

Subject to Completion
Preliminary Term Sheet dated May 10, 2012

Units \$10 principal amount per unit CUSIP No.	Pricing Date* May , 2012 Settlement Date* June , 2012 Maturity Date* July , 2013
	
*Subject to change based on the actual date the notes are priced for initial sale to the public (the "pricing date")	

Accelerated Return Notes[®] Linked to a Basket of Three Financial Sector Stocks

- Maturity of approximately 14 months
- 3-to-1 upside exposure to increases in the Basket, subject to a capped return of [22% to 26%]
- 1-to-1 downside exposure to decreases in the Basket, with 100% of your investment at risk
- The Basket will be comprised of Citigroup Inc., JPMorgan Chase & Co. and Wells Fargo & Company (the "Basket Components")
- All payments at maturity subject to the credit risk of Bank of America Corporation
- No periodic interest payments
- Limited secondary market liquidity, with no exchange listing



The notes are being issued by Bank of America Corporation ("BAC"). There are important differences between the notes and a conventional debt security, including different investment risks. See "Risk Factors" and "Additional Risk Factors" on page TS-5 of this term sheet and "Risk Factors" beginning on page S-10 of product supplement ARN-4.

None of the Securities and Exchange Commission (the "SEC"), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price ⁽¹⁾ ⁽²⁾	\$10.00	\$
Underwriting discount ⁽¹⁾ ⁽²⁾	\$0.20	\$
Proceeds, before expenses, to BAC	\$9.80	\$

⁽¹⁾ For any purchase of 500,000 units or more in a single transaction by an individual investor, the public offering price and the underwriting discount will be \$9.95 per unit and \$0.15 per unit, respectively.

⁽²⁾ For any purchase by certain fee-based trusts and discretionary accounts managed by U.S. Trust operating through Bank of America, N.A., the public offering price and underwriting discount will be \$9.80 per unit and \$0.00 per unit, respectively.

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Merrill Lynch & Co.

May , 2012

Summary

The Accelerated Return Notes® Linked to a Basket of Three Financial Sector Stocks due July , 2013 (the "notes") are our senior unsecured debt securities. The notes are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. **The notes will rank equally with all of our other unsecured and unsubordinated debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC.** The notes provide you a leveraged return, subject to a cap, if the Ending Value (as determined below) of the Basket of Three Financial Sector Stocks (the "Basket") is greater than the Starting Value. If the Ending Value is less than the Starting Value, you will lose all or a portion of the principal amount of your notes.

The terms and risks of the notes are contained in this term sheet and the documents listed below (together, the "Note Prospectus"). The documents have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated below or obtained from MLPF&S by calling 1-866-500-5408:

- Product supplement ARN-4 dated April 2, 2012:
<http://www.sec.gov/Archives/edgar/data/70858/000119312512146655/d326526d424b5.htm>
- Series L MTN prospectus supplement dated March 30, 2012 and prospectus dated March 30, 2012:
<http://www.sec.gov/Archives/edgar/data/70858/000119312512143855/d323958d424b5.htm>

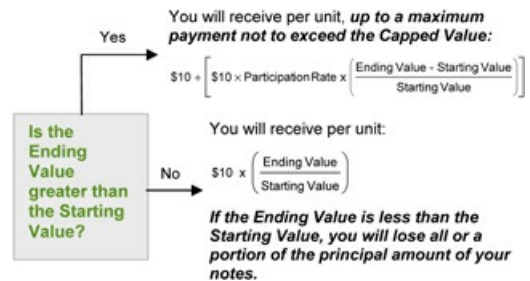
Before you invest, you should read the Note Prospectus, including this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement ARN-4. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC.

