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(b) the Issuer cannot avoid such obligation by taking reasonable measures available to it;

provided that, no such redemption notice shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due. Prior to the publication of any redemption notice pursuant to this Condition 5.2, the Issuer shall deliver a certificate to the Issuing and Principal Paying Agent and the Registrar signed by the Chief Financial

Officer or a Senior Vice President of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent, if any, to the redemption have occurred.

Notes redeemed pursuant to this Condition 5.2 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the redemption date.

5.3 Special tax redemption

If the Issuer determines that any payment made outside the United State by the Issuer or any of its Paying Agents in respect of any Note or Coupon (if applicable), under any present or future laws or regulations of the United States (other than any territory or possession), 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, any paying Agent, or any government 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 any one of its 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), the Issuer shall at its option either:

(a) redeem the Notes in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), at a price equal to the Early Redemption Amount, together if appropriate with interest accrued to (but excluding) the date of redemption, or

(b) 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 Condition 5.3; 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 Issuing and principal paying Agent and Registrar at least 45 calendar days before the redemption date. Notice of such redemption of the Notes will be given to the Noteholders not more than 60 nor less than 30 calendar days prior to the redemption date by publication in accordance with Condition 12. Notwithstanding the foregoing, the Issuer shall not redeem the Notes if the Issuer subsequently determine not less than 30 calendar days prior to the redemption date, that subsequent payments on the Notes or Coupons (if applicable) would not be subject to any such certification, documentation,

information, or other reporting requirement, in which case the Issuer shall give prompt notice of its subsequent determination by publication in accordance with Condition 12 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 change, the Issuer may elect to pay as additional interest such 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 any of its Paying Agents in respect of any Note or any Coupon (if applicable) 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, any Paying Agent, or any government 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 (if applicable) 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 (if applicable) to be then due and payable. If the Issuer 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 Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), subject to the provisions of the last two sentences of the immediately preceding paragraph. If the Issuer 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.

5.4 Call Option - Redemption at the option of the Issuer

If the applicable Pricing Supplement specifies that the Issuer has an option to redeem the Notes, and the Issuer gives:

(a) not less than 30 nor more than 60 calendar days' notice in accordance with Condition 12 to the Noteholders (or such other period as is specified in the applicable Pricing Supplement); and

(b) not less than seven Business Days (or such other period as is specified in the applicable Pricing Supplement) before giving notice as referred to in (a), notice to the Issuing and Principal Paying Agent and the Registrar;

(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 Pricing Supplement 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 Pricing Supplement. 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 Bearer Notes, and in accordance with the Regulations, in the case of Redeemed Notes represented by Registered Notes, not more than 60 calendar days prior (or such other period as is specified in the applicable Pricing Supplement) to the date fixed for redemption (the ***Selection Date***). In the case of Redeemed Notes represented by Bearer Notes, a list of the serial numbers of the Redeemed Notes will be published in accordance with Condition 12 not less than 30 calendar days prior (or any other period as is specified in the applicable Pricing Supplement) to the date fixed for redemption. The aggregate principal amount of Redeemed Notes represented by Bearer Notes shall bear the same proportion to the aggregate principal amount of all Redeemed Notes as the aggregate principal amount of Bearer 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 Registered Notes shall be equal to the balance of the Redeemed Notes. No exchange of any Registered Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 5.4 and the Issuer shall give notice to that effect to the Noteholders in accordance with Condition 12 at least 10 calendar days prior (or any other period as is specified in the applicable Pricing Supplement) to the Selection Date.

5.5 Put Option - Redemption at the option of the Noteholders

If the applicable Pricing Supplement specifies that the Noteholders have an option to require the Issuer to redeem the Notes, upon the Noteholder giving the Issuer, in accordance with Condition 12, not less than 30 nor more than 60 calendar days' notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer, upon the expiration of such notice, will redeem (in accordance with, the terms specified in the applicable Pricing Supplement) in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

In order to exercise its right to require redemption of any Registered Notes, the Noteholder must deliver to the office of the Registrar a duly signed and completed Put Option Notice in the form obtainable from the Registrar 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 Condition 5.5.

In order to exercise its right to require redemption of any Bearer Notes, the Noteholder must deliver the Bearer Note 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 Put Option Notice in the form obtainable from any specified office of any Paying Agent 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 Condition 5.5.

5.6 Early Redemption Amounts

For purposes of Condition 5.2 and Condition 5.3 above, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(a) for Notes with a Redemption Amount equal to 100.00% of the principal amount, at the Redemption Amount thereof; or

(b) for Notes with a Redemption Amount different from the nominal amount, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their nominal amount.

5.7 Repurchases

The Issuer and any of its affiliates may at any time repurchase Notes (provided that, in the case of Bearer Notes, all unmatured Coupons attached to the Note are repurchased at the same time as the Note) at any price in the open market or otherwise. In the case of Bearer Notes, such Notes may be held, reissued, or surrendered to any Paying Agent for cancellation. Any Notes reissued or resold must comply with the selling restrictions set out in Treasury Regulations Section 1.163-5 as if they were newly issued.

5.8 Cancellation

All Notes which are redeemed will be cancelled (together with, in the case of Bearer Notes, all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Bearer Notes so cancelled and the Bearer Notes purchased and cancelled pursuant to Condition 5.7 above (together with any unmatured Coupons cancelled therewith) shall be forwarded to the Issuing and Principal Paying Agent and cannot be reissued or resold.

6. Payments

6.1 Payments to Noteholders of Registered Notes

All payments under a Note must be made by the Issuer or the Issuing and Principal Paying Agent on its behalf:

(a) if the Notes are lodged in the Austraclear System by crediting, on the relevant Interest Payment Date, Maturity Date or other date on which a payment is due, the amount then due to the account of the Noteholder, in accordance with the Regulations; or

(b) if the Notes are not lodged in the Austraclear System, to the account notified by the relevant Noteholder to the Registrar or, in the absence of that notification, in the manner (if any) specified in the applicable Pricing Supplement, and in either case, without set-off or counterclaim or any other deduction unless required by law.

6.2 Method of payment for Registered Notes

A payment made by electronic transfer is for all purposes taken to the made when the Issuer or the Issuing and Principal Paying Agent gives an irrevocable instruction for the making of that payment by electronic transfer, being an instruction which would be reasonably expected to result, in the ordinary course of banking business, in the relevant funds reaching the account of the Noteholder on the same day as the day on which the instruction is given.

6.3 Payments for Noteholders of Bearer Notes

Subject as provided below payments in Australian dollars will be made by transfer to an Australian dollar account maintained by the payee with, or by a cheque in Australian dollars drawn on, a bank in Sydney; *provided however*, that a cheque 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 by any office or agency of the Issuer, the Issuing and Principal Paying Agent or any Paying Agent.

Payments will be subject in all cases to Condition 6.6, without prejudice to the provisions of Conditions 7.

6.4 Presentation of Notes and Coupons and Payments

Except as provided below, payments of principal, if any, in respect of Bearer Notes will be made as provided in Condition 6.3 only against surrender of such Bearer Notes and payments of interest in respect of Bearer Notes will be made only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under Condition 6.3 made by cheque, at the option of the bearer of such Bearer Note or Coupon, shall be mailed or delivered to an address outside the United States 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.

Fixed Rate Bearer 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 in respect of such principal (whether or not such Coupon would otherwise have become void under condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Bearer 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 Fixed Rate Bearer Note.

Upon the date on which any Floating Rate Bearer Note 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 Bearer Notes.

If the due date for redemption of any Bearer Note is not an Interest Payment Date, interest, if any, accrued in respect of such Bearer Note, from (and including) the preceding Interest Payment Date or, as the case may be, Interest Accrual Date, shall be payable only against surrender of the relevant Bearer Note.

All the payments on the Notes (including Registered Notes and Bearer Notes), including any payment by any office or agency of the Issuer, the Issuing and Principal Paying Agent or any Paying Agent, will be made outside of the United States and will not be mailed to an address in the United States, transferred to an account maintained by the payee in the United States or paid pursuant to a demand made in the United States.

6.5 Business Days

(a) If a payment is due under a Note on a day which is not a Business Day the date for payment will be adjusted according to the Business Day Convention applicable to that Note.

(b) If payment is to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located, the Noteholder is not entitled to payment of such amount until the next Business Day on which banks in such city are open for general banking business and is not entitled to any interest or other payment in respect of any such delay.

6.6 Payments subject to fiscal laws

All payments are subject to Condition 7 and to any applicable fiscal or other laws and regulations.

7. Taxation

7.1 Additional Payments

The Issuer will pay a United States Alien such additional amounts of interest (***Additional Amounts***) as may be necessary so that every net payment of the principal of and interest on any Note or any Coupon (if applicable), after deduction or withholding for or on account of any present or future tax, assessment, or other governmental charge imposed upon such holder by the United States or any political subdivision or taxing authority thereof or therein (other than any territory or possession) upon or as result of such payment, will not be less than the amount provided for in such Note and the Coupons (if applicable); provided, however, that such obligation to pay Additional Amounts shall not apply to:

(a) any tax, assessment or other governmental charge which would not have been so imposed but for:

(i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member, or stockholder of, or a person holding a power over, such folder, if such holder is an estate, trust, partnership, or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member stockholder, or person holding a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in or having or having had a permanent establishment in the United States or having or having had a qualified business unit which has the U.S. Dollar as its functional currency;

(ii) such holder's present or former status ás a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax; or

(iii) such holder's status as a bank extending credit pursuant to a loan agreement entered into in the ordinary course of business;

(b) any tax, assessment, or governmental charge that would not have been so imposed but for the failure of the holder to comply with certification, identification, or information reporting requirements under United States tax law, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity, or connection with the United States of the holder or a beneficial owner or such Note or Coupon (if applicable) if such compliance is required by United States tax laws, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment, or governmental charge;

(c) any tax, assessment, or governmental charge that would not have been so imposed but for the presentation by the holder of such Note or Coupon (if applicable) for payment on a date more than 30 calendar days after the date on which such payment became due and payable or the date on which payment of such Note or Coupon (if applicable) is duly provided for, whichever occurs later;

(d) any estate, inheritance, gift, sales, transfer, excise, wealth, or personal property tax or any similar tax, assessment, or governmental charge;

(e) any tax, assessment, or governmental charge which is payable otherwise than by withholding by the Issuer or the Issuing and Principal Paying Agent from the payment of the principal of or interest on any Note or Coupon (if applicable);

(f) any tax, assessment, or governmental charge imposed solely because the payment is to be made by the Issuing and Principal Paying Agent or a particular office of the Issuing and Principal Paying Agent and would not be imposed if made by another Issuing and Principal Paying Agent or by another office of this Issuing and Principal Paying Agent;

(g) any tax, assessment, or other governmental charge imposed on interest received by a person holding, actually or constructively, 10.00% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;

(h) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to any European Union Directive on the taxation of savings, including any directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 (any such directive being the ***Directive***) or any law implementing or complying with, or introduced in order to conform to such Directive;

(i) any Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or

(j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), or (i); not shall Additional Amounts be paid with respect to any payment of the principal of or interest on any Note or Coupon (if applicable) to a person other than the sole beneficial owner of such payment or that is a partnership of fiduciary to the extent either (i) such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary would not have been entitled to the payment of Additional Amounts had such beneficial owner, member, beneficiary, or settlor been the Noteholder or Couponholder (if applicable) or (ii) the Noteholder does not provide a statement, in the form, manner and time required by applicable United States income tax laws, from such beneficial owner, member of such partnership or beneficiary or settlor with respect to such fiduciary concerning its nationality, residence, identity, or connection with the United States.

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.

Except as specifically provided in these Terms and Conditions and in the Agency and Registry Agreement, the Issuer shall not be required to make any payment with respect to any tax, assessment, or other governmental charge imposed by any government or any political subdivision or taxing authority.

Whenever any Additional Amounts are to be paid on Notes or Coupons (if applicable), the Issuer will give notice to the Issuing and Principal Paying Agent and any other Paying Agents, as provided in the Agency and Registry Agreement.

7.2 Additional Gross-up Exception

(a) Under the terms of Conditions 2.8 and 2.9 the Noteholder of a Bearer Note is required to provide its name and address or a declaration substantially in the form set out as Appendix 1 to the Bearer Exchange Notice (set out as Schedule 4 to the Deed Poll) for purposes of Australian tax laws (the ***Requirement***).

(b) If the Noteholder fails to comply with a Requirement, the Issuer (or its paying agent, on direction from the Issuer, who shall retain and remit such amount to the Issuer who shall remit it to the ATO) will retain and remit to the ATO an amount as specified in the *Income Tax (Bearer Debentures) Act 1971*(of the Commonwealth of Australia) (currently 47%) of the interest otherwise payable to the Noteholder unless the Noteholder demonstrates to the satisfaction of the Issuer (or the paying agent) that section 126 of the *Income Tax Assessment Act 1936*(of the Commonwealth of Australia) does not apply to the relevant interest payment.

(c) No Additional Amounts or other payments will be payable by the Issuer or its paying agent in relation to any withholdings or deductions for any Australian tax in connection with the payment of any Note (or any Coupon attached to a Bearer Note) which is levied on such payment due to the fact that the Note is a Bearer Note.

8. Register

8.1 Registrar's role

The Issuer agrees, subject to any relevant Pricing Supplement, to procure that the Registrar does the following things:

(a) establish and maintain the Register in Sydney or such other city outside the United States as the Issuer and the Registrar may agree;

(b) enter or cause to be entered in the Register:

(i) the principal amount of the Registered Note;

(ii) the full name and address of the Noteholder;

(iii) any declaration of non-residence, tax file number or Australian business number or exemption details;

(iv) the Issue Date, Maturity Date and any interest rate and payment details of the Registered Note;

(v) the Tranche and Series of the Registered Note;

(vi) any payment instructions notified by the Noteholder or provided by the Issuer or the Issuing and Principal Paying Agent in respect of a Noteholder;

(vii) all subsequent transfers and changes of ownership of the Registered Note;

(viii) the details of any making which has been provided in respect of the Registered Note; and

(ix) such other information as is required by all applicable laws or as the Issuer and Registrar agree; and

(c) comply with the obligations expressed in the Deed Poll and the Agency and Registry Agreement to be performed by the Registrar.

8.2 Registrar

(a) In acting under the Agency and Registry Agreement in connection with the Notes, each of the Registrar and the Issuing and Principal Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar or the Issuing and Principal Paying Agent, as the case may be, in accordance with the Agency and Registry Agreement shall, pending their application in accordance with the Agency and Registry Agreement, be held by it in a segregated account for the persons entitled thereto.

(b) The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Agency and Registry Agreement and to appoint successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar with its specified office in the Commonwealth of Australia or the place of incorporation of the Issuer. Notice of any such termination of appointment will be given to the Noteholder in accordance with Condition 12.

8.3 Multiple Noteholders

(a) Subject to the *Corporations Act 2001,* if more than 4 persons are the holders of a Note, the names of only 4 such persons will be entered in the Register.

(b) Subject to the *Corporations Act 2001,* if more than one person is the holder of a Note, the address of only one of them will be entered on the Register. If more than one address is notified to the Registrar, the address recorded in the Register will be the address of the Noteholder whose name appears first in the Register.

8.4 Noteholder change of address

A Noteholder of Registered Notes must promptly notify any change of address to the Registrar.

8.5 Closing of Register

The registration of the transfer of a Note may be suspended by the Registrar (and the Register shall be closed for the purpose of determining entitlements to payment under a Note) after the close of business on the eighth calendar day or other day in accordance with the Regulations prior to each Interest Payment Date (if any) and each Maturity Date of the Note or such other number of days as may be agreed by the Issuer and the Registrar and not contrary to the Regulations and notified promptly by the Issuer to the Noteholders and the Dealers.

8.6 Transfer on death, bankruptcy or liquidation of Noteholder

The Registrar must register a transfer of a Note to or by a person who is entitled to do so in consequence of:

(a) the death or bankruptcy (in the case of natural persons) or the liquidation or winding up (in the case of a corporation) of a Noteholder; or

(b) the making of any vesting orders by a court or other judicial or quasi judicial body,

in accordance with any applicable laws and upon such evidence as the Issuer or the Registrar may require.

8.7 Trusts

Without limitation, except as provided by statute or as required by order of a court of competent jurisdiction, no notice of any trust (whether express, implied or constructive) may be entered in the Register in respect of a Note and the Registrar is not obliged to recognise any trust.

9. Events of Default

9.1 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) the Issuer shall fail to pay the principal amount of any of such Notes when due whether at maturity or upon early redemption or otherwise; or

(ii) the Issuer shall fail to pay any instalment 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) the Issuer shall fail duly to perform or observe any other term, covenant, or agreement applicable to Senior Notes contained in any of such Notes or in the Agency and Registry Agreement for a period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Issuer, the Registrar and the Issuing and Principal Paying Agent by the Noteholders of at least 33.00% in aggregate principal amount of such Notes at the time outstanding; provided, however, that in the event the Issuer within the aforesaid period of 90 calendar days shall commence legal action in a court of competent jurisdiction seeking a determination that the Issuer 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 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 Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer

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 Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganisation, 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 Issuer 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.

(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 Issuer in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, conservator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer 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 Issuer shall commence a voluntary case or proceeding under any applicable bankruptcy, insolvency, liquidation, receivership, reorganisation, 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 Issuer 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.

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 and, in the case of Registered Notes, the Registrar or, in the case of Bearer Notes, the Issuing and Principal Paying 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 on (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. 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.

If an Event of Default with respect to any of 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 shall notify the Registrar and the Issuing and Principal Paying 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 each of the Registrar and the Issuing and Principal Paying Agent upon receipt of such notice shall promptly notify all of the applicable Noteholders of such Event of Default. In the case of Registrar, such notification to holders of Registered Notes shall be by registered post to the address of the Noteholder recorded in the Register. In the case of the Issuing and Principal Paying Agent, such notification to holders of Bearer Notes shall be in accordance with Condition 12.

If any Note shall become repayable due to an Event of Default and in accordance with this Condition 9, such Note shall be repaid at its Early Redemption Amount together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with Condition 3.

(c) Reports

The Issuer shall provide to the Issuing and Principal Paying Agent and the Registrar within 90 calendar days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2006, a certificate to the effect that as of the last day of such fiscal year there was then existing no default with respect to the Notes, as defined in this section. The Issuing and Principal Paying Agent and the Registrar shall make such certificate available for inspection during normal business hours but shall have no duty to the Noteholders in respect of such certificate.

10. Time Limit for Claims

The Notes and, if applicable, Coupons will become void unless presented for payment within a period of five years after the date on which such payment first become due (the ***Relevant Date***). However, if the full amount of the money payable has not been duly received by the Issuing and Principal Paying 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 Noteholders in accordance with Condition 12.