Terms of the Notes

Issuer:	Bank of America Corporation ("BAC")
Original Offering Price:	\$10.00 per unit
Term:	Approximately 14 months
Market Measure:	An approximately equally-weighted basket comprised of Citigroup Inc. (NYSE symbol: "C"), JPMorgan Chase & Co. (NYSE symbol: "JPM") and Wells Fargo & Company (NYSE symbol: "WFC").
Starting Value:	The Starting Value will be set to 100.00 on the pricing date.
Ending Value:	The closing value of the Basket on the calculation day. The calculation day is subject to postponement in the event of Market Disruption Events, as described on page S-28 of product supplement ARN-4.
Capped Value:	[\$12.20 to \$12.60] per unit of the notes, which represents a return of [22% to 26%] over the Original Offering Price. The actual Capped Value will be determined on the pricing date.
Calculation Day:	The fifth scheduled trading day immediately preceding the maturity date.
Participation Rate:	300%
Calculation Agent:	Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a subsidiary of BAC.
Fees Charged:	The public offering price of the notes includes the underwriting discount of \$0.20 per unit as listed on the cover page and an additional charge of \$0.075 per unit more fully described on page TS-11.

Redemption Amount Determination

On the maturity date, you will receive a cash payment per unit determined as follows:



Investor Considerations

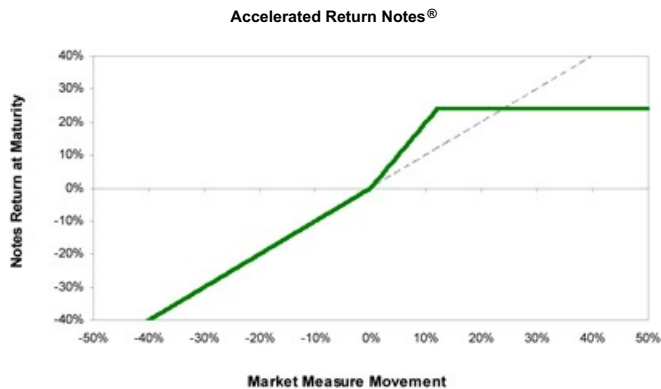
You may wish to consider an investment in the notes if:

- You anticipate that the level of the Basket will increase moderately from the Starting Value to the Ending Value.
- You are willing to risk a loss of principal and return if the level of the Basket decreases from the Starting Value to the Ending Value.
- You accept that the return on the notes, if any, will be capped.
- You are willing to forgo the interest payments that are paid on traditional interest bearing debt securities.
- You are willing to forgo dividends or other benefits of owning the stocks included in the Basket.
- You are willing to accept a limited market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, and the fees charged on the notes, as described on TS-2.
- You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Hypothetical Payout Profile

The below graph is based on **hypothetical** numbers and values.



The notes may not be an appropriate investment for you if:

- You believe that the level of the Basket will decrease from the Starting Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.
- You seek principal protection or preservation of capital.
- You seek an uncapped return on your investment.
- You seek interest payments or other current income on your investment.
- You want to receive dividends or other distributions paid on the Basket Components.
- You seek an investment for which there will be a liquid secondary market.
- You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.

This graph reflects the returns on the notes, based on the Participation Rate of 300% and a Capped Value of \$12.40, the midpoint of the Capped Value range of [\$12.20 to \$12.60]. The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the Basket Components, excluding dividends.

This graph has been prepared for purposes of illustration only.

Hypothetical Payments at Maturity

The following table and examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** returns on the notes. **The actual amount you receive and the resulting total rate of return will depend on the actual Ending Value, Capped Value, and the term of your investment.**

The following table is based on the Starting Value of 100, the Participation Rate of 300% and a Capped Value of \$12.40 per unit. It illustrates the effect of a range of Ending Values on the Redemption Amount per unit of the notes and the total rate of return to holders of notes. The following examples do not take into account any tax consequences from investing in the notes.

<u>Ending Value</u>	<u>Percentage Change from the Starting Value to the Ending Value</u>	<u>Redemption Amount per Unit</u>	<u>Total Rate of Return on the Notes</u>
50.00	-50.00%	\$5.00	-50.00%
60.00	-40.00%	\$6.00	-40.00%
70.00	-30.00%	\$7.00	-30.00%
80.00	-20.00%	\$8.00	-20.00%
90.00	-10.00%	\$9.00	-10.00%
95.00	-5.00%	\$9.50	-5.00%
98.00	-2.00%	\$9.80	-2.00%
100.00 (1)	0.00%	\$10.00	0.00%
102.00	2.00%	\$10.60	6.00%
105.00	5.00%	\$11.50	15.00%
110.00	10.00%	\$12.40 (2)	24.00%
115.00	15.00%	\$12.40	24.00%
120.00	20.00%	\$12.40	24.00%
130.00	30.00%	\$12.40	24.00%
140.00	40.00%	\$12.40	24.00%
150.00	50.00%	\$12.40	24.00%

(1) The Starting Value will be set to 100.00 on the pricing date.

(2) The Redemption Amount per unit cannot exceed the **hypothetical** Capped Value.

For recent actual levels of the Market Measure, see "The Basket" section below. The Ending Value will not include any income generated by dividends paid on the Basket Components, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Redemption Amount Calculation Examples

Example 1

The Ending Value is 70.00, or 70.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 70.00

$$\$10 \times \left(\frac{70}{100} \right) = \$7.00 \text{ Redemption Amount per unit}$$

Example 2

The Ending Value is 104.00, or 104.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 104.00

$$\$10 + \left[\$10 \times 300\% \times \left(\frac{104 - 100}{100} \right) \right] = \$11.20 \text{ Redemption Amount per unit}$$

Example 3

The Ending Value is 150.00, or 150.00% of the Starting Value:

Starting Value: 100.00
Ending Value: 150.00

$$\$10 + \left[\$10 \times 300\% \times \left(\frac{150 - 100}{100} \right) \right] = \$25.00, \text{ however, because the Redemption Amount for the notes cannot exceed the Capped Value, the Redemption Amount will be } \$12.40 \text{ per unit}$$

Risk Factors

There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections beginning on page S-10 of product supplement ARN-4, page S-5 of the MTN prospectus supplement, and page 8 of the prospectus identified above under "Summary." We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

- Depending on the performance of the Basket as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.
- Your yield may be less than the yield you could earn by owning a conventional debt security of comparable maturity.
- Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. If we become insolvent or are unable to pay our obligations, you may lose your entire investment.
- Your investment return, if any, is limited to the return represented by the Capped Value and may be less than a comparable investment directly in the Basket Components.
- If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for the notes due to, among other things, the inclusion of fees charged for developing, hedging and distributing the notes, as described on page TS-11 and various credit, market and economic factors that interrelate in complex and unpredictable ways.
- A trading market is not expected to develop for the notes. MLPF&S is not obligated to make a market for, or to repurchase, the notes.
- Changes in the prices of the Basket Components may offset each other.
- Our business activities as a full service financial institution, including our commercial and investment banking activities, our hedging and trading activities (including trades in shares of the Basket Components) and any hedging and trading activities we engage in for our clients' accounts, may affect the market value of the notes and their return and may create conflicts of interest with you.
- You will have no rights of a holder of the Basket Components, and you will not be entitled to receive shares of the Basket Components or dividends or other distributions by the issuers of the Basket Components.
- While we or our affiliates may from time to time own shares of the Basket Components, we do not control any company included in the Basket, and are not responsible for any disclosure made by any other company.
- The Redemption Amount will not be adjusted for all corporate events that could affect a Basket Component. See "Description of ARNs—Anti-Dilution Adjustments for ARNs Linked to Underlying Stocks" beginning on page S-32 of product supplement ARN-4.
- There may be potential conflicts of interest involving the calculation agent. We have the right to appoint and remove the calculation agent.
- The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See "Summary Tax Consequences" below and "U.S. Federal Income Tax Summary" beginning on page S-45 of product supplement ARN-4.

Additional Risk Factors

The stocks included in the Basket are concentrated in one sector . All of the stocks included in the Basket are issued by companies in the financial sector. Although an investment in the notes will not give holders any ownership or other direct interests in the Basket Components, the return on an investment in the notes will be subject to certain risks associated with a direct equity investment in companies in the financial services sector. Accordingly, by investing in the notes, you will not benefit from the diversification which could result from an investment linked to companies that operate in multiple sectors.

Adverse conditions in the financial sector may reduce your return on the notes . All of the Basket Components are issued by companies whose primary lines of business are directly associated with the financial services sector. The profitability of these companies is largely dependent on the availability and cost of capital funds, and can fluctuate significantly, particularly when market interest rates change. Credit losses resulting from financial difficulties of these companies' customers can negatively impact the sector. In addition, adverse economic, business, or political developments affecting the U.S., including with respect to real estate and loans secured by real estate, could have a major effect on the value of the Basket. As a result of these factors, the value of the notes may be subject to greater volatility and be more adversely affected by economic, political, or regulatory events relating to the financial services sector.