In the case of Bearer Notes, 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 Condition or Condition 6.4 or any Talon which would be void pursuant to Condition 6.4.

11. Replacement of Bearer Notes, Coupons and Talons

Should any Bearer Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Principal Paying Agent in Sydney (or such other place outside the United States as may be notified to Noteholders) 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 may reasonable require. Mutilated or defaced Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Notices

12.1 Issuer, Registrar and the Issuing and Principal Paying Agent

A notice or other communication to the Issuer, the Registrar or the Issuing and Principal Paying Agent in connection with a Note:

(a) must be in writing addressed as follows:

(i) if to the Issuer, to:

Address:	Bank of America Corporate Center 100 North Tryon Street NC1-007-07-06 Charlotte North Carolina 29255-0065
Facsimile No:	(1 704) 386 0270
Attention:	Corporate Treasury – Securities Administration

(ii) if to the Registrar and the Issuing and Principal Paying Agent, to:

Address: Level 35, AAP Center
259 George Street
SYDNEY NSW 2000

Facsimile No: (61 2) 9247 4913

Attention: Worldwide Securities Services - Trust

(b) is taken to be given or made, as the case may be, on the date it is received which, in the case of a facsimile is deemed to be the time indicated in a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entiretly to the facsimile number of the recipient notified for the purpose of this Condition 12.

12.2 Publication of notices to Noteholders of Registered Notes

A notice or other communication to a Noteholder in connection with a Registered Note:

(a) must be in writing and may be given by prepaid post or delivery to the address of the Noteholder as shown in the Register at the close of business 7 days prior to the despatch of the relevant notice or communication; and

(b) is taken to be given or made, as the case may be, on the date the notice or other communication is so posted or delivered, as the case may be.

12.3 Publication of notices to Noteholders of Bearer Notes

All notices regarding the Bearer Notes shall be published in a leading English language daily newspaper of general circulation in Sydney. It is expected that such publication will be made in the *Australian Financial Review*. The Issuer will also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which any Notes may be listed or by which they have been admitted to trading. Any such notice will 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 Noteholders in accordance with this Condition 12.3.

12.4 Notices given by Noteholders of Bearer Notes

Notices to be given by any Noteholder shall be in writing and given by lodging the notice, together with the related Bearer Note or Bearer Notes, with the Issuing and Principal Paying Agent.

13. Issuing and Principal Paying Agent and Agents

13.1 Issuing and Principal Paying Agent

JPMorgan Chase Bank N.A., Sydney Branch of Level 35, AAP Centre, 259 George Street, SYDNEY NSW 2000 shall be the initial Issuing and Principal Paying Agent.

13.2 Variation or termination of Paying Agents

The Issuer is entitled to vary or terminate the appointment of the Issuing and Principal Paying Agent and any Paying Agent and to appoint a new Issuing and Principal Paying Agent or additional or other Paying Agents and approve any change in the specified office through which any Paying Agents acts, in each case without the consent of any Noteholder, provided that:

(a) there will at all times be an Issuing and Principal Paying Agent;

(b) if any 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;

(c) if the conclusions of the ECOFIN Council meeting of November 26-27, 2000 are implemented, 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 the Directive (as defined in Condition 7.2(h)); and

(d) the offices of the Paying Agent will be outside the United States.

13.3 Notice of Change

Notice of any such change or change in the specified office of the Issuing and Principal Paying Agent will be given to Noteholders in accordance with Condition 12.

14. Exchange of Talons

On and after any Interest Payment Date 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 Issuing and Principal Paying 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 Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon, for purpose of these Terms and Conditions, shall be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

15. Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes to the Issuer and the granting of approvals, consents and waives, and the declaration of an Event of Default.

16. Amendments

Each of the Agency and Registry Agreement, the Terms and Conditions and the relevant Pricing Supplement may be amended, without the consent of any Noteholder or Couponholder, for the following purposes:

(a) to evidence the succession of another entity to the Issuer, including a successor by merger and the assumption by any such successor of the covenants of the Issuer in the Agency and Registry Agreement, the Notes or Coupons;

(b) to add to the covenants of the Issuer for the benefit of the Noteholders or the Couponholders, or to surrender any right or power in these Terms and Conditions conferred upon the Issuer;

(c) to relax or eliminate the restrictions on payment of principal and interest in respect of the Notes or Coupons in the United States, provided that such payment is permitted by United States tax laws and regulations then in effect and provided that no adverse tax consequences would result to the Noteholders or Couponholders;

(d) to cure any ambiguity, or correct or supplement any defective or inconsistent provisions in these Terms and Conditions;

(e) to make any other provisions with respect to matters or questions arising under the Notes, the Coupons or the Agency and Registry Agreement, provided such action pursuant to this subclause (e) shall not aversely affect the interests of the Noteholders or Couponholders; and

(f) 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 Noteholders and the Couponholders and any such modification or amendment shall be notified to the Noteholders and the Couponholders in accordance with Condition 12 as soon as practicable thereafter.

17. Merger, Consolidation, Sale, Conveyance and Assumption

Any entity into which the Issuing and Principal Paying Agent or any Paying Agent may be merged or converted, or any entity with which the Issuing and Principal Paying Agent or any of the Paying Agents may be consolidated or any entity resulting from any merger, conversion, or consolidation to which the Issuing and Principal Paying Agent or any of the Paying Agents shall be a party, or any entity to which the Issuing and Principal Paying Agent or any Paying Agent shall sell or otherwise transfer all or substantially all the assets of the Issuing and Principal Paying 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 Issuing and Principal Paying Agent or, as the case may be, Paying Agent under the Agency and Registry Agreement without the execution or filing of any paper or any further act on the part of the parties to the Agency and Registry Agreement, unless otherwise required by the Issuer, and after the effective

date all references in the Agency and Registry Agreement to the Issuing and Principal Paying 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 Issuing and Principal Paying Agent or relevant Paying Agent.

18. Additional Issues

The Issuer may from time to time and without the consent of the Noteholders or, if applicable, Couponholders create and issue additional notes having terms and conditions the same as (or the same in all respects except for the Issue Date, Interest Accrual 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.

19. Replacement of Bearer Notes, Coupons and Talons

If any Bearer Note, Coupon or Talon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the office of the Issuing and Principal Paying Agent on payment by the claimant of such costs as may be incurred in connection with such replacement and on such terms as to evidence, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bearer Notes, Coupons or Talons must be surrendered before replacement Bearer Notes, Coupons or Talons will be issued.

20. Governing Law and Jurisdiction

20.1 Governing law

The Notes, Coupons and Talons are governed by the law in force in New South Wales or any other jurisdiction specified in the relevant Pricing Supplement. The subordination provisions contained in Condition 2.7 are governed by New York law.

20.2 Jurisdiction

The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts, to claim that such action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

20.3 Agent for Service of Process

The Issuer irrevocably appoints BA Australia Limited (ABN 50 004 617 341) to receive, for it and on its behalf, service of process in any proceedings in the courts of New South Wales. If for any reason such agent shall cease to be an agent for service of process, the Issuer shall immediately appoint a new agent for service of process in New South Wales and deliver notice of such appointment to the Noteholders in accordance with the procedures set out in Condition 12 within 30 days. Nothing shall affect the right to service process in any other manner permitted by law.

Schedule

Provisions for Meetings of Noteholders

1. As used in this Schedule, the following expressions shall have the following meanings, unless the context otherwise requires:

   (a) ***voting certificate*** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:

      (i) that on the date thereof Notes (not being Notes 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 Notes will cease to be so deposited or held until the first to occur of:

         (A) the conclusion of the meeting specified in such certificate or, if applicable, any adjourned such meeting; and

         (B) the surrender of the certificate to the Paying Agent who issues the same;

      (ii) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;

   (b) ***block voting instructions*** shall mean an English language document issued by (i) in the case of Bearer Notes, a Paying Agent or (ii) in the case of Registered Notes, the Registrar, and dated in which:

      (i) it is certified that Bearer Notes (not being Notes in respect of which a voting certificate has been issued an 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 Bearer Notes will cease to be so deposited or held until the first to occur of:

         (A) the conclusion of the meeting specified in such document or, if applicable, any adjourned such meeting; and

         (B) 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 Bearer Note which is to be released or (as the case may require) the Bearer Note or Bearer Notes ceasing with the agreement of the Paying Agent or the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

(ii) it is certified by the Registrar that Registered Notes (not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such voting certificate and any adjourned such meeting) are registered in the Register in the names of the specified Noteholders;

(iii) it is certified that each holder of such Notes has instructed such Registrar or Paying Agent, as the case may be, that the vote(s) attributable to the Note or Notes so registered, 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;

(iv) the total number and (in the case only of Bearer Notes) the serial numbers of the Notes 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

(v) one or more persons named in such document (each hereinafter called a ***proxy***) is or are authorised and instructed by such Registrar or Paying Agent, as the case may be, to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in paragraph (iv) 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 Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction related and the Registrar or Paying Agent with which such Notes have been registered or deposited, as the case may be, 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 Notes.

(c) References herein to the ***Notes*** are to the Notes in respect of which the relevant meeting is convened.

2. The Issuing and Principal Paying Agent may at any time and, upon a requisition in writing of Noteholders holding not less than 33% in principal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if, the Issuing and Principal Paying 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 Issuing and Principal Paying 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 Sydney as the Issuing and Principal Agent may approve.

3. Notice of every meeting of Noteholders shall be published on behalf and at the expense of the Issuer in accordance with Condition 12 of the Terms and Conditions of the Notes. 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 Bearer Notes may be deposited with Paying Agents and, in the case of Registered Notes, the Registrar may be contacted 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 lease 33% in aggregate principal amount of the Notes outstanding shall have requested the Issuing and Principal Paying Agent to call a meeting of Noteholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting and the Issuing and Principal Paying 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 Noteholders of Notes 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 Noteholder) 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 Noteholders present shall choose one of their number to be Chairman. To be entitled to vote at any meeting of Noteholders, a person shall be (i) a Noteholder of one or more Notes, or (ii) a person appointed by an instrument in writing as proxy for a Noteholder or Noteholders by such Noteholder or Noteholders, which proxy need not be a Noteholder. The only persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Issuing and Principal Paying Agent and its counsel and any representatives of the Issuer and its counsel.

6. At any such meeting, one or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than a majority in principal amount of the Notes 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 Notes or voting certificates or being proxies and holding or representing in the aggregate 67% in principal amount of the Notes 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 affected after having been approved by an Extraordinary Resolution) namely:

(a) modification of the Maturity Date of the Notes or reduction or cancellation of the principal amount payable upon maturity; or

(b) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Interest Rate in respect of the Notes; or

(c) reduction of any Minimum Interest Rate and/or Maximum Interest Rate specified in the applicable Pricing Supplement of any Floating Rate Notes; or

(d) modification of the majority required to pass an Extraordinary Resolution; or

(e) the sanctioning of any such scheme or proposal as is described in paragraph 19(f) below; or

(f) alternation of this proviso or the proviso to paragraph 7 below;

the quorum shall be one or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of Notes will be binding on all holders of Notes whether or not they are present at the meeting and on all holders of Coupons (if any) appertaining to Bearer Notes.

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 Noteholders (as provided in paragraph 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 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 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 Condition 15) shall be effectively passed and decided if passed or decided by the persons entitled to vote a majority in principal amount of the Notes represented and voting at such meeting, provided that such amount shall be not less than 33% in principal amount of the Notes outstanding. Any Noteholder 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 Noteholder 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 Noteholders duly held in accordance with this paragraph 7 shall be binding on all Noteholders whether or not present or represented at the meeting and whether or not notation of such decision is made upon the Notes.

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 Notes or voting certificates or being proxies at the adjournment meeting whatever the principal amount of the Notes 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 Noteholder 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 Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two percent in principal amount of the Notes 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 favour 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, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requisitioning the convening of such a meeting unless he either produces the Note or Notes 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 Notes 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 Notes 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 Note 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 each minimum integral amount of Australian dollars.

    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 Noteholders.

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 or the Registrar, as the case may be, shall be deposited at such place as the Issuing and Principal Paying 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 Issuing and Principal Paying Agent before the commencement of the meeting or adjourned meeting, but the Issuing and Principal Paying 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 Noteholders' 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 or the Registrar, as the case may be, by the Issuer at its registered office (or such other place as may have been approved by the Issuing and Principal Paying 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 Noteholders 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 Noteholders and the Couponholders or any of them.

    (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders and the Couponholders against the Issuer or against any of its property whether such rights shall arise under this Agreement, the Deed Poll, the Notes or the Coupons or otherwise.

(c) Power to assent to any modification of the provisions contained in this Agreement or the Terms and Conditions, the Notes or the Coupons which shall be proposed by the Issuer.

(d) Power to give any authority or sanction which under provisions of this Agreement or the Notes is required to be given by Extraordinary Resolution.

(e) Power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interest of the Noteholders and to confer upon such committee or committees any powers or descriptions which the Noteholders could themselves exercise by Extraordinary Resolution.

(f) Power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes 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 Notes and the Coupons.

20. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Agreement shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and upon all Receiptholders and Couponholder 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 Noteholders shall be published in accordance with Condition 12 of the Terms and Conditions of the Notes 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 or the Terms and Conditions means a resolution passed at a meeting of the Noteholders 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 Noteholders shall be by written ballots on which shall be subscribed the signatures of Noteholders or of their representatives by proxy (and the serial number or numbers of the Notes 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 Noteholders 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 Issuing and Principal Paying Agent to be preserved by the Issuing and Principal Paying Agent, the copy delivered to the Issuing and Principal Paying 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 Issuing and Principal Paying Agent may without the consent of the Issuer, the Noteholders or the Couponholders prescribe such further regulations regarding the requisition and/or the holding of meetings of Noteholders and attendance and voting thereat as the Issuing and Principal Paying Agent may in its sole discretion think fit.

Schedule 4

Bearer Exchange Notice

This Schedule sets out the form of the Bearer Exchange Notice (as defined in the Terms and Conditions) to be given by the holder of a Registered Note in order to exercise the option to exchange a Registered Note for a Bearer Note.

Bank of America Corporation

A$[*] Notes due [*] 20[*]

Series: [*]

Tranche No: [*]

Bearer Exchange Notice

[*] being the holder of [*] principal amount of Registered Notes, hereby exercises the option set out in the Registered Notes to have such Registered Notes exchanged for Bearer Notes in an aggregate amount equal to the principal amount of the Registered Notes being exchanged and directs that such Bearer Notes [be made available for collection by it from the Issue and Principal Paying Agent's specified office/be mailed to the (respective) address(es) of the registered holder(s) as set forth below]*.

Name(s) and address(es) of registered holder(s):

[*]

[*]

[*]

By: _____
(duly authorised)

Notes:

1. This notice must be given in respect of permitted exchanges. Registered Notes with an aggregate principal amount of less than A$500,000 may not be exchanged

2. Bearer Notes are not required to be delivered pursuant to this notice until 120 days after the Noteholder delivers this notice to the Issuing and Principal Paying Agent

3. *This notice must be accompanied by the payment to the Issuing and Principal Paying Agent of such reasonable professional costs and production costs as specified by the Issuing and Principal Paying Agent)*.

* Delete as appropriate.

Appendix 1 to Bearer Exchange Notice

Bank of America Corporation

A$[*] Notes due [*] 20[*]

Series: [*]

Tranche No: [*]

Exchange Declaration

I declare that I am not an Australian resident, as defined in the *Income Tax Assessment Act 1936,* nor will I otherwise hold the Bearer Notes, to which this declaration applies, in the course of carrying on business in Australia at or through a permanent establishment in Australia.

I further undertake to notify the Issuer if I either:

(a) hold or commence to hold the Bearer Notes to which this declaration applies, as either:

  (i) an Australian resident, as defined in the *Income Tax Assessment Act 1936*; or

  (ii) otherwise in the course of carrying on business in Australia at or through a permanent establishment in Australia; or

(b) dispose of any part of the beneficial interest in the Bearer Notes, to which this declaration applies, to, at the time of such disposal, either:

  (i) an Australian resident, as defined in the *Income Tax Assessment Act 1936*; or

  (ii) a person who otherwise acquires or would hold the Bearer Notes in the course of carrying on business in Australia at or through a permanent establishment in Australia

and I undertake to provide such notification (the ***Notice***) within a reasonable time after the occurrence of either (a) or (b) above and provided I give the Notice prior to the first interest payment date after that occurrence.

Name and Address: [*]

Signed: _____
(duly authorized)

Date: [*]

Schedule 5

Form of Bearer Note, Coupon and Talon

FORM OF BEARER NOTE

THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THE NOTES NOR ANY INTEREST OR PARTICIPATION IN THE NOTES 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 TERRORITORIES, 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, UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO ANY CITIZEN, NATIONAL OR RESIDEDNT OF THE UNITED STATES, ANY CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANISED 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 BEARER NOTE ARE AS SPECIFIED IN THE PRICING SUPPLEMENT AND AGENCY AND REGISTRY 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 NOTEHOLDER NOR THE BENEFICIAL OWNERS OF THIS NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

BANK OF AMERICA CORPORATION

A$[*] NOTES DUE [*] 20[*]

Series No.[*]
Tranche No. [*]

NOTE

COMMON CODE: [*] ISIN: [*]

This Note is a duly authorised issue of Australian Medium-Term Notes (the "Notes") of Bank of America Corporation (the "Issuer") denominated in Australian dollars maturing on the Maturity Date or, as the case may be, on the Interest Payment Date falling on the Redemption Month. References herein to the Terms and Conditions shall be to the Terms and Conditions of the Notes endorsed herein as modified and supplemented by the information set out in the Pricing Supplement attached hereto and incorporated hereon, but in the event of any conflict between the provisions of the Terms and Conditions and the information set out in the Pricing Supplement, the Pricing Supplement will prevail.

This Note is issued subject to, and with the benefit of, the Terms and Conditions and an Agency and Registry Agreement (the "Agency and Registry 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 May 18, 2006 and made among Bank of America Corporation, JPMorgan Chase Bank N.A., Sydney Branch (the "Issuing and Principal Paying Agent") and the other agents named therein.

For value received, the Issuer, subject to and in accordance with the Terms and Conditions, promises to pay to the bearer hereof on the Maturity Date or, as the case may be, on the Interest Payment Date falling in the Redemption Month, or on such earlier date as this Note may become due and repayable in accordance with the Terms and Conditions, the amount payable on redemption of this Note, and to pay interest (if any) on this Note calculated and payable as provided in the Terms and Conditions together with any other sums payable under the Terms and Conditions.

This Note shall be governed by the law in force in New South Wales.

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 Issuing and Principal Paying Agent acting in accordance with the Agency and Registry Agreement.