The current financial crisis has adversely impacted the stock prices of many companies in the financial services sector, and may continue to do so during the term of the notes . The ongoing financial crisis in the U.S. has resulted, and may continue to result, in significant losses among companies that operate in the financial services sector. These recent events in the financial sector and deterioration in the credit markets generally have also resulted, and may continue to result, in a high degree of volatility in the stock prices of financial institutions, and substantial fluctuations in the profitability and ongoing viability of these companies. Numerous financial services companies have experienced substantial decreases in the value of their assets, taken action to raise capital (including the issuance of debt or equity securities), or even ceased operations. Further, companies in the financial services sector have been subject to unprecedented government actions and regulation, which may limit the scope of their operations and, in turn, result in a decrease in value of these companies. Any of these factors may have an adverse impact on the performance of the Basket. As a result, the level of the Basket may be adversely affected by ongoing economic, political, or regulatory events affecting the financial services sector or one of the sub-sectors of the financial services sector. This in turn could adversely impact the market value of the notes and decrease the Redemption Amount.

The Basket

The Basket is designed to allow investors to participate in the percentage changes in the prices of the Basket Components from the Starting Value to the Ending Value of the Basket. The Basket Components are described in the section "The Basket Components" below. Each Basket Component will be assigned an initial weight on the pricing date, as set forth in the table below.

For more information on the calculation of the value of the Basket, please see the section entitled "Description of ARNs—Basket Market Measures" on page S-39 of product supplement ARN-4.

If May 2, 2012 were the pricing date, for each Basket Component, the Initial Component Weight, the closing price, the hypothetical Component Ratio and the initial contribution to the Basket value would be as follows:

Basket Component	NYSE Symbol	Initial Component Weight	Closing Price ^{(1) (2)}	Component Ratio ^{(1) (3)}	Initial Basket Value Contribution
Citigroup Inc.	C	33.33%	32.70	1.01926606	33.33
JPMorgan Chase & Co.	JPM	33.33%	43.20	0.77152778	33.33
Wells Fargo & Company	WFC	33.34%	33.57	0.99314865	33.34
			Starting Value		100.00

(1) The actual closing price of each Basket Component and the resulting actual Component Ratios will be determined on the pricing date, subject to adjustment as more fully described below. The actual closing price and Component Ratio of each Basket Component will be set forth in the final term sheet that will be made available in connection with sales of the notes.

(2) These were the closing prices of the Basket Components on May 2, 2012.

(3) Each **hypothetical** Component Ratio equals the Initial Component Weight of the relevant Basket Component (as a percentage) multiplied by 100, and then divided by the closing price of that Basket Component on May 2, 2012 and rounded to eight decimal places.

The calculation agent will calculate the value of the Basket by summing the products of the closing price for each Basket Component (multiplied by its Price Multiplier) on the calculation day and the Component Ratio applicable to that Basket Component. If a Market Disruption Event occurs as to any Basket Component on the scheduled calculation day, the closing price of that Basket Component will be determined as more fully described beginning on page S-28 of product supplement ARN-4 in the section "Description of ARNs—Ending Value—Equity-Based Basket Market Measures."

If a Market Disruption Event occurs on the pricing date as to any Basket Component, the calculation agent will establish the closing price of that Basket Component on the pricing date (the "Basket Component Closing Value"), and thus its Component Ratio, based on the closing price of that Basket Component on the first trading day following the pricing date on which no Market Disruption Event occurs with respect to that Basket Component. If a Market Disruption Event occurs with respect to that Basket Component on the pricing date and on each day to and including the second scheduled trading day following the pricing date, the calculation agent (not later than the close of business in New York, New York on the second scheduled trading day following the pricing date) will estimate the Basket Component Closing Value, and thus the applicable Component Ratio, in a manner that the calculation agent considers commercially reasonable under the circumstances. The final term sheet will set forth the Basket Component Closing Value, a brief statement of the facts relating to the establishment of the Basket Component Closing Value (including the applicable Market Disruption Event(s)), and the applicable Component Ratio.

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Linked to a Basket of Three Financial Sector Stocks, due July , 2013

While actual historical information on the Basket will not exist before the pricing date, the following graph sets forth the hypothetical historical monthly performance of the Basket from January 2007 through April 2012. The graph is based upon actual month-end historical levels of the Basket Components, hypothetical Component Ratios determined as of December 31, 2006, and a Basket value of 100.00 as of that date. This hypothetical historical data on the Basket is not necessarily indicative of the future performance of the Basket or what the value of the notes may be. Any historical upward or downward trend in the value of the Basket during any period set forth below is not an indication that the value of the Basket is more or less likely to increase or decrease at any time over the term of the notes.



The Basket Components

We have derived the following information about the Underlying Companies from publicly available documents that they have published. We have not independently verified the following information.

Because each Basket Component is registered under the Securities Exchange Act of 1934, the Underlying Companies are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC by the Underlying Companies can be located at the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549 or through the SEC's web site at <http://www.sec.gov> by reference to the applicable CIK number set forth below.

This term sheet relates only to the notes and does not relate to any securities of the Underlying Companies. Neither we nor any of our affiliates have participated or will participate in the preparation of the Underlying Companies' publicly available documents. Neither we nor any of our affiliates have made any due diligence inquiry with respect to the Underlying Companies in connection with the offering of the notes. Neither we nor any of our affiliates make any representation that the publicly available documents or any other publicly available information regarding the Underlying Companies are accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this term sheet, including events that would affect the accuracy or completeness of these publicly available documents that would affect the trading price of the Basket Components, have been or will be publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning the Underlying Companies could affect the value of the Basket Components and therefore could affect your return on the notes. The selection of the Basket Components is not a recommendation to buy or sell shares of the Basket Components.

The tables set forth below shows the quarterly high and low Closing Market Prices of the shares of the Basket Components on their primary exchange from the first quarter of 2007 through May 2, 2012. We obtained this historical data from Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P.

Citigroup Inc.

Citigroup Inc. is a diversified financial services holding company that provides a broad range of financial services to consumer and corporate customers around the world. The company's services include investment banking, retail brokerage, corporate banking, and cash management products and services. This Basket Component trades on the New York Stock Exchange under the symbol "C". The company's CIK number is 831001.

		High (\$)	Low (\$)
2007	First quarter	552.50	487.50
	Second quarter	552.00	510.50
	Third quarter	528.40	453.00
	Fourth quarter	483.20	292.90
2008	First quarter	296.90	186.20
	Second quarter	268.10	167.60
	Third quarter	211.20	140.30
	Fourth quarter	230.00	37.70
2009	First quarter	74.60	10.20
	Second quarter	40.20	26.80
	Third quarter	52.30	25.90
	Fourth quarter	50.00	32.00
2010	First quarter	43.10	31.50
	Second quarter	49.70	36.30
	Third quarter	43.00	36.60
	Fourth quarter	48.10	39.50
2011	First quarter	51.30	43.90
	Second quarter	46.00	36.81
	Third quarter	42.88	23.96
	Fourth quarter	34.17	23.11
2012	First quarter	38.08	28.17
	Second quarter (through May 2, 2012)	36.87	32.70

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Linked to a Basket of Three Financial Sector Stocks, due July , 2013

JPMorgan Chase & Co.

JPMorgan Chase & Co. provides global financial services and retail banking. The company provides services such as investment banking, treasury and securities services, asset management, private banking, card member services, commercial banking, and home finance. JP Morgan Chase serves business enterprises, institutions and individuals. This Basket Component trades on the New York Stock Exchange under the symbol "JPM". The company's CIK number is 19617.

		<u>High (\$)</u>	<u>Low (\$)</u>
2007	First quarter	51.65	46.70
	Second quarter	53.20	48.24
	Third quarter	50.05	43.00
	Fourth quarter	47.58	40.46
2008	First quarter	48.25	36.48
	Second quarter	49.25	34.31
	Third quarter	48.24	31.02
	Fourth quarter	49.85	22.72
2009	First quarter	31.35	15.90
	Second quarter	38.94	27.25
	Third quarter	46.47	32.27
	Fourth quarter	47.16	40.27
2010	First quarter	45.02	37.70
	Second quarter	47.81	36.61
	Third quarter	41.64	35.63
	Fourth quarter	42.67	36.96
2011	First quarter	48.00	43.40
	Second quarter	47.64	39.49
	Third quarter	42.29	29.27
	Fourth quarter	37.02	28.38
2012	First quarter	46.27	34.91
	Second quarter (through May 2, 2012)	46.13	42.72

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Wells Fargo & Company

Wells Fargo & Company is a diversified financial services company providing banking, insurance, investments, mortgage, leasing, credit cards, and consumer finance. The company operates through physical stores, the Internet and other distribution channels across North America and elsewhere internationally. This Basket Component trades on the New York Stock Exchange under the symbol "WFC". The company's CIK number is 72971.