IN WITNESS WHEREOF the Issuer has caused this Note to be duly signed on its behalf.

BANK OF AMERICA CORPORATION

By: _____
Duly authorised officer

CERTIFICATE OF AUTHENTICATION OF THE AGENT

This Note is authenticated by or on behalf of the Agent.

JPMorgan Chase Bank N.A., Sydney Branch
as Issuing and Principal Paying Agent

By: _____
Authorised Signatory
For the purposes of authentication only.

(REVERSE OF NOTE)

The Terms and Conditions of the Notes, attached to or endorsed upon this Note, are set forth in (i) Schedule 3 of the Deed Poll dated as of May 18, 2006 by and among Bank of America Corporation, JPMorgan Chase Bank N.A., Sydney Branch (the "Issuing and Principal Paying Agent") and the other agents named therein; and (ii) the Pricing Supplement dated [*] 20[*].

[At the foot of the Terms and Conditions of the Notes]

ISSUING AND PRINCIPAL PAYING AGENT
JPMorgan Chase Bank N.A., Sydney Branch

FORM OF COUPON

THIS COUPON ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM 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 HEREIN 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, UNLESS THIS COUPON IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM 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 ORGANISED 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 NOTEHOLDER NOR THE BENEFICIAL OWNERS OF THIS COUPON SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

BANK OF AMERICA CORPORATION

A$[*] NOTES DUE [*] 20[*]

Series No. [*]

COMMON CODE: [*] ISIN: [*]

Part A
For Fixed Rate Notes:

This coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes.

Coupon No. _
Coupon for
[ ]
due on
[ ],
20[ ]]

Part B

THE ATTENTION OF COUPONHOLDERS IS DRAWN TO CONDITION 5 OF THE TERMS AND CONDITIONS. THE NOTE TO WHICH THIS COUPON APPERTAINS MAY, IN CERTAIN CIRCUMSTANCES SPECIFIED IN SUCH TERMS AND CONDITIONS, FALL DUE FOR REDEMPTION PRIOR TO THE DUE DATE IN RELATION TO THIS COUPON. IN SUCH EVENT THE PAYING AGENT TO WHICH SUCH INSTRUMENT IS PRESENTED FOR REDEMPTION MAY DETERMINE, IN ACCORDANCE WITH CONDITION 5 THAT THIS COUPON IS TO BECOME VOID.

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.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

(Reverse of Coupon)

ISSUING AND PRINCIPAL PAYING AGENT

JPMorgan Chase Bank N.A., Sydney Branch

FORM OF TALON

THIS TALON ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM 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 HEREIN 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, UNLESS THIS TALON IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

THE NOTES ISSUED UNDER THE BANK OF AMERICA CORPORATION AUSTRALIAN MEDIUM TERM NOTE PROGRAM 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 NOTEHOLDER NOR THE BENEFICIAL OWNERS OF THIS TALON SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON EXCEPT PURSUANT TO THE PROVISIONS HEREOF.

(On the front)

BANK OF AMERICA CORPORATION

A$[*] NOTES DUE [*]20[*]

Series No.[*]

COMMON CODE: [*] ISIN: [*]

On and after [ ] further Coupons [and a further Talon] appertaining to the Bearer Note to which this Talon appertains will be issued at the specified office of the Issuing and Principal Paying Agent 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 Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Bearer Notes to which this Talon appertains.

BANK OF AMERICA CORPORATION

By: _____
Duly authorized officer

(Reverse of Receipt and Talon)

ISSUING AND PRINCIPAL PAYING AGENT

JPMorgan Chase Bank N.A., Sydney Branch

EXECUTED and delivered as a deed poll.

Signed and **Delivered** on behalf of **Bank of America Corporation** by its Senior Vice President in the presence of:

BOYD C. CAMPBELL, JNR	**ANN J. TRAVIS**
Witness	Signature
BOYD C. CAMPBELL, JNR	**ANN J. TRAVIS**
Print Name	Print Name

Exhibit 4(aaa)

AGREEMENT OF APPOINTMENT AND ACCEPTANCE

This Agreement of Appointment and Acceptance (this "Agreement"), dated as of December 29, 2006, is made by and between Bank of America Corporation, a Delaware corporation (the "Issuer"), and The Bank of New York Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States and having its principal office in Los Angeles, California ("Trust Company").

RECITALS

WHEREAS, the Issuer, as an original party or as successor corporation to FleetBoston Corporation or MBNA Corporation, and The Bank of New York, a New York banking corporation (the "Bank"), entered into the trust indentures as are more particularly described in Exhibit A (each an "Indenture" and collectively the "Indentures") under which the Bank was appointed to act as trustee, issuing and paying agent, registrar or other agent of the Issuer (collectively referred to herein as the "Trustee") or is a successor Trustee in connection with the debt securities issued pursuant to the terms of the applicable Indenture (the "Securities");

WHEREAS, as required by the terms of the Indentures, the Bank provided notice to the Issuer of its desire to resign as Trustee under each Indenture and its recommendation that Trust Company be appointed as successor Trustee under each Indenture; and

WHEREAS, the Board of Directors of the Issuer has authorized and directed the authorized officers of the Issuer to appoint Trust Company as the successor to the Bank as Trustee under each Indenture, and Trust Company desires to accept such appointment as the successor to the Bank as Trustee under each Indenture.

NOW, THEREFORE, the Issuer and Trust Company, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, hereby consent and agree as follows:

ARTICLE I

APPOINTMENT OF SUCCESSOR TRUSTEE

SECTION 1.01. The Issuer hereby appoints Trust Company to serve as Trustee under the terms of each Indenture with like effect as if originally named as Trustee under each Indenture.

SECTION 1.02. Trust Company hereby accepts the Issuer's appointment to serve as Trustee under the terms of each Indenture and accepts and assumes the rights, powers, duties and obligations of the Bank under each Indenture, upon the terms and conditions set forth therein, with like effect as if originally named as Trustee under each Indenture.

SECTION 1.03. The Issuer and Trust Company acknowledge that all conditions relating to the appointment of Trust Company as the successor to the Bank as Trustee under each

Indenture have been met by the Issuer, except that the Bank has agreed to deliver notice of its resignation to all securities holders, either on its own behalf or on behalf of the Issuer, as applicable, as required under the terms of the Indentures.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. The Issuer represents and warrants that it is a corporation duly organized and validly existing under the laws of Delaware and that it has the corporate power and authority to enter into and perform this Agreement.

SECTION 2.02. Trust Company represents and warrants that it is a national association duly organized and validly existing under the applicable laws of the United States of America and that it has the corporate power and authority to enter into and perform this Agreement. Trust Company further represents and warrants that it is qualified to perform the duties and services as Trustee under each Indenture and has no reason to believe that it will be or become unqualified to act in any such capacity.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. This Agreement and the appointment and acceptance effected hereby shall be effective as of 12:01 A.M. local Los Angeles time on December 29, 2006 (the "Effective Date").

SECTION 3.02. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 3.03. This Agreement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

SECTION 3.04. The persons signing this Agreement on behalf of the Issuer and Trust Company are duly authorized to execute it on behalf of the relevant party.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and acknowledged all as of the day and year first above written.

Bank of America Corporation

By: /s/ DARRIN B. MCCASKILL
Name: Darrin B. McCaskill
Title: Vice President

The Bank of New York Trust Company, N.A.

By: /s/ TINA D. GONZALEZ
Name: Tina Gonzalez
Title: Assistant Treasurer

EXHIBIT A

Indentures

1. Subordinated Notes Indenture, dated as of September 1, 1989, between Bank of America Corporation (as successor to NationsBank Corporation, formerly NCNB Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of August 28, 1998.

2. Subordinated Notes Indenture, dated as of November 1, 1992, between Bank of America Corporation (as successor to NationsBank Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of July 1, 1993 and a Second Supplemental Indenture, dated as of August 28, 1998.

3. Senior Debt Securities Indenture, dated as of January 1, 1995, between Bank of America Corporation (as successor to NationsBank Corporation) and The Bank of New York (as successor in interest to U.S. Bank Trust National Association, as successor trustee to BankAmerica National Trust Company), as supplemented by a First Supplemental Indenture, dated as of September 18, 1998, a Second Supplemental Indenture, dated as of May 7, 2001, a Third Supplemental Indenture, dated as of July 28, 2004, and a Fourth Supplemental Indenture, dated as of April 28, 2006.

4. Subordinated Debt Securities Indenture, dated as of January 1, 1995, between Bank of America Corporation (as successor to NationsBank Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of August 28, 1998.

5. Junior Subordinated Debt Securities Indenture, dated as of November 27, 1996, between Bank of America Corporation (as successor to NationsBank Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of December 4, 1996, a Second Supplemental Indenture, dated as of December 17, 1996, a Third Supplemental Indenture, dated as of February 3, 1997, a Fourth Supplemental Indenture, dated as of April 22, 1997, and a Fifth Supplemental Indenture, dated as of August 28, 1998.

6. Amended and Restated Senior Debt Securities Indenture, dated as of July 1, 2001, between Bank of America Corporation and The Bank of New York.

7. Amended and Restated Subordinated Debt Securities Indenture, dated as of July 1, 2001, between Bank of America Corporation and The Bank of New York.

8. Restated Junior Subordinated Debt Securities Indenture, dated as of November 1, 2001, between Bank of America Corporation and The Bank of New York.

9. Subordinated Debt Securities Indenture, dated as of November 24, 1992, between MBNA Corporation and The Bank of New York (as successor to Harris Trust and Savings Bank), as supplemented by a First Supplemental Indenture, dated as of December 21, 2005.

10. Junior Subordinated Indenture, dated as of December 18, 1996, between MBNA Corporation and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of June 27, 2002, a Second Supplemental Indenture, dated as of November 27, 2002, and a Third Supplemental Indenture, dated as of December 21, 2005.

11. Senior Debt Securities Indenture, dated as of December 6, 1999, between FleetBoston Financial Corporation (formerly Fleet Boston Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of March 18, 2004.

12. Junior Subordinated Deferrable Interest Securities Indenture, dated as of November 26, 1996, between FleetBoston Financial Corporation (successor to Bank of Boston Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of October 1, 1999 and a Second Supplemental Indenture, dated as of March 18, 2004.

13. Junior Subordinated Deferrable Interest Securities Indenture, dated as of December 10, 1996, between FleetBoston Financial Corporation (successor to Bank of Boston Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of October 1, 1999 and a Second Supplemental Indenture, dated as of March 18, 2004.

14. Junior Subordinated Deferrable Interest Securities Indenture, dated as of June 3, 1997, between FleetBoston Financial Corporation (successor to Progress Financial Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of February 1, 2004, and a Second Supplemental Indenture, dated as of March 18, 2004.

15. Junior Subordinated Deferrable Interest Securities Indenture, dated as of June 4, 1997, between FleetBoston Financial Corporation (successor to BankBoston Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of October 1, 1999, and a Second Supplemental Indenture, dated as of March 18, 2004.

16. Junior Subordinated Deferrable Interest Securities Indenture, dated as of June 8, 1998, between FleetBoston Financial Corporation (successor to BankBoston Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of October 1, 1999, and a Second Supplemental Indenture, dated as of March 18, 2004.

17. Junior Subordinated Unsecured Debentures Indenture, dated as of June 30, 2000, between FleetBoston Financial Corporation and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of June 30, 2000, a Second Supplemental Indenture, dated as of September 17, 2001, a Third Supplemental Indenture, dated as of March 8, 2002, a Fourth Supplemental Indenture, dated as of July 31, 2003, and a Fifth Supplemental Indenture, dated as of March 18, 2004.

18. Unsecured Junior Subordinated Deferrable Interest Notes Indenture, dated as of November 8, 2002, between FleetBoston Corporation (successor to Progress Financial Corporation) and The Bank of New York, as supplemented by a First Supplemental Indenture, dated as of February 1, 2004, and a Second Supplemental Indenture, dated as of March 18, 2004.

BANK OF AMERICA CORPORATION
DIRECTOR DEFERRAL PLAN

As Amended and Restated Effective January 1, 2005

1. Name:

This plan shall be known as the "Bank of America Corporation Director Deferral Plan" (the "Plan").

2. Purpose and Intent:

The purpose of the Plan is to provide Nonemployee Directors with the opportunity to defer some or all of their compensation received as directors of Bank of America Corporation (the "Corporation"). The Corporation is hereby amending and restating the Plan effective as of January 1, 2005 (the "Restatement Date") to reflect certain design changes in order for the Plan to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and otherwise meet current needs. It is the intent of the Corporation that amounts deferred under the Plan by a Nonemployee Director shall not be taxable to the Nonemployee Director for income tax purposes until the time actually received by the Nonemployee Director. The provisions of the Plan shall be construed and interpreted to effectuate such intent.

3. Definitions:

For purposes of the Plan, the following terms shall have the following meanings:

"Accounts" of a Participant mean collectively the Participant's Cash Account and the Participant's Stock Account.

"Annual Cash Award" means the fee payable in cash at each annual stockholders meeting to Nonemployee Directors for their services as directors of the Corporation.

"Annual Stock Award" means the award of Restricted Stock made under Section 5 of the Stock Plan.

"Board" means the Board of Directors of the Corporation.

"Cash Account" means the account maintained in dollars on the books of the Corporation to record a Participant's interest under the Plan attributable to any Cash Compensation deferred by the Participant into the Cash Account pursuant to paragraph 5(c)(ii) below, as adjusted from time to time pursuant to the terms of the Plan.

"Cash Compensation" means each of the following payable to a Nonemployee Director: (i) the Annual Cash Award and (ii) any Committee Chairperson Retainer Fee.

"Claim" means a claim for benefits under the Plan.

"Claimant" means a person making a Claim.

"Committee Chairperson Retainer Fee" means the annual retainer fee payable to certain Nonemployee Directors of the Corporation for their services as chairpersons of certain committees of the Board, and includes any lead director retainer fee.

"Common Stock" means the common stock of the Corporation.

"Compensation Committee" means the committee of individuals who are serving from time to time as the members of the Compensation Committee of the Board.

"Corporate Benefits Committee" means the committee of individuals who are serving from time to time as the members of the Corporate Benefits Committee of the Corporation.

"GHR Group" means the group of employees designated from time to time by the Corporation as part of the global human resources function.

"Corporation" is defined in Paragraph 2 as Bank of America Corporation, a Delaware corporation, and any successor thereto.

"Fair Market Value" of a share of Common Stock on any date means the closing price of a share as reflected in the report of composite trading of New York Stock Exchange listed securities for that day (or, if no shares were publicly traded on that day, the immediately preceding day that shares were so traded) published in The Wall Street Journal [Eastern Edition] or in any other publication selected by the Plan Administrator; provided, however, that if the shares are misquoted or omitted by the selected publication(s), the Plan Administrator shall directly solicit the information from officials of the stock exchanges or from other informed independent market sources.

"Nonemployee Director" means an individual who is a member of the Board, but who is not an employee of the Corporation or any of its subsidiaries.

"Participant" means a Nonemployee Director who has elected to participate in the Plan as provided in paragraph 5(b) below.

"Plan Administrator" means the GHR Group, or such other person or entity designated as the "Plan Administrator" for purposes of the Plan by the Compensation Committee.

"Plan Year" means the twelve (12) month period beginning January 1 and ending December 31.

"Restricted Stock" means "Restricted Stock" as defined under the Stock Plan.

"Stock Account" means the account maintained in Stock Units on the books of the Corporation to record a Participant's interest under the Plan attributable to any Cash Compensation deferred by the Participant into the Stock Account pursuant to paragraph 5(c)(ii) below and any Stock Compensation deferred under the Plan, as adjusted from time to time pursuant to the terms of the Plan.

"Stock Compensation" means the Annual Stock Award.

"Stock Plan" means the Bank of America Corporation Directors' Stock Plan, as the same may be amended from time to time.

"Stock Unit" means a unit having a value as of a given date equal to the Fair Market Value of one (1) share of Common Stock on such date.

4. Administration:

The Plan Administrator shall be responsible for administering the Plan. The Plan Administrator shall have all of the powers necessary to enable it to properly carry out its duties under the Plan. Not in limitation of the foregoing, the Plan Administrator shall have the power to construe and interpret the Plan and to determine all questions that shall arise hereunder. The Plan Administrator shall have such other and further specified duties, powers, authority and discretion as are elsewhere in the Plan either expressly or by necessary implication conferred upon it. The Plan Administrator may appoint such agents as it may deem necessary for the effective performance of its duties, and may delegate to such agents such powers and duties as the Plan Administrator may deem expedient or appropriate that are not inconsistent with the intent of the Plan. The decision of the Plan Administrator upon all matters within its scope of authority shall be final and conclusive on all persons, except to the extent otherwise provided by law.

5. Operation:

(a) Eligibility. Each Nonemployee Director shall be eligible to participate in the Plan.

(b) Elections to Defer. A Nonemployee Director may become a Participant in the Plan for a Plan Year by irrevocably electing, on a form provided by the Plan Administrator, to defer all or any portion of each of the following amounts payable during the Plan Year, with separate deferral elections to be made for each: (i) the Annual Cash Award, (ii) the Annual Stock Award, and (iii) any Committee Chairperson Retainer Fee. In order to be effective, a Nonemployee Director's election to defer must be executed and returned to the Plan Administrator on or before the date specified by the Plan Administrator for such purpose. Such election must be made prior to the beginning of the Plan Year to which the election relates; provided, however, that an individual who first becomes a Nonemployee Director after the start of a Plan Year may make such deferral election within thirty (30) days after first becoming a Nonemployee Director.

(c) Establishment of Accounts.

(i) The Corporation shall establish and maintain on its books a Cash Account and a Stock Account for each Participant. Each Account shall be designated by the name of the Participant for whom established.

(ii) Any Cash Compensation deferred by a Participant shall be credited to the Participant's Cash Account or Stock Account as the Participant shall elect. The election shall be made at the time determined by the Plan Administrator and on the form provided by the Plan Administrator. A separate election directing deferral to the Cash Account or Stock Account shall

be permitted with respect to each separate component of Cash Compensation being deferred. If no election is made, any Cash Compensation deferred shall be credited to the Participant's Cash Account. To the extent any Cash Compensation is to be credited to a Participant's Cash Account, such amounts shall be credited to the Cash Account as of the date the amounts would have otherwise been paid to the Participant. To the extent any Cash Compensation is to be credited to a Participant's Stock Account, the Stock Account shall be credited as of the date the amounts would have otherwise been paid to the Participant with the number of Stock Units equal to the dollar amount of the deferral divided by the Fair Market Value of a share of Common Stock on such date.

(iii) Any Stock Compensation deferred by a Participant shall be credited to the Participant's Stock Account in a number of "Stock Units" equal to the number of shares of Restricted Stock being deferred (including any fractional shares). The Stock Units shall be credited to the Participant's Stock Account as of the date the shares of Restricted Stock would have otherwise been awarded under the Stock Plan.

(d) Account Adjustments: Cash Account. As of the last day of each calendar month, each Cash Account shall be adjusted for such month so that the level of investment return of the Cash Account shall be substantially equal to the ask yield of the most recent auction of 30-year Treasury bonds, as quoted for the last business day of the immediately preceding calendar month in the Wall Street Journal (Eastern Edition), or if such quotations are not available in the Wall Street Journal, in a similar financial publication selected by the Plan Administrator.

(e) Account Adjustments: Stock Account. Each Stock Account shall be credited additional full or fractional Stock Units for cash dividends paid on the Common Stock based on the number of Stock Units in the Stock Account on the applicable dividend record date and calculated based on the Fair Market Value of the Common Stock on the applicable dividend payment date. Each Stock Account shall also be equitably adjusted as determined by the Plan Administrator in the event of any stock dividend, stock split or similar change in the capitalization of the Corporation.

(f) Payment.

(i) Special Payment Elections for 2006. Each Participant who is a Nonemployee Director of the Corporation as of a date specified by the Plan Administrator prior to December 31, 2006 shall be given the opportunity during an election window, specified by the Plan Administrator and ending no later than December 31, 2006, to make a payment election applicable to the aggregate balance of the Participant's Accounts. The Participant may elect from the payment options set forth in Paragraph 5(f)(ii) below, and such election shall be immediately effective; provided, however, that a Participant may not elect to receive during 2006 any payment that would otherwise be payable in a future year; and provided further, that a Participant may not make a new payment election with respect to payments the Participant is otherwise scheduled to receive during 2006. In the event a Participant covered by this Paragraph 5(f)(i) fails to make a payment election on or before December 31, 2006, under this Paragraph 5(f)(i), the payment method shall be (x) the payment method most recently elected by the Participant under the Plan according to the records of the Plan Administrator, even if that prior payment election had not yet become effective, or (y) in the absence of any such prior payment

election, a single payment following termination of service as a member of the Board as set forth in Paragraph 5(f)(ii)(A) below. Any subsequent change to such payment election must comply with the requirements of Paragraph 5(f)(iii) below. Payments pursuant to such election shall otherwise be subject to the requirements of this Paragraph 5(f).

(ii) Payment Options. For a Participant who first participates in the Plan in 2007 or any later year, the Participant shall be given the opportunity to elect one of the following payment options at the time the Participant first elects to defer under the Plan:

(A) Single Cash Payment Following Termination of Service as Board Member If a Participant to whom the single cash payment method applies terminates services with the Corporation as a member of the Board, such Participant's Accounts shall continue to be credited with adjustments under paragraph 5(d) and paragraph 5(e) above through December 31 of the calendar year in which such termination of services occurred. The number of Stock Units in the Stock Account as of such December 31 shall be converted to cash based on the Fair Market Value of the Common Stock on such date, and such cash amount together with the final Cash Account balance as of such December 31 shall be paid in a single cash payment to the Participant (or to the Participant's designated beneficiary in the case of the Participant's termination of services as the result of the Participant's death) by January 31 of the following calendar year.

(B) Annual Installments Following Termination of Service as Board Member. A Participant may elect to receive annual installments over a period of five (5) or ten (10) years. If a Participant to whom the annual installments method applies terminates service with the Corporation as a member of the Board, the amount of such annual installments shall be calculated and paid pursuant to the provisions of this paragraph 5(f)(ii)(B). The Participant's Accounts shall continue to be credited with adjustments under paragraph 5(d) and paragraph 5(e) above until the Accounts are fully paid out. The first installment shall be paid by January 31 of the calendar year immediately following the calendar year in which such termination of services occurred, and each subsequent installment shall be paid by January 31 of each subsequent calendar year. Each payment shall be equal to (i) the sum of the Participant's balance in each Account as of December 31 of the calendar year immediately preceding the calendar year of payment, multiplied by (ii) a fraction, the numerator of which is one and the denominator is the number of installments remaining, including the current year's payment. For purposes of the preceding sentence, the balance of the Stock Account shall be equal to the number of the Participant's Stock Units as of each December 31 multiplied by the Fair Market Value of the Common Stock on such date.

A Participant's election shall be made on the election form used by the Participant for making such Participant's initial deferral election and shall be effective with respect to the aggregate balance of the Participant's Accounts. A Participant who fails to make a payment election in accordance with the provisions of Paragraph 5(f)(ii) shall be deemed to have elected a single cash payment to be paid in accordance with the requirements of Paragraph 5(f)(ii)(A).

(iii) Subsequent Changes to Payment Elections. A Participant whose services as a member of the Board have not terminated may change the form of payment elected under Paragraphs 5(f)(i) or (ii) above only if (A) such election is made at least twelve (12) months prior to the date payment would have otherwise commenced and (B) the effect of such elections is to defer commencement of such payment by at least five (5) years. For purposes of this Paragraph 5(f)(iii), a series of installment payments over five or ten years is treated as a single payment to be made in the year that the first installment would have otherwise been paid.

(iv) Death. If a Participant dies after having commenced installment payments, any remaining unpaid installment payments shall be paid to the Participant's beneficiary as and when they would have otherwise been paid to the Participant had the Participant not died. If a Participant's termination of service as Board member is due to his death, the Participant's Account shall be payable to the Participant's beneficiary in a single payment to be made as soon as administratively practicable after the date of the Participant's death. Participants shall designate a beneficiary under the Plan on a form furnished by the Plan Administrator, and if a Participant does not have a beneficiary designation in effect, the designated beneficiary shall be the Participant's estate.

(v) Other Payment Provisions. Subject to the provisions of Paragraph 6, a Participant shall not be paid any portion of the Participant's Accounts prior to the Participant's termination of service as a member of the Board. Any payment hereunder shall be subject to applicable withholding taxes. If any amount becomes payable under the provisions of the Plan to a Participant, beneficiary or other person who is a minor or an incompetent, whether or not declared incompetent by a court, such amount may be paid directly to the minor or incompetent person or to such person's legal representative (or attorney-in-fact in the case of an incompetent) as the Plan Administrator, in its sole discretion, may decide, and the Plan Administrator shall not be liable to any person for any such decision or any payment pursuant thereto.

(j) Withdrawals on Account of an Unforeseeable Emergency. A Participant who is in active service as a member of the Board of Directors of the Corporation may, in the Plan Administrator's sole discretion, receive a payment of all or any part of the amounts previously credited to the Participant's Cash Account (but not Stock Account) in the case of an "unforeseeable emergency." A Participant requesting a payment pursuant to this subparagraph (j) shall have the burden of proof of establishing, to the Plan Administrator's satisfaction, the existence of such "unforeseeable emergency," and the amount of the payment needed to satisfy the same. In that regard, the Participant shall provide the Plan Administrator with such financial data and information as the Plan Administrator may request. If the Plan Administrator determines that a payment should be made to a Participant under this subparagraph (j), such payment shall be made within a reasonable time after the Plan Administrator's determination of the existence of such "unforeseeable emergency" and the amount of payment so needed. As used herein, the term "unforeseeable emergency" means a severe financial hardship to a Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that shall constitute an "unforeseeable emergency" shall depend upon the facts of each case, but, in any case, payment may not be made to the extent that

such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, or (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Examples of what are not considered to be "unforeseeable emergencies" include the need to send a Participant's child to college or the desire to purchase a home. Withdrawals of amounts because of an "unforeseeable emergency" shall not exceed an amount reasonably needed to satisfy the emergency need.

(k) Statements of Account. Each Participant shall receive an annual statement of the balance in the Participant's Accounts.

(l) Vesting of Stock Units. For Stock Units credited to a Participant's Account related to a deferral of Stock Compensation under paragraph 5(c)(iii) above, except as otherwise provided in this paragraph 5(l), such Stock Units shall not become vested until the related "Vesting Date" under (and as defined in) the Stock Plan. If the Participant ceases to serve as a Nonemployee Director before the Vesting Date due to the Nonemployee Director's death, or if there is a "Change in Control" (as defined under the Stock Plan) prior to the Vesting Date, then the Stock Units shall become fully vested as of the date of such death or Change in Control, as applicable. If the Nonemployee Director ceases to serve as a Nonemployee Director at any time for any reason other than death before the earlier of the Vesting Date or a Change in Control, then the Stock Units shall become vested pro rata to the same extent they would have become vested under the provisions of the Stock Plan, and to the extent the Stock Units are not thereby vested they shall be forfeited as of the date of such cessation of services.

6. Amendment, Modification and Termination of the Plan:

The Compensation Committee shall have the right and power at any time and from time to time to amend the Plan in whole or in part and at any time to terminate the Plan; provided, however, that no such amendment or termination shall reduce the amount actually credited to a Participant's Accounts under the Plan on the date of such amendment or termination, or further defer the due dates for the payment of such amounts, without the consent of the affected Participant. Notwithstanding any provision of the Plan to the contrary, but only to the extent permitted by Code Section 409A, in connection with any termination of the Plan the Compensation Committee shall have the authority to cause the Accounts of all Participants to be paid in a single cash payment as of a date determined by the Compensation Committee or to otherwise accelerate the payment of Accounts in such manner as the Compensation Committee shall determine in its discretion.

7. Claims Procedures:

(a) General. In the event that a Claimant has a Claim under the Plan, such Claim shall be made by the Claimant's filing a notice thereof with the Plan Administrator within ninety (90) days after such Claimant first has knowledge of such Claim. Each Claimant who has submitted a Claim to the Plan Administrator shall be afforded a reasonable opportunity to state such Claimant's position and to present evidence and other material relevant to the Claim to the Plan Administrator for its consideration in rendering its decision with respect thereto. The Plan Administrator shall render its decision in writing within ninety (90) days after the Claim is referred to it, unless special circumstances require an extension of such time within which to

render such decision, in which event such decision shall be rendered no later than one hundred eighty (180) days after the Claim is referred to it. A copy of such written decision shall be furnished to the Claimant.

(b) Notice of Decision of Plan Administrator. Each Claimant whose Claim has been denied by the Plan Administrator shall be provided written notice thereof, which notice shall set forth:

(i) the specific reason(s) for the denial:

(ii) specific reference to pertinent provision(s) of the Plan upon which such denial is based;

(iii) a description of any additional material or information necessary for the Claimant to perfect such Claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the procedure hereunder for review of such Claim;

all in a manner calculated to be understood by such Claimant.

(c) Review of Decision of Plan Administrator. Each such Claimant shall be afforded a reasonable opportunity for a full and fair review of the decision of the Plan Administrator denying the Claim. Such review shall be by the Corporate Benefits Committee. Such appeal shall be made within ninety (90) days after the Claimant received the written decision of the Plan Administrator and shall be made by the written request of the Claimant or such Claimant's duly authorized representative of the Corporate Benefits Committee. In the event of appeal, the Claimant or such Claimant's duly authorized representative may review pertinent documents and submit issues and comments in writing to the Corporate Benefits Committee. The Corporate Benefits Committee shall review the following:

(i) the initial proceedings of the Plan Administrator with respect to such Claim;

(ii) such issues and comments as were submitted in writing by the Claimant or the Claimant's duly authorized representative; and

(iii) such other material and information as the Corporate Benefits Committee, in its sole discretion, deems advisable for a full and fair review of the decision of the Plan Administrator.

The Corporate Benefits Committee may approve, disapprove or modify the decision of the Plan Administrator, in whole or in part, or may take such other action with respect to such appeal as it deems appropriate. The decision of the Corporate Benefits Committee with respect to such appeal shall be made promptly, and in no event later than sixty (60) days after receipt of such appeal, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered as soon as possible and in no event later than one hundred twenty (120) days following receipt of such appeal. The decision of the

Corporate Benefits Committee shall be in writing and in a manner calculated to be understood by the Claimant and shall include specific reasons for such decision and set forth specific references to the pertinent provisions of the Plan upon which such decision is based. The Claimant shall be furnished a copy of the written decision of the Corporate Benefits Committee. Such decision shall be final and conclusive upon all persons interested therein, except to the extent otherwise provided by applicable law.

8. Applicable Law:

The Plan shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable, and to the extent such laws are not applicable, by the laws of the state of Delaware.

9. Compliance with Code Section 409A:

The Plan is intended to comply with Code Section 409A. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted, operated and administered consistent with this intent.

10. Miscellaneous:

A Participant's rights and interests under the Plan may not be assigned or transferred by the Participant. The Plan shall be an unsecured, unfunded arrangement. To the extent the Participant acquires a right to receive payments from the Corporation under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Corporation. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Corporation and any Participant. The Plan shall be binding on the Corporation and any successor in interest of the Corporation.

IN WITNESS WHEREOF, this instrument has been executed by an authorized officer of the Corporation as of the 15th day of December, 2006.

BANK OF AMERICA CORPORATION

By: /s/ J. Steele Alphin
J. Steele Alphin, Global Human Resources Executive

Bank of America Corporation and Subsidiaries
Ratio of Earnings to Fixed Charges
Ratio of Earnings to Fixed Charges and Preferred Dividends

(Dollars in millions)	2006	2005	2004	2003	2002
Excluding Interest on Deposits					
Income before income taxes	**$31,973**	$24,480	$20,908	$15,781	$13,479
Equity in undistributed earnings of unconsolidated subsidiaries	**(315)**	(151)	(135)	(125)	(6)
Fixed charges:					
Interest expense	**29,514**	18,397	9,072	6,105	6,363
1/3 of net rent expense [(1)]	**609**	585	512	398	383
Total fixed charges	**30,123**	18,982	9,584	6,503	6,746
Preferred dividend requirements	**33**	27	23	6	6
Fixed charges and preferred dividends	**30,156**	19,009	9,607	6,509	6,752
Earnings	**$61,781**	$43,311	$30,357	$22,159	$20,219
Ratio of earnings to fixed charges	**2.05**	2.28	3.17	3.41	3.00
Ratio of earnings to fixed charges and preferred dividends	**2.05**	2.28	3.16	3.40	2.99

(Dollars in millions)	2006	2005	2004	2003	2002
Including Interest on Deposits					
Income before income taxes	**$31,973**	$24,480	$20,908	$15,781	$13,479
Equity in undistributed earnings of unconsolidated subsidiaries	**(315)**	(151)	(135)	(125)	(6)
Fixed charges:					
Interest expense	**43,994**	27,889	14,993	10,667	11,632
1/3 of net rent expense [(1)]	**609**	585	512	398	383
Total fixed charges	**44,603**	28,474	15,505	11,065	12,015
Preferred dividend requirements	**33**	27	23	6	6
Fixed charges and preferred dividends	**44,636**	28,501	15,528	11,071	12,021
Earnings	**$76,261**	$52,803	$36,278	$26,721	$25,488
Ratio of earnings to fixed charges	**1.71**	1.85	2.34	2.41	2.12
Ratio of earnings to fixed charges and preferred dividends	**1.71**	1.85	2.34	2.41	2.12

(1)Represents an appropriate interest factor.

Exhibit 21

DIRECT AND INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION

Name	Location
100 Federal Street Limited Partnership	Boston, MA
121 Washington Street Master Tenant, LLC	Providence, RI
200 Allens Avenue, LLC	Providence, RI
1784 S.A. Sociedad Gerente de Fondos Comunes de Inversion	Buenos Aires, Argentina
A/M Properties, Inc.	Baltimore, MD
Abilene Park, Inc.	Dallas, TX
ABN AMRO Merchant Services, LLC	Louisville, KY
Acceptance Alliance, LLC	Louisville, KY
Achilles Trading LLC	Charlotte, NC
ACO Limitada	Montevideo, Uruguay
AdFleet, Inc.	Glastonbury, CT
Administradora Blue 2234 S. de R.L. de C.V.	Mexico City, Mexico
AF&L, Inc.	Warrington, PA
Aguila Corp S.A.C.	Lima, Peru
Alamo Funding II, Inc.	Dallas, TX
Alamo Funding LLC	Dallas, TX
Alie Street Investments Limited	London, U.K.
Alie Street Investments 2 Limited	London, U.K.
Alie Street Investments 3 Limited	London, U.K.
Alie Street Investments 4 Limited	London, U.K.
Alie Street Investments 5 Limited	London, U.K.
Alie Street Investments 6 Limited	London, U.K.
Alie Street Investments 7 Limited	London, U.K.
Alie Street Investments 8 Limited	London, U.K.
Alie Street Investments 9 Limited	London, U.K.
Alie Street Investments 10 Limited	London, U.K.
Alie Street Investments 11 Limited	London, U.K.
Alie Street Investments 12 Limited	London, U.K.
Alie Street Investments 13 Limited	London, U.K.
Alie Street Investments 14 Limited	London, U.K.
Alie Street Investments 15 Limited	London, U.K.
Alie Street Investments 16 Limited	London, U.K.
Alie Street Investments 17 Limited	London, U.K.
Alie Street Investments 18 Limited	London, U.K.
Alie Street Investments 20 Limited	London, U.K.
Alie Street Investments 21 Limited	London, U.K.
Alie Street Investments 22 Limited	London, U.K.
Alie Street Investments 23 Limited	London, U.K.
Alie Street Investments 24 Limited	London, U.K.
Alie Street Investments 25 Limited	London, U.K.
Alie Street Investments 26 Limited	London, U.K.
Alie Street Investments 27 Limited	London, U.K.
Alliance Enterprise Corporation	Richardson, TX
Almacenadora Serfin, S.A. de C.V.	Mexico City, Mexico
Almacenadora Somex, S.A. de C.V.	Mexico City, Mexico
Almazora Holdings S.a.r.l.	Luxembourg, Luxembourg
Altier LLC	Dallas, TX
Amarillo Lane, Inc.	Dallas, TX
AMB Pier One LLC	San Francisco, CA
American Financial Service Group, Inc.	Greensboro, NC
Anzac Peaks, Inc.	Charlotte, NC
Apollo Theater Master Tenant LLC	New York, NY
Apollo Trading LLC	Charlotte, NC
Appold Property Management Limited	London, U.K.
Ashburn A. Corp.	Baltimore, MD
Ashton Moss Holdings S.a.r.l.	Luxembourg, Luxembourg
Asia Investment Consulting Ltd.	George Town, Grand Cayman, Cayman Is.
Asian American Merchant Bank Ltd.	Singapore, Singapore