		<u>High (\$)</u>	<u>Low (\$)</u>
2007	First quarter	36.56	33.47
	Second quarter	36.42	34.01
	Third quarter	37.37	32.81
	Fourth quarter	37.47	29.49
2008	First quarter	34.01	25.48
	Second quarter	31.49	23.75
	Third quarter	39.80	20.51
	Fourth quarter	36.70	21.76
2009	First quarter	30.00	8.12
	Second quarter	28.18	14.48
	Third quarter	29.41	22.87
	Fourth quarter	31.38	25.32
2010	First quarter	31.22	26.43
	Second quarter	33.88	25.60
	Third quarter	28.57	23.25
	Fourth quarter	31.31	23.59
2011	First quarter	34.10	31.20
	Second quarter	32.40	25.36
	Third quarter	29.38	22.88
	Fourth quarter	27.80	23.18
2012	First quarter	34.47	28.43
	Second quarter (through May 2, 2012)	34.51	32.69

Supplement to the Plan of Distribution

We may deliver the notes against payment therefor in New York, New York on a date that is greater than three business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than three business days from the pricing date, purchasers who wish to trade the notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units.

MLPF&S will not receive an underwriting discount for notes sold to certain fee-based trusts and fee-based discretionary accounts managed by U.S. Trust operating through Bank of America, N.A.

If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices. MLPF&S may act as principal or agent in these market-making transactions; however it is not obligated to engage in any such transactions.

Role of MLPF&S and Conflicts of Interest

MLPF&S, a broker-dealer subsidiary of BAC, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and will participate as selling agent in the distribution of the notes. Accordingly, offerings of the notes will conform to the requirements of Rule 5121 applicable to FINRA members. MLPF&S may not make sales in this offering to any of its discretionary accounts without the prior written approval of the account holder.

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount. The public offering price includes, in addition to the underwriting discount, a charge of approximately \$0.075 per unit, reflecting an estimated profit earned by MLPF&S from transactions through which the notes are structured and resulting obligations hedged. Actual profits or losses from these hedging transactions may be more or less than this amount. In entering into the hedging arrangements for the notes, we seek competitive terms and may enter into hedging transactions with MLPF&S or another of our affiliates.

All charges related to the notes, including the underwriting discount and the hedging related costs and charges, reduce the economic terms of the notes. For further information regarding these charges, our trading and hedging activities and conflicts of interest, see "Risk Factors—General Risks Relating to ARNs" beginning on page S-10 and "Use of Proceeds" on page S-22 of product supplement ARN-4.

Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the notes, including the following:

- There is no statutory, judicial, or administrative authority directly addressing the characterization of the notes.
- You agree with us (in the absence of an administrative determination, or judicial ruling to the contrary) to characterize and treat the notes for all tax purposes as a single financial contract with respect to the Market Measure.
- Under this characterization and tax treatment of the notes, a U.S. Holder (as defined beginning on page 62 of the prospectus) generally will recognize capital gain or loss upon maturity or upon a sale or exchange of the notes prior to maturity. This capital gain or loss generally will be long-term capital gain or loss if you held the notes for more than one year.
- No assurance can be given that the IRS or any court will agree with this characterization and tax treatment.

You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. You should review carefully the discussion under the section entitled "U.S. Federal Income Tax Summary" beginning on page S-45 of product supplement ARN-4.

Where You Can Find More Information

We have filed a registration statement (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the Note Prospectus, including this term sheet, and the other documents that we have filed with the SEC, for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-866-500-5408.

Market-Linked Investments Classification



Enhanced Return

MLPF&S classifies certain market-linked investments (the "Market-Linked Investments") into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

"Accelerated Return Notes®" and "ARNs®" are our registered service marks.