Name	Location
Asset Backed Funding Corporation	Charlotte, NC
Asset Management Corp.	Princeton, NJ
Aswan Development Associates, LLC	Miami, FL
Aswan Village Associates, LLC	Miami, FL
Atlanta Affordable Housing Fund Limited Partnership	Charlotte, NC
Atlantic Equity Corporation	Chicago, IL
Atlantis Trading LLC	Charlotte, NC
Augusta Trading LLC	Charlotte, NC
Austin Acquisition Inc.	Charlotte, NC
B.A. International (Cayman) Ltd.	George Town, Grand Cayman, Cayman Is.
BA 1998 Partners Associates Fund, L.P.	Chicago, IL
BA 1998 Partners Fund I, L.P.	Chicago, IL
BA 1998 Partners Fund II, L.P.	Chicago, IL
BA 1998 Partners Fund LDC	Chicago, IL
BA 1998 Partners Master Fund I, L.P.	Chicago, IL
BA 1998 Partners Master Fund II, L.P.	Chicago, IL
BA Agency, Inc.	Albuquerque, NM
BA Australia Limited	Sydney, New South Wales, Australia
BA Auto Securitization Corporation	Dallas, TX
BA Capital Advisors Limited	London, U.K.
BA Capital Company, L.P.	Charlotte, NC
BA Capital Investors Sidecar Fund, L.P.	Charlotte, NC
BA Co-Invest Fund 2001 (Cayman), L.P.	Chicago, IL
BA Co-Invest Fund 2002 (Cayman), L.P.	Chicago, IL
BA Coinvest GP, Inc.	Chicago, IL
BA Continuum Solutions Private Limited	Hyderabad, India
BA Credit Card Funding, LLC	Charlotte, NC
BA Direct Investment Fund K, L.P.	Chicago, IL
BA Direct Investment Fund M, L.P.	Chicago, IL
BA Electronic Data Processing (Guangzhou) Ltd.	Guangzhou, PRC
BA Employment Services Limited	George Town, Grand Cayman, Cayman Is.
BA Equity Advisors Sp.zo.o	Warsaw, Poland
BA Equity Holdings, L.P.	Charlotte, NC
BA Equity Investment Company, L.P.	Charlotte, NC
BA Equity Investors, Inc.	Chicago, IL
BA Finance Europe Cooperatieve U.A.	Amsterdam, The Netherlands
BA Finance Ireland Limited	Dublin, Ireland
BA Finance Lease, Inc.	San Francisco, CA
BA Financial Trading (Amsterdam) Limited	Amsterdam, The Netherlands
BA Global Funding Inc.	George Town, Grand Cayman, Cayman Is.
BA Insurance Services, Inc.	Baltimore, MD
BA Investments	George Town, Grand Cayman, Cayman Is.
BA Leasing BSC, LLC	San Francisco, CA
BA Merchant Services, LLC	Louisville, KY
BA Netherlands Group Lending Europe Cooperatieve U.A.	Amsterdam, The Netherlands
BA Overseas Holdings	George Town, Grand Cayman, Cayman Is.
BA Partners Fund III, LLC	Chicago, IL
BA Properties, Inc.	Los Angeles, CA
BA SBIC Sub, Inc.	Chicago, IL
BA Securities Australia Limited	Sydney, New South Wales, Australia
BA Technology I, LLC	Charlotte, NC
BABC Global Finance Inc.	Toronto, Ontario, Canada
BAC Funding Consortium, Inc.	Miami, FL
BAC NUBAFA, Inc.	San Francisco, CA
BACAP Alternative Advisors, Inc.	New York, NY
BACAP Alternative Montage Fund, LLC	New York, NY
BACAP Alternative Multi-Strategy Fund, LLC	Charlotte, NC
BACAP Distressed Debt Fund, LLC	New York, NY
BACAP Diversified Real Estate Fund, L.P.	New York, NY
BACAP Institutional Multi-Strategy Hedge Fund, Ltd.	New York, NY
BACAP Multi-Strategy Hedge Fund, LLC	New York, NY
BACAP Multi-Strategy Hedge Fund, Ltd.	New York, NY

Name	Location
Back Bay Capital Funding LLC	Boston, MA
BACP Europe Fund I, L.P.	Chicago, IL
BACP Europe Fund II, L.P.	Chicago, IL
BACP Europe Fund IV M, L.P.	Chicago, IL
BACP Europe Fund V LP	St. Helier, Jersey, Channel Islands
BACPE Finland Holdings Oy	Helsinki, Finland
BACPE Investment Helsinki Oy	Helsinki, Finland
BACPE Investment Ky	Helsinki, Finland
BAEC Investments, L.L.C.	Chicago, IL
BAEP Asia Limited	Curepipe, Mauritius
BAEP Nord I LLC	Chicago, IL
BAEP Nord IA LLC	Chicago, IL
BAEP Nord III LLC	Chicago, IL
BAEP Nord V LLC	Chicago, IL
BAEP Telecommunications Investments, L.L.C.	Chicago, IL
Bakerton Finance, Inc.	Las Vegas, NV
BAL Corporate Aviation, LLC	New Castle, DE
BAL Global Finance Canada Corporation	Toronto, Ontario, Canada
BAL Global Finance (Deutschland) GmbH	Dusseldorf, Germany
BAL Global Finance (UK) Limited	London, U.K.
BAL Global Finance, LLC	Chicago, IL
BAL Investment & Advisory, Inc.	San Francisco, CA
BALCAP Funding, LLC	San Francisco, CA
Bamerilease, Inc.	Phoenix, AZ
BAMS Solutions, Inc.	Louisville, KY
BANA (#1) LLC	Charlotte, NC
BANA CA Mortgage Company	Providence, RI
BANA BACM 2001-1 SB 1 LLC	Charlotte, NC
BANA BACM 2001-PB1 SB 1 LLC	Charlotte, NC
BANA BACM 2002-2 SB 1 LLC	Charlotte, NC
BANA BACM 2002-PB2 SB 1 LLC	Charlotte, NC
BANA BACM 2003-1 SB 1 LLC	Charlotte, NC
BANA BACM 2003-2 SB 1 LLC	Charlotte, NC
BANA BACM 2004-2 SB 1 LLC	Charlotte, NC
BANA BACM 2004-3 SB 1 LLC	Charlotte, NC
BANA BACM 2004-4 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE HOLDING COMPANY LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2001-1 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2001-PB1 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2002-2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2002-PB2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2003-1 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2003-2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2004-2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2004-3 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER BACM 2004-4 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER GECCMC 2002-2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER GECCMC 2002-3 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER GECMC 2004-C1 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER GECMC 2003-C1 TRIZEC SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER NLFC 1998-2 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER NLFC 1999-1 SB 1 LLC	Charlotte, NC
BANA DEFEASANCE MANAGER NLFC 1999-2 SB 1 LLC	Charlotte, NC
BANA GECCMC 2002-2 SB 1 LLC	Charlotte, NC
BANA GECMC 2003-C1 TRIZEC SB 1 LLC	Charlotte, NC
BANA GECMC 2004-C1 SB 1 LLC	Charlotte, NC
BANA GA Mortgage Company	Providence, RI
BANA NLFC 1998-2 SB 1 LLC	Charlotte, NC
BANA NLFC 1999-1 SB 1 LLC	Charlotte, NC
BANA NLFC 1999-2 SB 1 LLC	Charlotte, NC
BANA OR Mortgage Company	Providence, RI
BANA Residuals, LLC	Charlotte, NC

Name	Location
BANA RI Mortgage Company	Providence, RI
Banc of America Advisory Services, LLC	Charlotte, NC
Banc of America Agency of Nevada, Inc.	Las Vegas, NV
Banc of America Agency of Texas, Inc.	Dallas, TX
Banc of America Agency, LLC	Towson, MD
Banc of America Arena Community Development LLC	Charlotte, NC
Banc of America Auto Finance Corp.	Jacksonville, FL
Banc of America Bridge LLC	Charlotte, NC
Banc of America California Community Venture Fund, LLC	Chicago, IL
Banc of America Capital Holdings, L.P.	Charlotte, NC
Banc of America Capital Holdings V, L.P.	Charlotte, NC
Banc of America Capital Investors SBIC, L.P.	Charlotte, NC
Banc of America Capital Investors, L.P.	Charlotte, NC
Banc of America Capital Investors V, L.P.	Charlotte, NC
Banc of America Capital Management (Ireland), Limited	Dublin, Ireland
Banc of America Card Servicing Corporation	Phoenix, AZ
Banc of America CDC Special Holding Company, Inc.	Charlotte, NC
Banc of America CDE I, LLC	Baltimore, MD
Banc of America CDE II, LLC	Baltimore, MD
Banc of America CDE, LLC	Baltimore, MD
Banc of America Co-Invest Fund 2001, L.P.	Chicago, IL
Banc of America Co-Invest Fund 2002, L.P.	Chicago, IL
Banc of America Commercial Finance Corporation	Wilton, CT
Banc of America Commercial Mortgage Inc.	Charlotte, NC
Banc of America Commercial, LLC	Tucker, GA
Banc of America Community Development Corporation	Charlotte, NC
Banc of America Community Holdings, Inc.	Charlotte, NC
Banc of America Community Housing Investment Fund II LLC	Chicago, IL
Banc of America Community Housing Investment Fund LLC	Chicago, IL
Banc of America Consumer Card Holdings Corporation	Charlotte, NC
Banc of America Consumer Card Services, LLC	Charlotte, NC
Banc of America Corporate Insurance Agency, LLC	Cranford, NJ
Banc of America Development, Inc.	Charlotte, NC
Banc of America Dutch Auction Preferred Corporation	Las Vegas, NV
Banc of America E-Commerce Holdings, Inc.	Charlotte, NC
Banc of America Energy & Power Facilities Leasing I, Inc.	San Francisco, CA
Banc of America Finance Services, Inc.	New York, NY
Banc of America Financial Products, Inc.	Chicago, IL
Banc of America FSC Holdings, Inc.	San Francisco, CA
Banc of America Funding Corporation	Charlotte, NC
Banc of America Funding LLC	Charlotte, NC
Banc of America Historic Capital Assets LLC	Charlotte, NC
Banc of America Historic Investments Partnership	Concord, CA
Banc of America Historic New Ventures, LLC	Baltimore, MD
Banc of America Historic Ventures, LLC	Charlotte, NC
Banc of America Insurance Group, Inc.	San Diego, CA
Banc of America Insurance Services, Inc.	Baltimore, MD
Banc of America Investment Advisors, Inc.	Boston, MA
Banc of America Investment Leasing Co., Ltd.	Tokyo, Japan
Banc of America Investment Services, Inc.	Charlotte, NC
Banc of America Large Loan, Inc.	Dover, DE
Banc of America Leasing & Capital, LLC	San Francisco, CA
Banc of America Leasing Commercial Markets, Inc.	Wilmington, DE
Banc of America Leasing Ireland Co., Limited	Dublin, Ireland
Banc of America Management Corporation	Charlotte, NC
Banc of America Management LLC I	Chicago, IL
Banc of America Mortgage Capital Corporation	Charlotte, NC
Banc of America Mortgage Securities, Inc.	Charlotte, NC
Banc of America Neighborhood Services Corporation	Charlotte, NC
Banc of America Practice Solutions, Inc.	Columbus, OH
Banc of America Preferred Funding Corporation	Dallas, TX
Banc of America Private Placement Funding Group LLC	Charlotte, NC

Name	Location
Banc of America Public Capital Corp	Charlotte, NC
Banc of America Public and Institutional Financial Funding, LLC	San Francisco, CA
Banc of America Securities (India) Private Limited	Mumbai, India
Banc of America Securities Asia Limited	Hong Kong, PRC
Banc of America Securities Canada Co.	Halifax, Nova Scotia
Banc of America Securities Canada Holding Corp.	Charlotte, NC
Banc of America Securities Ireland	Dublin, Ireland
Banc of America Securities Limited	London, U.K.
Banc of America Securities LLC	New York, NY
Banc of America Securities, Casa de Bolsa, S.A. de C.V., Grupo Financiero Bank of America	Mexico City, Mexico
Banc of America Securities Holdings Corporation	Charlotte, NC
Banc of America Securities-Japan, Inc.	Tokyo, Japan
Banc of America Securitization Holding Corporation	Dallas, TX
Banc of America Specialist, Inc.	New York, NY
Banc of America Strategic Investments Corporation	Charlotte, NC
Banc of America Strategic Investments LLC	Charlotte, NC
Banc of America Strategic Solutions, Inc.	Charlotte, NC
Banc of America Strategic Solutions, LLC	Charlotte, NC
Banc of America Structured Notes, Inc.	Charlotte, NC
Banc of America Technology Investments, Inc.	Charlotte, NC
Banca Serfin, S.A.	Mexico City, Mexico
BancAmerica Capital Holdings II, L.P.	Chicago, IL
BancAmerica Capital Investors II, L.P.	Chicago, IL
BancAmerica Capital Investors SBIC II, L.P.	Chicago, IL
BancAmerica Coinvest Fund 2000, L.P.	Chicago, IL
BancBoston Aircraft Leasing Inc.	Boston, MA
BancBoston Capital Co-Investment Partners (2000) LP	Boston, MA
BancBoston Capital Co-Investment Partners (2001) LP	Boston, MA
BancBoston Capital Holdings Limited	London, U.K.
BancBoston Capital ICP Partners 2 LP	Boston, MA
BancBoston Capital ICP Partners 3 LP	Boston, MA
BancBoston Capital ICP Partners 3-A L.P.	Boston, MA
BancBoston Capital ICP Partners LP	Boston, MA
BancBoston Capital Money Markets Limited	London, U.K.
BancBoston Capital Private Equity Partners LP	Boston, MA
BancBoston Capital, Inc.	Boston, MA
BancBoston Insurance Agency of Rhode Island, Inc.	Pascoag, RI
BancBoston Investments Inc.	Boston, MA
BancBoston Investments Microservice Holdings Inc.	George Town, Grand Cayman, Cayman Is.
BancBoston Investments Telefutura Holdings	George Town, Grand Cayman, Cayman Is.
BancBoston Leasing Services Inc.	Boston, MA
BancBoston Real Estate Capital Corporation	Boston, MA
BancBoston Securities International Limited	London, U.K.
BancBoston Transport Leasing Inc.	Boston, MA
BancBoston Ventures Inc.	Boston, MA
Banco Santander Mexicano, S.A.	Mexico City, Mexico
Bank of America (Hawaii) Insurance Agency, Inc.	Honolulu, HI
Bank of America (Jersey) Limited	St. Helier, Jersey, Channel Islands
Bank of America Brasil Holdings Ltda.	Sao Paulo, Brazil
Bank of America California, National Association	San Francisco, CA
Bank of America Canada	Toronto, Ontario, Canada
Bank of America Canada Specialty Group Ltd.	Mississauga, Ontario, Canada
Bank of America Capital Advisors LLC	Chicago, IL
Bank of America Capital Corporation	Chicago, IL
Bank of America Corporation	Charlotte, NC
Bank of America Foundation, Inc., The	Atlanta, GA
Bank of America Georgia, National Association	Atlanta, GA
Bank of America Malaysia Berhad	Kuala Lumpur, Malaysia
Bank of America Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero Bank of America	Mexico City, Mexico
Bank of America Mortgage Securities, Inc.	Charlotte, NC

Name	Location
Bank of America Oregon, National Association	Portland, OR
Bank of America Overseas Corporation	Charlotte, NC
Bank of America Reinsurance Corporation	Burlington, VT
Bank of America Representacoes Ltda.	Sao Paulo, Brazil
Bank of America Rhode Island, National Association	Providence, RI
Bank of America Securitization Investment Trust LLC	Wilmington, DE
Bank of America Singapore Limited	Singapore, Singapore
Bank of America Trust and Banking Corporation (Bahamas) Limited	Nassau, Bahamas
Bank of America Trust and Banking Corporation (Cayman) Limited	George Town, Grand Cayman, Cayman Is.
Bank of America Trust Company of Delaware, National Association	Greenville, DE
Bank of America Ventures	Foster City, CA
Bank of America, National Association	Charlotte, NC
BankAmerica Acceptance Corp.	San Diego, CA
BankAmerica Capital I	Charlotte, NC
BankAmerica Capital II	Charlotte, NC
BankAmerica Capital III	Charlotte, NC
BankAmerica Capital IV	Charlotte, NC
BankAmerica Institutional Capital A	San Francisco, CA
BankAmerica Institutional Capital B	San Francisco, CA
BankAmerica International Financial Corporation	San Francisco, CA
BankAmerica International Investment Corporation	Chicago, IL
BankAmerica Investment Corporation	Chicago, IL
BankAmerica Nominees (1993) Pte Ltd.	Singapore, Singapore
BankAmerica Nominees (Hong Kong) Ltd.	Hong Kong, PRC
BankAmerica Nominees (Singapore) Pte. Ltd.	Singapore, Singapore
BankAmerica Nominees Limited (London)	London, U.K.
BankAmerica Realty Finance, Inc.	Los Angeles, CA
BankAmerica Realty Services, Inc.	San Francisco, CA
BankAmerica Special Assets Corporation	San Francisco, CA
BankBoston Business Credit (d/b/a “BancBoston Financial Co.”)	Boston, MA
BankBoston Capital Trust I	Boston, MA
BankBoston Capital Trust II	Boston, MA
BankBoston Capital Trust III	Boston, MA
BankBoston Capital Trust IV	Boston, MA
BankBoston Co-Investment Partners (1998) LP	Boston, MA
BankBoston Co-Investment Partners (1999) LP	Boston, MA
BankBoston Corredora de Seguros Limitada	Santiago, Chile
BankBoston International	Coral Gables, FL
BankBoston International Leasing LLC	Providence, RI
BankBoston Latino Americano S.A.	Lisbon, Portugal
BankBoston Trust Company (Cayman Islands) Limited	George Town, Grand Cayman, Cayman Is.
BankBoston Trust Company Limited	Nassau, Bahamas
BankBoston Uruguay S.A.	Montevideo, Uruguay
BAR Litigation, LLC	Wilmington, DE
Barnett Capital I	Jacksonville, FL
Barnett Capital II	Jacksonville, FL
Barnett Capital III	Jacksonville, FL
Barrow Ltd.	George Town, Grand Cayman, Cayman Is.
BAS Capital Funding Corporation	Chicago, IL
BAS Oak Management, LLC	San Francisco, CA
BAS Oak X, LLC	San Francisco, CA
BAS Securitization LLC	Charlotte, NC
BAS/SOFI Management, LLC	New York, NY
BAS/SOFI VI, LLC	New York, NY
BASCFC-Maxcom Holdings I, LLC	Chicago, IL
BAVP, LP	Foster City, CA
BAVP VII, L.P.	Foster City, CA
Bay 2 Bay Leasing LLC	San Francisco, CA
Bay State Corporation Limited	Nassau, Bahamas
BayBank Systems, Inc.	Boston, MA
BayBanks Credit Corp.	Boston, MA
BayBanks Finance & Leasing Co., Inc.	Boston, MA

Name	Location
BayBanks Mortgage Corp.	Boston, MA
BB Capital Brazil NewCo.	George Town, Grand Cayman, Cayman Is.
BB Investment Internet Ventures	George Town, Grand Cayman, Cayman Is.
BBC Co-Investment Partners (1998) LP	Boston, MA
BBI (BLE) Holdings LLC	Boston, MA
BBI Management Co. LLC	Boston, MA
BBI Switch LP	Boston, MA
BBLA Holding Europe S.L.	Madrid, Spain
BBV Management Co. LLC	Boston, MA
BBV Switch LP	Boston, MA
BEG Nominees (Paroc) Carried Interest Partnership, L.P.	Wilmington, DE
Ben Franklin/Progress Capital Fund LP	Blue Bell, PA
Bethlehem FSG Holdings, LLC	Bethlehem, PA
Birkdale Trading Limited	George Town, Grand Cayman, Cayman Is.
BIRMSON, L.L.C.	Wilton, CT
BJCC, Inc.	Wilton, CT
BKB Chile Holdings, Inc.	Wilmington, DE
BKB Foreign Sales Corporation	Christiansted, St.Thomas, U.S. V.I.
Black Business Investment Fund of Central Florida, Inc.	Orlando, FL
Blue Finn Holdings Limited	George Town, Grand Cayman, Cayman Is.
Blue Ridge Investments, L.L.C.	Charlotte, NC
BoA Lending L.L.P.	Las Vegas, NV
BoA Nederland Krediet Cooperatieve U.A.	Amsterdam, The Netherlands
BoA Netherlands Cooperatieve U.A.	Amsterdam, The Netherlands
BOA/Mermart Joint Venture	San Diego, CA
Boatmen's Insurance Agency, Inc.	St. Louis, MO
Bond Products Depositor LLC	Charlotte, NC
Boston Administradora General de Fondos S.A.	Santiago, Chile
Boston Asesores de Seguros, S.A.	Buenos Aires, Argentina
Boston Centros de Inversion S.A.	Buenos Aires, Argentina
Boston Directo S.A.	Montevideo, Uruguay
Boston International Holdings Corporation	Boston, MA
Boston Inversiones Servicios y Administracion S.A.	Santiago, Chile
Boston Investment Group S.A., The	Buenos Aires, Argentina
Boston Latin America Finance Company	George Town, Grand Cayman, Cayman Is.
Boston Negocios e Participacoes Ltda.	Sao Paulo, Brazil
Boston Overseas Financial Corporation	Boston, MA
Boston Overseas Financial Corporation S.A.	Buenos Aires, Argentina
Boston Overseas Holding Corporation	Boston, MA
Boston Overseas Private Equity LLC	Boston, MA
Boston Securities S.A. Sociedad de Bolsa	Buenos Aires, Argentina
Boston Securitizadora S.A.	Santiago, Chile
Boston World Holding Corporation	Boston, MA
Bracebridge Corporation	Wilmington, DE
Brazos VPP Limited Partnership	Dallas, TX
Bridger Holdings LLC	Mill Valley, CA
Bridgeport Phase I Tenant LLC	New York, NY
Bridgewater Bay Limited Liability Partnership	London, U.K.
Brigibus, Limited	London, U.K.
Brockman Investments LLC	Wilmington, DE
Bulfinch Indemnity Company, Ltd.	Boston, MA
Burton Road Development Partners, LLC	Atlanta, GA
C&S Premises-SPE, Inc.	Atlanta, GA
Cabot Investments	London, U.K.
California Environmental Redevelopment Fund, LLC	Sacramento, CA
Calnevari Holdings, Inc.	Las Vegas, NV
Calstock Holdings LLC	Las Vegas, NV
Calstock Partners LLP	Las Vegas, NV
CalSTRS/Banc of America Capital Access Fund, LLC	Chicago, IL
Calvada Lane Pty Limited	Las Vegas, NV
CAP Development Company, LLC	Tampa, FL
Capacitor, LLC	Las Vegas, NV

Name	Location
Cape Ann Corporation Limited	Nassau, Bahamas
Caribbean American Services Company Limited	George Town, Grand Cayman, Cayman Is.
Carlow Holdings Trust	Dublin, Ireland
Carlton Court CDC, Inc.	Dallas, TX
Carolina Investments Limited	London, U.K.
Carrara Lane Pty Limited	Las Vegas, NV
Casa de Bolsa Santander Serfin, S.A. de C.V.	Mexico City, Mexico
Castle Lofts, L.P.	Kansas City, MO
Cathedral Gorge Management LLC	Las Vegas, NV
Cayman Joint Venture Holding Company	George Town, Grand Cayman, Cayman Is.
CB Asset Recovery Incorporated	Hartford, CT
CBT Realty Corporation	Providence, RI
Centerpoint Development II LLC	Baltimore, MD
Centerpoint Development LLC	Baltimore, MD
Centerpoint Eutaw LLC	Baltimore, MD
Centerpoint Eutaw/Howard Holdings LLC	Baltimore, MD
Centerpoint Garage LLC	Baltimore, MD
Centerpoint Howard LLC	Baltimore, MD
Centerpoint Theater LLC	Baltimore, MD
Centerpoint Tower LLC	Baltimore, MD
Centerpoint Tower/Garage Holdings LLC	Baltimore, MD
Centro Comercial Zacatecas, S.A. de C.V.	Mexico City, Mexico
Ceramica International Holdings S.a.r.L.	Luxembourg, Luxembourg
Champion Hills Funding LLC	Charlotte, NC
Charlotte Affordable Housing LLC, The	Charlotte, NC
Charlotte Gateway Village, LLC	Charlotte, NC
Charlotte Transit Center, Inc.	Charlotte, NC
Chepstow Holdings of Delaware, Inc.	Las Vegas, NV
Chepstow Real Estate Investment Trust	Las Vegas, NV
Chepstow TRS, Inc.	Las Vegas, NV
Cherry Park LLC	Las Vegas, NV
Chester Property & Services Limited	Chester, England
Church Street Housing Partners I, LLC	Orlando, FL
Church Street Retail Partners I, LLC	Orlando, FL
Circulos OCA S.A.	Montevideo, Uruguay
City Hall Lofts, L.P.	Kansas City, MO
CIVC Partners Fund IIIa, L.P.	Chicago, IL
CIVC Partners Fund, L.P.	Chicago, IL
CIVC Partners Fund, LLC	Chicago, IL
CIVC-Partners Equity Investment Company LLC	Chicago, IL
Clark Street Redevelopment Corporation	St. Louis, MO
Clipper Mill Federal LLC	Baltimore, MD
Cold Feet, L.L.C.	Chicago, IL
Colonial Funding LLC	Charlotte, NC
Columbia Diversified Alpha Fund, LP	New York, NY
Columbia Diversified Alpha Fund (Master), Ltd.	George Town, Grand Cayman, Cayman Is.
Columbia Management Advisors, LLC	Boston, MA
Columbia Management Distributors, Inc.	Boston, MA
Columbia Management Group, LLC	Boston, MA
Columbia Management Services, Inc.	Boston, MA
Columbia Senior Residences at Edgewood, L.P.	Atlanta, GA
Columbia Wanger Asset Management, L.P.	Chicago, IL
Columbus Bay Limited	George Town, Grand Cayman, Cayman Is.
Columbus Square LLC	Kansas City, MO
Commercial Abstract LP	Milford, DE
Community Reinvestment Group, L.C.	Fort Lauderdale, FL
Contacto Serfin, S.A. de C.V.	Mexico City, Mexico
Continental Finanziaria S.P.A.	Milan, Italy
Continental Illinois Venture Corporation	Chicago, IL
Continental Servicios Corporativos, S.A. de C.V.	Mexico City, Mexico
Coral Hill LLC	Las Vegas, NV
Core Bond Products LLC	Charlotte, NC

Name	Location
Corporate Leasing Facilities Limited	London, U.K.
Corporate Properties Services, Inc.	Wilmington, DE
Courtyards Apartments II, Inc.	Charlotte, NC
Courtyards Apartments, Inc.	Atlanta, GA
Covation LLC	Atlanta, GA
Coventry Village Apartments, Inc.	Nashville, TN
Cranford Aircraft Commercial Leasing Corporation	Cranford, NJ
Credit Opportunities Funding, Inc.	Miami, FL
Crockett Funding II, Inc.	Dallas, TX
Crockett Funding LLC	Dallas, TX
Cross Creek Funding LLC	Charlotte, NC
Crown Point Investments LP	Las Vegas, NV
Crystal Peak Investments GP	Las Vegas, NV
CSC Associates, L.P.	Marietta, GA
CSF Holdings, Inc.	Tampa, FL
Cupples Development, L.L.C.	St. Louis, MO
Cupples Garage, L.L.C.	St. Louis, MO
Cypress Point Trading LLC	Charlotte, NC
D.P. Park LLC	Las Vegas, NV
Dalespring Corporation	Baltimore, MD
Delivery Funding, LLC	Charlotte, NC
Devonshire Trading Ltd.	George Town, Grand Cayman, Cayman Is.
DFO Partnership	San Francisco, CA
Diamond Springs Trading LLC	Charlotte, NC
Douglass Road LLC	Washington, DC
Dover Mortgage Capital Corporation	Providence, RI
Dover Mortgage Capital 2005-A Corporation	Providence, RI
Dover Two Mortgage Capital Corporation	Providence, RI
Dover Two Mortgage Capital 2005-A Corporation	Providence, RI
Downtown Place, LLC	Miami, FL
Dunes Funding LLC	Charlotte, NC
Eagle Corporation, The	Boston, MA
Eagle Investments S.A., The	Montevideo, Uruguay
Eagle Mezzanine Partners I LLC	Boston, MA
Eban Incorporated	Dallas, TX
Eban Village I, Ltd.	Dallas, TX
Eban Village II, Ltd.	Dallas, TX
Echo Canyon Park LLC	Las Vegas, NV
Edgewood Partners, LLC	Atlanta, GA
Edificaciones Arendonk, S.L.	Madrid, Spain
EFP (Cayman) Funding I Limited	George Town, Grand Cayman, Cayman Is.
EFP (Cayman) Funding II Limited	George Town, Grand Cayman, Cayman Is.
EFP (Cayman) Funding 2006-1 Limited	George Town, Grand Cayman, Cayman Is.
EFP (Cayman) Funding 2006-2 Limited	George Town, Grand Cayman, Cayman Is.
EFP (Cayman) Funding 2006-3 Limited	George Town, Grand Cayman, Cayman Is.
EFP (Hong Kong) Funding I Limited	Hong Kong, SAR
EFP (Hong Kong) Funding II Partnership	Hong Kong, SAR
EFP (Hong Kong) Funding 2006-1 Partnership	Hong Kong, SAR
EFP (Hong Kong) Funding 2006-2 Partnership	Hong Kong, SAR
EFP Netherlands Investment, B.V.	Amsterdam, The Netherlands
EFP Netherlands Investment, V.O.F.	Amsterdam, The Netherlands
Egan Crest Investments, LLC	Las Vegas, NV
Eight Star Investments, L.L.C.	Kansas City, MO
Electra Leasing LLC	Boston, MA
ELHV Inc.	New York, NY
Elko Park, Inc.	Dallas, TX
Elmfield Investments Limited	London, U.K.
Elmsleigh Funding, Ltd.	George Town, Grand Cayman, Cayman Is.
ELT Ltd.	Charlotte, NC
Endeavour, LLC	Babylon, NY
Eotek LLC	Evergreen, CO
EQCC Asset Backed Corporation	Las Vegas, NV

Name	Location
EQCC Receivables Corporation	Las Vegas, NV
EquiCredit Corporation of America	Jacksonville, FL
Equity/Protect Reinsurance Company	Jacksonville, FL
Espoo Holdings S.a.r.l.	Luxembourg, Luxembourg
Essex Leeway Investment Company	Peabody, MA
Export Funding Corporation	Charlotte, NC
Factoring Santander Serfin, S.A. de C.V.	Mexico City, Mexico
Fallon Lane II, Inc.	Dallas, TX
Fallon Lane LLC	Dallas, TX
FBF Insurance Agency, Inc.	Avon, MA
FCA Company, LLC	Providence, RI
Federal Director International Services S.A.	Nassau, Bahamas
Federal Street Investments S.A.	Montevideo, Uruguay
Federal Street Shipping LLC	Boston, MA
Felton Management Corporation	Boston, MA
Felton Real Estate Limited Partnership	Waltham, MA
FFG Property Holding Corp.	Providence, RI
FFG-NJ Vehicle Funding Corp. of NJ	Teaneck, NJ
FHA Company, LLC	Providence, RI
FIA Card Services, National Association	Wilmington, DE
Fideicomiso GSSLPT	Mexico City, Mexico
FIM Funding, Inc.	Boston, MA
Financial Centre Insurance Agency, Inc.	Boston, MA
Financial ServiceSolutions Information Systems, LLC	Charlotte, NC
Financial ServiceSolutions, LLC	Charlotte, NC
Finch Funding LLC	Charlotte, NC
Finsbury Square Limited Partnership	Washington, DC
Finsbury Square Manager LLC	Washington, DC
Firnabos Nominees, Limited	London, U.K.
First Bank of Pinellas County Land Corporation	Tampa, FL
First Capital Corporation of Boston	Boston, MA
First Coast Black Business Investment Corporation	Jacksonville, FL
First National Boston Compania de Inversiones S.A.	Buenos Aires, Argentina
Firstval Properties, Inc.	Bethlehem, PA
FIS Securities, Inc.	Boston, MA
Fitzmaurice Investment Management Services, LLC	New York, NY
FKF, Inc.	Des Moines, IA
Flat Rock Funding LLC	Charlotte, NC
Fleet (NJ) Brokerage Services Inc.	Jersey City, NJ
Fleet Canada Square Limited	London, U.K.
Fleet Capital International, Inc.	Providence, RI
Fleet Capital Trust II	Boston, MA
Fleet Capital Trust IX	Boston, MA
Fleet Capital Trust V	Boston, MA
Fleet Capital Trust VII	Boston, MA
Fleet Capital Trust VIII	Boston, MA
Fleet Center Associates	Providence, RI
Fleet Clearing Corporation	New York, NY
Fleet Commercial Loan Funding LLC	Boston, MA
Fleet Commercial Loan Master LLC	Boston, MA
Fleet Community Development Corporation	Providence, RI
Fleet Corporate Finance, Inc.	Boston, MA
Fleet Credit Card Funding Trust	Horsham, PA
Fleet Credit Card Holdings, Inc.	Providence, RI
Fleet Credit Card Services L.P.	Providence, RI
Fleet Delaware Corp.	Wilmington, DE
Fleet Development Ventures L.L.C.	Boston, MA
Fleet Employee Benefit Services, Inc.	Albany, NY
Fleet Employer Services, Inc.	Providence, RI
Fleet Enterprises Inc.	New York, NY
Fleet Equity Partners V, L.P.	Providence, RI
Fleet Equity Partners VI, L.P.	Providence, RI

Name	Location
Fleet Equity Partners VII, L.P.	Providence, RI
Fleet Finance, Inc.	Providence, RI
Fleet Financial Corporation	Providence, RI
Fleet Financial Pennsylvania Corp.	Bala Cynwyd, PA
Fleet Fund Investors, LLC	Providence, RI
Fleet Funding, Inc.	Las Vegas, NV
Fleet Growth Resources II, Inc.	Providence, RI
Fleet Growth Resources III, Inc.	Providence, RI
Fleet Growth Resources IV, Inc.	Providence, RI
Fleet Growth Resources, Inc.	Providence, RI
Fleet Historic Associates	Providence, RI
Fleet Home Equity Loan Trust 2001-1	Wilmington, DE
Fleet Home Equity Loan, LLC	Boston, MA
Fleet Insurance Agency (NJ), Inc.	Clinton, NJ
Fleet Insurance Agency Corp.—Connecticut	Chester, CT
Fleet Insurance Agency Corp.—New York	Castleton on Hudson, NY
Fleet Insurance Agency Corporation	Boston, MA
Fleet Insurance Company	Horsham, PA
Fleet International Advisors S.A.	Montevideo, Uruguay
Fleet Investment Funding Corp.	Providence, RI
Fleet Land Company	Providence, RI
Fleet Leasing Partners I, L.P.	Providence, RI
Fleet Leasing Partners II, L.P.	Providence, RI
Fleet Life Insurance Company	Horsham, PA
Fleet NJ Community Development Corp.	Hartford, CT
Fleet Overseas Asset Management, Inc.	Boston, MA
Fleet Overseas Capital, LLC	Providence, RI
Fleet PCG Services Inc.	Providence, RI
Fleet Pennsylvania Services Inc.	Scranton, PA
Fleet Property Company	Providence, RI
Fleet Retail Group, LLC	Boston, MA
Fleet Trade Services, Limited	Hong Kong, PRC
Fleet Venture Partners I	Providence, RI
Fleet Venture Partners II	Providence, RI
Fleet Venture Partners III	Providence, RI
Fleet Venture Partners IV, L.P.	Providence, RI
Fleet Venture Resources, Inc.	Providence, RI
FleetBoston Co-Investment Partners (2000) LP	Boston, MA
FleetBoston Co-Investment Partners (2001) LP	Boston, MA
Florida Affordable Housing 1998, L.L.C.	Charlotte, NC
FNB Funding LLC 1	Las Vegas, NV
FNB Realty Trust	Boston, MA
Fomento Cultural Santander Mexicano, A.C.	Mexico City, Mexico
Fonlyser, S.A. de C.V.	Mexico City, Mexico
Framework, Inc.	Charlotte, NC
Franklin Bay Limited	George Town, Grand Cayman, Cayman Is.
FSC Corp.	Boston, MA
Fugu Credit Limited	London, U.K.
Full Court Tenant, LLC	New York, NY
Galway Holdings Trust	Dublin, Ireland
Gardnerton Partners	Las Vegas, NV
Gaskell Management LLC	Las Vegas, NV
Gatwick LLC	Dallas, TX
GEARS Holding LLC 2004-A	Dallas, TX
GEARS Holding LLC 2005-A	Dallas, TX
General Fidelity Insurance Company	San Francisco, CA
General Fidelity Life Insurance Company	San Francisco, CA
Germany Telecommunications 1 S.a.r.L	Luxembourg, Luxembourg
Gestion Santander Mexico, S.A. de C.V.	Mexico City, Mexico
Glacier Point (Philippines), Inc.	Makati, Philippines
Gleneagles Trading LLC	Charlotte, NC
GLM Investments, Inc.	Charlotte, NC

Name	Location
Gold Park Creek LLC	Las Vegas, NV
Goldbourne Park Limited	Dublin, Ireland
Golden Gate Invesments S.A.	Bogota, Colombia
Golden Peak Investments LLC	Charlotte, NC
Greenwood Apartments, LLC	Tampa, FL
GregCo, Inc.	Charlotte, NC
Groom Lake, LLC	Las Vegas, NV
Grupo Financiero Bank of America, S.A. de C.V.	Mexico City, Mexico
Grupo Financiero Santander Serfin, S.A. de C.V.	Mexico City, Mexico
GTVBI, Inc.	Port Louis, Mauritius
Harbour Directors I Limited	George Town, Grand Cayman, Cayman Is.
Harbour Directors II Limited	George Town, Grand Cayman, Cayman Is.
Harbour Nominees Ltd.	George Town, Grand Cayman, Cayman Is.
Harbour Secretaries I Limited	George Town, Grand Cayman, Cayman Is.
Harbour Town Funding LLC	Charlotte, NC
Harney Lane Limited	Dublin, Ireland
Harper Farm M Corp.	Baltimore, MD
HealthLogic Systems Corporation	Norcross, GA
Heathrow LLC	Dallas, TX
Heathrow, Inc. II	Dallas, TX
Helios Funding LLC	Charlotte, NC
Hercules Trading LLC	Charlotte, NC
Historic Ellison, L.P.	Kansas City, MO
Historic Munsey LLC	Baltimore, MD
HNC Realty Company	Hartford, CT
Home Equity USA, Inc.	Providence, RI
HomeFocus Services, LLC	St. Louis, MO
HomeFocus Tax Services, LLC	Richmond, VA
Hornby Lane Limited	Dublin, Ireland
Housing Southern California, LLC	Charlotte, NC
Howlan Park Limited	Dublin, Ireland
Huxley 2000-1, LLC	San Francisco, CA
Huxley 2000-3, LLC	San Francisco, CA
Huxley 2000-4, LLC	San Francisco, CA
Huxley Management, LLC	San Francisco, CA
IFIA Insurance Services, Inc.	Greenville, DE
IIC-NY Corporation	Melville, NY
InCapital Europe Limited	London, U.K.
Incapital Holdings, LLC	Chicago, IL
InCapital, LLC	Chicago, IL
Inchroy Credit Corporation Limited	Hong Kong, PRC
Independence Plaza General Partner, Inc.	St. Louis, MO
Independence Plaza, L.P.	St. Louis, MO
India, Inc.	Wilmington, DE
Indian Head Banks, Inc.	Manchester, NH
Industrial Investment Corporation	Baltimore, MD
Industrial Leasing Corporation of Fitchburg, Inc.	Providence, RI
Industrial Leasing Corporation of Massachusetts, Inc.	Providence, RI
Industrial Leasing Corporation of Springfield, Inc.	Providence, RI
Industrial National Leasing Corporation	Providence, RI
Inmobiliaria de Lerma y Amazonas, S.A. de C.V.	Mexico City, Mexico
Instituto Serfin, A.C.	Mexico City, Mexico
InverAmerica S.A.	Santa Fe de Bogota, Colombia
Inversiones Boston Corredor de Bolsa Limitada	Santiago, Chile
Inversora Diagonal S.A.	Buenos Aires, Argentina
InvestAmerica S.A.	Santiago, Chile
Investment Fund Partners	Providence, RI
Investments 2234 Chile Fondo de Inversion Privado I	Santiago, Chile
Investments 2234 China Fund 1 B.V.	Amsterdam, The Netherlands
Investments 2234, LLC	Charlotte, NC
Investments 2234 Overseas Fund I B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund II B.V.	Amsterdam, The Netherlands

Name	Location
Investments 2234 Overseas Fund III B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund IV B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund V B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund VI B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund VII B.V.	Amsterdam, The Netherlands
Investments 2234 Overseas Fund VIII B.V.	Amsterdam, The Netherlands
Investments Dos Dos Tres Cuatro Chile Holdings S.A.	Santiago, Chile
Investor Advisor S.A.	Buenos Aires, Argentina
Iskalo Electric Tower Master Tenant LLC	Williamsville, NY
Island Funding, Ltd.	Dallas, TX
Ismael I, Inc.	George Town, Grand Cayman, Cayman Is.
IX Holdings, L.L.C.	Chicago, IL
Jawbridge Finance, Inc.	Las Vegas, NV
JCCA, Inc.	Wilton, CT
Jupiter Loan Funding LLC	Charlotte, NC
Justin, Inc.	George Town, Grand Cayman, Cayman Is.
K.C. Acquisitions, L.L.C.	Kansas City, MO
Kaldi Funding LLC	Charlotte, NC
Kauai Hotel, L.P.	Los Angeles, CA
KBW Holdings LLC	Chicago, IL
Kendall Realty Trust	Framingham, MA
Kenilworth Industrial Park Limited Liability Company	Washington, DC
Kennedy Director International Services S.A.	Nassau, Bahamas
Keowee Falls Funding LLC	Charlotte, NC
L.A. Funding LLC	Charlotte, NC
Laguna Funding LLC	Charlotte, NC
Laredo Partners	Dallas, TX
LBC Limited	Nassau, Bahamas
Lexington Trails Holdings, LP	Dallas, TX
Lily River Investments, Ltd.	George Town, Grand Cayman, Cayman Is.
Limacon Park Limited	Dublin, Ireland
Links at Eastwood LLC, The	Charlotte, NC
Linville Funding LLC	Charlotte, NC
Loans.co.uk Limited	Watford, England
Madison Park A Corp.	Baltimore, MD
Magellan Bay Limited	George Town, Grand Cayman, Cayman Is.
Main Place Funding, LLC	New York, NY
Maine Credit Holdings, Inc.	Portland, ME
Mainsearch Company Limited	Chester, England
Manele Bay II Limited	Amsterdam, The Netherlands
Marlborough Sounds LLC	Charlotte, NC
Marlin House Holdings Limited	Herts, England
Marsico Capital Management, LLC	Denver, CO
Marsico Fund Advisors, LLC	Denver, CO
Marsico Management Holdings, L.L.C.	Charlotte, NC
Maryvale Urban Investments, Inc.	Phoenix, AZ
Mayfair Partners	Dallas, TX
MBNA Canada Bank	Gloucester, Canada
MBNA Canada Properties Co.	Gloucester, Canada
MBNA Capital A	Wilmington, DE
MBNA Capital B	Wilmington, DE
MBNA Capital C	Wilmington, DE
MBNA Capital D	Wilmington, DE
MBNA Capital E	Wilmington, DE
MBNA Community Development Corporation	Wilmington, DE
MBNA Direct Limited	Chester, England
MBNA Dublin Properties Limited	Dublin, Ireland
MBNA English LLP	Manchester, England
MBNA Europe Bank Limited	Chester, England
MBNA Europe Funding, PLC	Chester, England
MBNA Europe Holdings Limited	Chester, England
MBNA Europe Lending S.a.r.l.	Kirschberg, Channel Islands

Name	Location
MBNA Global Services Limited	Chester, England
MBNA Holdings, Inc.	Wilmington, DE
MBNA Indian Services Private Limited	Bangalore, India
MBNA International Investment Holdings, LLC	Wilmington, DE
MBNA International Properties Limited	Chester, England
MBNA Ireland Limited	Carrick-on-Shannon, Ireland
MBNA LLP Holdings S.a.r.l.	Grand Duchy of Luxemburg, Luxembourg
MBNA Luxemburg Holdings S.a.r.l.	Grand Duchy of Luxemburg, Luxembourg
MBNA Marketing Systems, Inc.	Wilmington, DE
MBNA Procurement Services, Inc.	Wilmington, DE
MBNA Property Services Limited	Chester, England
MBNA R & L S.a.r.l.	Kirschberg, Luxemburg
MBNA Receivables Limited	Kirschberg, Luxemburg
MBNA Servicios S. de R.L. de C.V.	Col. Bosques de las Lomas, Mexicto
MBNA Technology, Inc.	Wilmington, DE
Mecklenburg Park, Inc.	Dallas, TX
Medina Lane, Inc.	Dallas, TX
Merchant Alliance, Inc.	Louisville, KY
MerryPlace, LLC	Charlotte, NC
MESBIC Ventures, Inc.	Richardson, TX
Metro Plaza, Inc.	Boston, MA
Metro-Broward Capital Corporation	Ft. Lauderdale, FL
Middletown Finance, Inc.	Dallas, TX
Midwest Affordable Housing 1997-1, L.L.C.	Charlotte, NC
Mineral Rapids Investments LP	Las Vegas, NV
Misty Waters Apartments, Inc.	Atlanta, GA
MM3 HY Funding LLC	Charlotte, NC
MNC Affiliates Group, Inc.	Washington, DC
MNC Credit Corp	Washington, DC
MOIL Corporation	Wilton, CT
Mortgage Equity Conversion Asset Corporation	Wilmington, DE
MortgageRamp Associates, LLC	San Francisco, CA
MortgageRamp Investment, LLC	San Francisco, CA
MRII Investments LLC	Las Vegas, NV
Muirfield Trading LLC	Charlotte, NC
Multi-Family Housing Investment Fund I, LLC	Charlotte, NC
Myers Park Trading LLC	Charlotte, NC
N.B. (Bahamas) Ltd.	Nassau, Bahamas
Nations Europe Limited	London, U.K.
NationsBanc Business Credit, Inc.	Tucker, GA
NationsBanc Leasing & R.E. Corporation	Charlotte, NC
NationsBank International Trust (Jersey) Limited	Saint Helier, Jersey, Channel Islands
NationsCredit Financial Services Corporation	Jacksonville, FL
NationsCredit Insurance Agency, Inc.	Jacksonville, FL
NationsCredit Securitization Corporation	Alpharetta, GA
NB Capital Trust I	Charlotte, NC
NB Capital Trust II	Charlotte, NC
NB Capital Trust III	Charlotte, NC
NB Capital Trust IV	Charlotte, NC
NB Finance Lease, Inc.	Tucker, GA
NB Funding Company LLC	Charlotte, NC
NB Holdings Corporation	Charlotte, NC
NB International Finance B.V.	Amsterdam, The Netherlands
NB Partner Corp.	Charlotte, NC
NBCDC Osborne, Inc.	Tampa, FL
NBRE Realty LLC	Las Vegas, NV
NCNB Lease Atlantic, Inc.	Wilmington, DE
Necta GP Limited	St. Helier, Jersey, Channel Islands
Necta Syndication L.P.	St. Helier, Jersey, Channel Islands
NeSBIC Buy Out Fund Invest VII B.V.	Utrecht, The Netherlands
Nevis Investments Limited	George Town, Grand Cayman, Cayman Is.
Newark Lane Pty Limited	Las Vegas, NV

Name	Location
Newco Home Funding Partners, LLC	Springfield, VA
Newfound Bay Investments Limited	London, U.K.
Newfound Bay Limited	London, U.K.
Newland Lane Limited	George Town, Grand Cayman, Cayman Is.
Nexstar Financial Corporation	Saint Charles, MO
Nexus—Banc of America Fund I-M, L.P.	Chicago, IL
Nexus Partners Argentina S.A.	Buenos Aires, Argentina
Nightingale Lane Pty Limited	Las Vegas, NV
Ninth North-Val, Inc.	Baltimore, MD
NMS Capital, L.P.	New York, NY
NMS Investment Holdings, LLC	New York, NY
NMS Services (Cayman) Inc.	George Town, Grand Cayman, Cayman Is.
NMS Services, Inc.	New York, NY
NMS/Oak VIII, LLC	San Francisco, CA
Nobility Hill Realty Trust	Worchester, MA
Norstar Venture Partners I	Albany, NY
North Carolina Historic Ventures, LLC	Charlotte, NC
North East Hillcroft, Inc.	Providence, RI
Northam Lane Limited	George Town, Grand Cayman, Cayman Is.
Northquay Investments Limited	London, U.K.
NorthRoad Capital Management LLC	New York, NY
Northwest Florida Black Business Investment Corporation	Tallahassee, FL
Northwood Villas, L.P.	Dallas, TX
Norton Golf LLC	Boston, MA
NPC International S.A. de C.V.	Juarez, Mexico
Nubia Redevelopment Partnership	Dallas, TX
Oak Park at Nations Ford LLC	Charlotte, NC
Oakland Funding No. 1 LLC	Las Vegas, NV
Oakland Funding No. 2 LLC	London, U.K.
OCA Casa Financiera S.A.	Montevideo, Uruguay
OCA S.A.	Montevideo, Uruguay
Odessa Park, Inc.	Dallas, TX
Oechsle International Advisors, LLC	Boston, MA
Old Colony Nominees, Limited	London, U.K.
Oldland Lane Limited	George Town, Grand Cayman, Cayman Is.
One Bryant Park LLC	New York, NY
OneFed Leasing Corporation	Providence, RI
Operadora de Derivados Serfin, S.A. de C.V.	Mexico City, Mexico
Orchards Subdivision, LLC, The	Atlanta, GA
Orix Funding LLC	Charlotte, NC
Osborne Landing, Ltd.	Tampa, FL
Oshkosh/McNeilus Financial Services Partnership	Dodge Center, MN
OSP Funding LLC	Charlotte, NC
Ostia Funding No. 1 LLC	London, U.K.
Ostia Funding No. 2 LLC	London, U.K.
Otter Lake Funding LLC	Charlotte, NC
Overseas Lending Corporation	San Francisco, CA
Pacale, S.A. de C.V.	Mexico City, Mexico
Pacesetter/MVHC, Inc.	Richardson, TX
Palm Beach County Black Business Investment Corporation	Riviera Beach, FL
Paneldeluxe Company Limited	Chester, England
Paradise Funding, Ltd.	George Town, Grand Cayman, Cayman Is.
Paradise Urban Investments, LLC	Dallas, TX
PC Dallas Holdings, LP	Dallas, TX
Pegasus Trading LLC	Charlotte, NC
Perissa LLC	San Francisco, CA
Persimmon Springs Funding LLC	Charlotte, NC
PH Sentry Associates	Blue Bell, PA
Philadelphia Benefits, LLC	Mount Laurel, NJ
Piccadilly Financing LLC	Dallas, TX
Pilot Financial Corp.	Blue Bell, PA
Pine Oaks/Mesquite, Inc.	Dallas, TX

Name	Location
Pineapple Corporation, The	Boston, MA
Pine Harbour Limited	London, U.K.
Pinehurst Trading, Inc.	Charlotte, NC
Pinnacle Ridge Funding LLC	Charlotte, NC
Pinyon Park LLC	Las Vegas, NV
Pioneer Credit Corporation	Hartford, CT
PJM Office Building, LLC	Baltimore, MD
PJM Retail Center, LLC	Baltimore, MD
Plano Partners	Dallas, TX
Poplar Partners	Dallas, TX
Poseidon Trading LLC	Charlotte, NC
Power Equities, Inc.	Richardson, TX
Powergate Associates Limited	Amsterdam, The Netherlands
PPM Monarch Bay Funding LLC	Charlotte, NC
PPM Shadow Creek Funding LLC	Charlotte, NC
PPM Spyglass Funding Trust	Wilmington, DE
Premium Credit Ltd	Epsom, United Kingdom
Premium Credit Receivables Limited	Epsom, United Kingdom
PRLAP, Inc. (*Alaska Corporation*)	Juneau, AK
PRLAP, Inc. (*Missouri Corporation*)	Clayton, MO
PRLAP, Inc. (*North Carolina Corporation*)	Charlotte, NC
PRLAP, Inc. (*Tennessee Corporation*)	Knoxville, TN
PRLAP, Inc. (*Texas Corporation*)	Dallas, TX
PRLAP, Inc. (*Virginia Corporation*)	Richmond, VA
PRLAP, Inc. (*Washington Corporation*)	Seattle, WA
Prodigy Holdings Private Limited	Curepipe, Mauritius
Progress Capital Trust I	Blue Bell, PA
Progress Capital Trust II	Blue Bell, PA
Progress Capital Trust III	Blue Bell, PA
Progress Capital Trust IV	Blue Bell, PA
Progress Capital, Inc.	Boston, MA
Progress Realty Advisors, Inc.	Blue Bell, PA
Providence Group Advisors, Inc., The	Providence, RI
Puritan Mill, LLC	Atlanta, GA
Pydna Corporation	San Francisco, CA
Quail Brook Holdings, LP	Dallas, TX
Quail Creek Holdings, LP	Dallas, TX
Raintree Trading LLC	Charlotte, NC
Ravenswood Investments LLC	Las Vegas, NV
RCL Holdings LLC	Chicago, IL
RECOLL Management Corporation	Providence, RI
Recuperadora de Creditos Limitada (d/b/a “Eagle Recovery Ltda.”)	Santiago, Chile
Red Fox Funding LLC	Charlotte, NC
Red River Park, Inc.	Dallas, TX
Reed Street Partners, L.P.	Atlanta, GA
Reedy Creek Funding LLC	Charlotte, NC
Regent Street II, Inc.	Providence, RI
Relay Funding, LLC	Las Vegas, NV
RepublicBank Insurance Agency, Inc.	Dallas, TX
RIHT Life Insurance Company	Phoenix, AZ
Rising Sun Mills LLC	Baltimore, MD
Ritchie Court M Corporation	Baltimore, MD
Riviera Funding LLC	Charlotte, NC
Robertson Stephens Asset Management, Inc.	San Francisco, CA
Robertson Stephens Capital Markets Holdings Ltd.	Tel Aviv, Israel
Robertson Stephens Group, Inc.	San Francisco, CA
Robertson Stephens International Holdings, Inc.	San Francisco, CA
Robertson Stephens International, Ltd.	London, U.K.
Robertson Stephens Israel Ltd.	Tel Aviv, Israel
Robertson Stephens Services, LLC	Boston, MA
Robertson Stephens U.S. Holdings, Inc.	San Francisco, CA
Robertson Stephens Ventures, Inc.	San Francisco, CA
Robertson Stephens, Inc.	Boston, MA

Name	Location
Rock Harbour Funding LLC	Charlotte, NC
Rosebank Meadows Subdivision, LLC	Nashville, TN
Rosedale General Partner, LLC	Baltimore, MD
Rosedale Terrace Limited Partnership	Baltimore, MD
Ruby Aircraft Leasing and Trading Limited	London, U.K.
Santander Mexicano, S.A. de C.V. Afore	Mexico City, Mexico
Savoie Holdings S.a.r.l.	Luxembourg, Luxembourg
Sawgrass Trading LLC	Charlotte, NC
SB Holdings, Inc.	Las Vegas, NV
SBGP, LLC	Dallas, TX
Sceptre Management Services LLC	Dallas, TX
SCCP I GP, LLC	Baltimore, MD
SCI Holdings Corporation	Baltimore, MD
SCIC Properties, LLC	Baltimore, MD
SCIC Riverwalk, LLC	Baltimore, MD
SCIC San Antonio II, LLC	Baltimore, MD
Sea Pines Funding LLC	Charlotte, NC
Securitization Subsidiary I, Inc.	Dayton, NJ
Security Pacific Capital Leasing Corporation	San Francisco, CA
Security Pacific EuroFinance Holdings, Inc.	San Francisco, CA
Security Pacific EuroFinance, Inc.	San Francisco, CA
Security Pacific Hong Kong Holdings Limited	Hong Kong, PRC
Security Pacific Housing Services, Inc.	San Diego, CA
Security Pacific Lease Finance (Europe) Inc.	San Francisco, CA
Seguros Santander Mexicano, S.A.	Mexico City, Mexico
Seguros Serfin, S.A.	Mexico City, Mexico
Seminole Funding LLC	Charlotte, NC
Service-Wright Corporation	Washington, DC
Servicios Corporativos de Seguros Serfin, S.A. de C.V.	Mexico City, Mexico
Servicios Corporativos Serfin, S.A. de C.V.	Mexico City, Mexico
Seventh Street Holdings of Delaware, Inc.	Las Vegas, NV
Seventh Street REIT, Inc.	Las Vegas, NV
Seventh Street TRS, Inc.	Las Vegas, NV
SGL Holding LLC	Chicago, IL
Sherwood Terrace Apartments, Inc.	Atlanta, GA
Sierra Nevada Realty, G.P.	Las Vegas, NV
Silicon Holdings LLC	Chicago, IL
Silver Peak REIT Holding Company, Inc.	Las Vegas, NV
Silver Peak REIT, Inc.	Las Vegas, NV
Silvertree Australian Investments Pty Limited	Sydney, New South Wales, Australia
Sky Financial Securitization Corp. I	Dover, DE
Sky Financial Securitization Corp. II	Dover, DE
Sky Financial Securitization Corp. III	Dover, DE
Sky Financial Securitization Corp. IV	Dover, DE
Sky Financial Securitization Corp. V	Dover, DE
Sky Financial Securitization Corp. VI	Dover, DE
Sky Financial Securitization Corp. VII	Dover, DE
Sligo Lane Limited	Dublin, Ireland
Sociedad de Consultoria Administrativa, S.A. de C.V.	Mexico City, Mexico
SOP M Corp.	Baltimore, MD
South Charles Capital Partners I, L.P.	Baltimore, MD
South Charles Investment Corporation	Baltimore, MD
Southam Lane Limited	George Town, Grand Cayman, Cayman Is.
Southern Dallas Development Fund, Inc.	Dallas, TX
Southquay Finance Limited	London, U.K.
Sovran Capital Management Corporation	Richmond, VA
Spectrum Mortgage Company, Inc.	Princeton, NJ
Spring Valley Management LLC	Las Vegas, NV
Springfield Finance and Development Corporation	Springfield, MO
Spruce Bay Limited	George Town, Grand Cayman, Cayman Is.
SRF 2000, Inc.	Charlotte, NC
St. Johns Place, L.C.	Jacksonville, FL

Name	Location
Stamford Fidelity Realty Company, Inc., The	Fairfield, CT
Stamford Investors GP LLC	Dover, DE
Stamford Investors LLC	Dover, DE
Stanton Road Housing LLC	Washington, DC
Stanwich Loan Funding LLC	Charlotte, NC
Steppington/Dallas, Inc.	Dallas, TX
Sterling Farms Funding, Inc.	Las Vegas, NV
Stonegate Meadows, L.P.	Kansas City, MO
Summerhill Redevelopment Partners, LLC	Atlanta, GA
Summit Capital Trust I	Wilmington, DE
Summit Commercial Corp.	Cranford, NJ
Summit Corporate Secretary, Inc.	Princeton, NJ
Summit Credit Life Insurance Company	Phoenix, AZ
Summit Financial Services Group, L.P.	Bethlehem, PA
Summit Participation Corp.	West Nyack, NY
Summit Venture Capital, Inc.	Princeton, NJ
Sunset Hill Corporation	Baltimore, MD
SunStar Acceptance Corporation	Jacksonville, FL
Sycamore Green, LLC	Charlotte, NC
Tabono Joint Venture, The	Dallas, TX
Tabono Partnership II, Ltd.	Dallas, TX
Tampa Bay Black Business Investment Corporation, Inc.	Tampa, FL
Taurus Finance Inc.	New York, NY
Threadneedle Corporation, The	Boston, MA
Tidewater Pointe Funding LLC	Charlotte, NC
Tikkurila Holdings II S.a.r.l.	Luxembourg, Luxembourg
Tikkurila Holdings S.a.r.l.	Luxembourg, Luxembourg
Titulos Rioplatenses S.A.	Montevideo, Uruguay
Tonopah, LLC	Las Vegas, NV
Topanga Inc.	George Town, Grand Cayman, Cayman Is.
Topanga II Inc.	George Town, Grand Cayman, Cayman Is.
Topanga III Inc.	George Town, Grand Cayman, Cayman Is.
Topanga IV Inc.	George Town, Grand Cayman, Cayman Is.
Topanga V Inc.	George Town, Grand Cayman, Cayman Is.
Topanga VI Inc.	George Town, Grand Cayman, Cayman Is.
Topanga VII Inc.	George Town, Grand Cayman, Cayman Is.
Topanga VIII Inc.	George Town, Grand Cayman, Cayman Is.
Topanga IX Inc.	George Town, Grand Cayman, Cayman Is.
Topanga X Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XI Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XII Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XIII Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XV Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XVI Inc.	George Town, Grand Cayman, Cayman Is.
Topanga XX Inc.	George Town, Grand Cayman, Cayman Is.
Town Park Associates, LLC	Miami, FL
Trade Street Auction Rate Funding, LLC	Charlotte, NC
Transistor Holdings, LLC	Las Vegas, NV
Transistor, LLC	Las Vegas, NV
Transit Holding, Inc.	San Francisco, CA
Transit Leasing Corporation	San Francisco, CA
Trenton Park Apartments Limited Partnership	Washington, DC
Trenton Park Housing, LLC	Washington, DC
Trifesol, S.L.	Madrid, Spain
TriSail Capital Corporation	Boston, MA
TriSail Funding Corporation	Boston, MA
TriSail/MMA GP, LLC	Boston, MA
TriSail/MMA Realty Capital Partners I, L.P.	Boston, MA
TriStar Communications, Inc.	San Francisco, CA
Trunoms, Limited	Nassau, Bahamas
Tryon Assurance Company, Ltd.	Hamilton, Bermuda
TSL Holdings LLC	Chicago, IL

Name	Location
Tucker Commercial Lease Funding, LLC	San Francisco, CA
Turku Holdings S.a.r.l.	Luxembourg, Luxembourg
Turtle Hill GP LLC	Kansas City, MO
Turtle Hill Townhomes, L.P.	Kansas City, MO
Tyler Trading, Inc.	Las Vegas, NV
Ulysses Leasing Limited	St. Helier, Jersey, Channel Islands
Union Capital A.F.A.P. S.A.	Montevideo, Uruguay
Union Realty and Securities Company	St. Louis, MO
University Lofts Associates, L.P.	St. Louis, MO
University Lofts Development, L.L.C.	St. Louis, MO
Urban Mecca I, LLC	Atlanta, GA
Varese Holdings S.ar.l.	Luxembourg, Luxembourg
Venco, B.V.	George Town, Grand Cayman, Cayman Is.
Vendcrown Limited	Epsom, United Kingdom
Verdington LLC	Las Vegas, NV
Vernon Park LLC	Las Vegas, NV
Vertical Capital, LLC	New York, NY
Viewpointe Archive Services, L.L.C.	Charlotte, NC
Villages Urban Investments, LLC	Phoenix, AZ
Vine Street Lofts, L.P.	Kansas City, MO
Vine Street Place, L.L.C.	Kansas City, MO
Vine Street Views, L.L.C.	Kansas City, MO
Viva Associates, LLC	San Francisco, CA
Viva Investment, LLC	San Francisco, CA
WAM Acquisition GP. Inc.	Chicago, IL
Washington Mill Manager LLC	Boston, MA
Washington View (H) Corporation	Charlotte, NC
Washington Wheatley Neighorhood Partnership	Kansas City, MO
Washoe Lake LLC	Las Vegas, NV
Waterville Funding LLC	Charlotte, NC
WCH Limited Partnership	Dallas, TX
Wellington Land Company, Inc.	Baltimore, MD
Wellington Park/Lewisville, Inc.	Dallas, TX
Wendover Lane II, Inc.	Dallas, TX
Wendover Lane LLC	Dallas, TX
West Trade, LLC	Charlotte, NC
West Trade/Sycamore Street, LLC	Charlotte, NC
Westminster Properties, Inc.	Providence, RI
Westquay Investments Limited	London, U.K.
Weybosset Street Capital, Inc.	Providence, RI
Whistling Pines Funding LLC	Charlotte, NC
White Ridge Investment Advisors LLC	New York, NY
White Ridge Investments Limited	London, U.K.
White Rock Lane LLC	Las Vegas, NV
Wickliffe A Corp.	Baltimore, MD
Willowbrook Funding LLC	Charlotte, NC
Willowemoc Partners LLP	Las Vegas, NV
Willows SA Holdings, LP	Dallas, TX
Windeluxe Company Limited	Chester, England
WM Acquisition LLC	Boston, MA
WM Developer LLC	Boston, MA
WM Master Tenant LLC	Boston, MA
Wolnoms, Limited	Nassau, Bahamas
Worthen Mortgage Company	Buffalo, NY
Worthington Avenue, LLC	Charlotte, NC
WSB Property Management Company	Waltham, MA
Yellow Rose Investments Company	Dallas, TX
Yerington LLC	Las Vegas, NV
Zentac Productions, Inc.	San Francisco, CA
Zephyr Cove Finance, Inc.	Las Vegas, NV
Zeus Trading LLC	Charlotte, NC
Zorro Investor S.a.r.l.	Luxembourg, Luxembourg

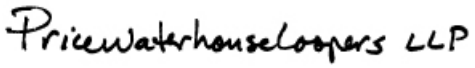
Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in:

- the Registration Statements on Form S-3 (Nos. 333-133852; 333-130821; 333-112708; 333-123714; 333-70984; 333-15375; 333-18273; 333-43137; 333-97157; 333-97197; 333-83503; 333-07229; 333-51367; 033-54784; 033-57533; 033-63097; 033-30717; 033-49881; 333-13811; 333-47222; 333-65750; 333-64450; and 333-104151);
- the Registration Statements on Form S-4 (Nos. 333-127124 and 333-110924)
- the Registration Statements on Form S-8 (Nos. 333-133566; 333-121513; 333-69849; 033-45279; 002-80406; 333-02875; 033-60695; 333-58657; 333-81810; 333-53664; 333-102043; and 333-102852);
- and the Post-Effective Amendments on Form S-8 to Registration Statements on Form S-4 (Nos. 333-65209; 333-127124; 333-110924; 033-43125; 033-55145; 033-63351; 003-62069; 033-62208; 333-16189; 333-60553; 333-40515)

of Bank of America Corporation of our report dated February 22, 2007 relating to the financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K.



Charlotte, North Carolina
February 28, 2007

Exhibit 24(a)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of Bank of America Corporation and the several undersigned officers and directors whose signatures appear below, hereby makes, constitutes and appoints Teresa M. Brenner, William J. Mostyn III and Timothy J. Mayopoulos, and each of them acting individually, its, his and her true and lawful attorneys with power to act without any other and with full power of substitution, to prepare, execute, deliver and file in its, his and her name and on its, his and her behalf, and in each of the undersigned officer's and director's capacity or capacities as shown below, an Annual Report on Form 10-K for the year ended December 31, 2006, and all exhibits thereto and all documents in support thereof or supplemental thereto, and any and all amendments or supplements to the foregoing, hereby ratifying and confirming all acts and things which said attorneys or attorney might do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, Bank of America Corporation has caused this power of attorney to be signed on its behalf, and each of the undersigned officers and directors, in the capacity or capacities noted, has hereunto set his or her hand as of the date indicated below.

BANK OF AMERICA CORPORATION

By: /s/ Kenneth D. Lewis
Kenneth D. Lewis
Chairman, Chief Executive Officer and President

Dated: January 24, 2007

Signature	Title	Date
/s/ Kenneth D. Lewis Kenneth D. Lewis	Chairman, Chief Executive Officer, President and Director (Principal Executive Officer)	January 24, 2007
/s/ Joe L. Price Joe L. Price	Chief Financial Officer (Principal Financial Officer)	January 24, 2007
/s/ Neil A. Cotty Neil A. Cotty	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	January 24, 2007
/s/ William Barnet, III William Barnet, III	Director	January 24, 2007
/s/ Frank P. Bramble, Sr. Frank P. Bramble, Sr.	Director	January 24, 2007
/s/ John T. Collins John T. Collins	Director	January 24, 2007
/s/ Gary L. Countryman Gary L. Countryman	Director	January 24, 2007
/s/ Tommy R. Franks Tommy R. Franks	Director	January 24, 2007
/s/ Paul Fulton Paul Fulton	Director	January 24, 2007
/s/ Charles K. Gifford Charles K. Gifford	Director	January 24, 2007
/s/ W. Steven Jones W. Steven Jones	Director	January 24, 2007
/s/ Monica C. Lozano Monica C. Lozano	Director	January 24, 2007
/s/ Walter E. Massey Walter E. Massey	Director	January 24, 2007
/s/ Thomas J. May Thomas J. May	Director	January 24, 2007
/s/ Patricia E. Mitchell Patricia E. Mitchell	Director	January 24, 2007
/s/ Thomas M. Ryan Thomas M. Ryan	Director	January 24, 2007
/s/ O. Temple Sloan, Jr. O. Temple Sloan, Jr.	Director	January 24, 2007
/s/ Meredith R. Spangler Meredith R. Spangler	Director	January 24, 2007
/s/ Robert L. Tillman Robert L. Tillman	Director	January 24, 2007
/s/ Jackie M. Ward Jackie M. Ward	Director	January 24, 2007

Exhibit 24(b)

BANK OF AMERICA CORPORATION

CERTIFICATE OF ASSISTANT SECRETARY

I, Allison L. Gilliam, Assistant Secretary of Bank of America Corporation, a corporation duly organized and existing under the laws of the State of Delaware, do hereby certify that attached is a true and correct copy of resolutions duly adopted by a majority of the Board of Directors of the Corporation at a meeting of the Board of Directors held on January 24, 2007, at which meeting a quorum was present and acted throughout and that said resolutions are in full force and effect and have not been amended or rescinded as of the date hereof.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of the Corporation this 26th day of February, 2007.

(SEAL)

/s/ Allison L. Gilliam
Allison L. Gilliam
Assistant Secretary

BANK OF AMERICA CORPORATION
BOARD OF DIRECTORS
RESOLUTIONS

January 24, 2007

Annual Report on Form 10-K

WHEREAS, officers of Bank of America Corporation (the "Corporation") have made presentations to the Board of Directors regarding the Corporation's financial results for the year ended December 31, 2006;

WHEREAS, the Board of Directors has had adequate opportunity to review and comment on the presentations regarding such results; and

WHEREAS, members of the Audit Committee have recommended to the Board of Directors that the December 31, 2006 audited financial statements be included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2006 (the "2006 Form 10-K");

NOW, THEREFORE, BE IT:

RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and empowered on behalf of the Corporation to prepare, execute, deliver and file the 2006 Form 10-K, based upon the information presented to and considered at this meeting, in such form and with such content and attachment of exhibits as the officers signing the 2006 Form 10-K shall approve, their approval to be conclusively evidenced by their signature thereof; and be it

FURTHER RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and empowered on behalf of the Corporation to execute the 2006 Form 10-K and file it with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and with such other governmental agencies or instrumentalities as such officers deem necessary or desirable, and to prepare, execute, deliver and file any amendment or amendments to the 2006 Form 10-K, as they may deem necessary or appropriate; and be it

FURTHER RESOLVED, that Teresa M. Brenner, William J. Mostyn IIII and Timothy J. Mayopoulos be, and each of them with full power to act without the other hereby is, authorized and empowered to prepare, execute, deliver and file the 2006 Form 10-K and any amendment or amendments thereto on behalf of and as attorneys for the Corporation and on behalf of and as attorneys for any of the following: the principal executive officer, the principal financial officer, the principal accounting officer, and any other officer of the Corporation; and be it

FURTHER RESOLVED, that, for the purposes of these resolutions, the "proper officers" of the Corporation are the Executive Officers, the Secretary, any Executive Vice President, and any Senior Vice President, and that each of these officers is authorized, empowered and directed, in the name and on behalf of the Corporation to execute and deliver or cause to be executed and delivered any and all agreements, amendments, certificates, applications, notices, letters, or other documents and to do or cause to be done any and all such other acts and things as, in the opinion of any such officer, may be necessary, appropriate or desirable in order to enable the Corporation fully and promptly to carry out the intent of the foregoing resolutions, and any such action taken by such officers shall be conclusive evidence of their authority.

Exhibit 31(a)

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 Annual Report on Form 10-K of Bank of America Corporation;

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-(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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: February 28, 2007

/s/ Kenneth D. Lewis
Kenneth D. Lewis
Chief Executive Officer

Exhibit 31(b)

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 Annual Report on Form 10-K of Bank of America Corporation;

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-(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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: February 28, 2007

/s/ Joe L. Price

Joe L. Price
Chief Financial Officer

Exhibit 32(a)

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 Annual Report on Form 10-K of the Registrant for the year ended December 31, 2006 (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.

Name: /s/ Kenneth D. Lewis
Title: Chief Executive Officer
Date: February 28, 2007

Exhibit 32(b)

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 Annual Report on Form 10-K of the Registrant for the year ended December 31, 2006 (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.

Name: /s/ Joe L. Price
Title: Chief Financial Officer
Date: February 28, 2007

February 28, 2007

VIA EDGAR

Securities and Exchange Commission
Washington, D.C. 20549

Re: Bank of America Corporation: Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2006 (Commission File Number 1-6523)

Ladies and Gentlemen:

On behalf of Bank of America Corporation, I am transmitting via EDGAR the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (the "Form 10-K"). The financial statements incorporated in the Form 10-K reflect the impact of the adoption of Statement of Financial Accounting Standards (SFAS) No.123 (revised 2004), "Share-based Payment" on January 1, 2006; the election to early adopt SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No.140" for consumer-related mortgage services rights on January 1, 2006; and the adoption of SFAS No.158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB statements No. 87, 88, 106, and 123(R)" on December 31, 2006. The financial statements do not reflect a change from the preceding year in any other accounting principles or practices, or in the method of applying any such principles or practices.

Should you have any questions on this filing, please do not hesitate to call the undersigned at 704.386.1624.

Very truly yours,

/s/ Ellen A. Perrin

Ellen A. Perrin
Assistant General Counsel