MERRILL LYNCH B.V

ANNUAL REPORT

FOR THE PERIOD FROM 12 NOVEMBER 2012 TO 31 DECEMBER 2012

This report was signed on 8th August 2013 by Mr Bradley M. Taylor and Mr Armstrong E. Okobia, Managing Directors

CONTENTS

DIRECTORS' REPORT
For the year ended 31 December 2012

The directors present their report and the audited financial statements of Merrill Lynch B.V (the "Company") for the period from 12 November 2012 to 31 December 2012.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Directors' confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

- the Directors' report gives a true and fair view regarding the position on the balance sheet date, the state of affairs during the financial year of the Company, and the principal risks confronting the Company are discussed.

The Dutch Civil Code requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with IFRS as adopted by the EU. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review

The Company was incorporated on November 12, 2012 in Amsterdam, The Netherlands. The statutory address of the Company is Amstelplein 1, 1096 HA Amsterdam, The Netherlands.

The ultimate parent of the Company is Bank of America Corporation ("BAC"). The Company has its head office in the Netherlands.

Principal activities and future developments
The principal activity of the Company is to hold an intercompany loan with its immediate parent, Merrill Lynch International Holdings Inc.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2012

Principal activities and future developments(continued)
On January 1, 2013, the Company entered into a cross-border merger with Merrill Lynch SA, in which Merrill Lynch SA ceased to exist and the Company acquired all the assets and liabilities of Merrill Lynch SA under a universal title of succession. Both the Company and the Acquired Company have common shareholders, being Merrill Lynch International Holdings Inc. and Merrill Lynch Corporate Services Limited.

The principal activities going forward will be the issuance of structured securities.

Financial performance
The directors are satisfied with the Company's performance for the financial period ended 31 December 2012 and the financial position at the end of the year. The loss for the financial year, after taxation, amounted to $20,900.

The directors do not recommend the payment of a dividend for the financial period ended 31 December 2012.

Risk management

Legal entity governance is built on the Bank of America Corporation ("BAC") comprehensive approach to risk management. BAC's risk management objectives and policies are described in the notes to the financial statements, (see note 8).

Board of Directors

Managing Directors
(together authorised to represent the Company)

B. Taylor
A.E. Okobia
Board of Directors
08 August 2013

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Note	YEAR ENDED 31 DECEMBER 2012 $
EXPENSES		
Professional fees	3	**20,900**
Total expenses		**20,900**
Loss before tax		**(20,900)**
Tax on loss		-
Loss for the year		**(20,900)**
Other comprehensive income		-
Total comprehensive income		**(20,900)**

The notes on pages 7 to 11 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Notes	AS AT 31 DECEMBER 2012 $
ASSETS		
Current assets		
Amounts owed by affiliated undertakings	4	**65**
Total assets		**65**
EQUITY AND LIABILITIES		
Equity		
Issued capital	5	**65**
Loss for the year		**(20,900)**
Total equity attributable to the owners of the company		**(20,835)**
Current liabilities		
Accrued expenses	6	**20,900**
Total liabilities		**20,900**
Total equity and liabilities		**65**

The notes on pages 7 to 11 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2012

Movements in shareholders' equity during the year are as follows:

	Notes	Issued Capital $	Retained earnings $	Total $
Balance at 12 November 2012				
Issued in the year	5	65	-	**65**
Loss for the year		-	(20,900)	**(20,900)**
Other comprehensive income for the period			-	**-**
Balance at 31 December 2012		**65**	**(20,900)**	**(20,835)**

There are no cash balances or transactions; therefore a cash flow statement was not presented.

The notes on pages 7 to 11 form part of these financial statements.

1. General information

Merrill Lynch B.V. (the "Company") is a private company with limited liability (Besloten Vennootschap met Beperkte Aansprakelijkheid) incorporated under the laws of the Netherlands on 12 November 2012.

The Company has its registered address at Amstelplein 1 Rembrandt Tower, 11th Floor 1096 HA Amsterdam, the Netherlands.

The Company's ultimate parent is Bank of America Corporation ("BAC"). In addition, the Company is included in the consolidated accounts of Merrill Lynch & Co., Inc.

2. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Financial period

The financial period of the Company is from 12 November 2012 to 31 December 2012 as the Company was incorporated on 12 November 2012.

2.2 Basis of accounting

The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU and the additional requirements of Title 9 Book 2 of the Netherlands Civil Code in accordance with article 362 section 8 and 9 of the Netherlands Civil Code for entities which prepare their financial statements in accordance with IFRS as adopted by the EU.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The financial statements were prepared using the going concern assumption given the merger, as disclosed in note 9.

New and amended standards adopted by the Company

- There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the Company.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard is not applicable until 1 January 2013 but is available for early adoption.

2. Accounting Policies (continued)

2.2 Basis of accounting (continued)

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted (continued)

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company has yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU.

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The effective date of the amendment was 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.3 Translation of foreign currencies

The financial statements have been presented in US Dollars which is also the functional currency of the Company.

Revenues and expenses arising from transactions to be settled in foreign currencies are translated into US Dollars at average monthly market rates of exchange. Monetary assets and liabilities are translated into US Dollars at the market rates of exchange ruling at the balance sheet date which were EUR/USD 1.32. Exchange differences arising from the translation of foreign currencies are reflected in the statement of comprehensive income within net loss on financial instruments designated at fair value through profit or loss.

2.4 Loans and receivables

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

2.5 Shareholder's equity

All issued ordinary shares are classified as equity.

3. Professional fees

	2012
	$
Audit fee	20,900

Audit fee relates to the audit of the Company's 2012 financial statements and is payable to PricewaterhouseCoopers Accountants, N.V.

4. Amounts owed by affiliated undertakings

	2012
	$
Amounts owed by affiliated undertakings	65

There is no difference between the cost and fair value of the amounts owed by affiliated undertakings. The amount owed is repayable at the discretion of the Board of Directors of Merrill Lynch B.V and attracts interest at 0.49% p.a.

5. Issued capital

	Ordinary shares of $1 each
Allotted and called up:	
As at 12 November 2012 and 31 December 2012	65

6. Accrued expenses

	2012
	$
Accrued professional fees	20,900

Payments will be made by an affiliate entity and recharged to the Company.

7. Employees

There were no employees during the period.

8. Financial risk management

Legal Entity Governance

Legal entity governance is built on the Bank of America Corporation ("BAC") comprehensive approach to risk management, fully integrating risk management with strategic, financial and customer / client planning so that goals and responsibilities align across BAC. BAC's risk appetite and risk exposures are aligned.

The risk management approach has five components:

- Risk culture;
- Risk philosophy and appetite;
- Risk governance and organisation;
- Risk transparency and reporting; and
- Risk management processes, including the Identify, Mitigate, Monitor and Report ("IMMR") process which consists of Identify and measure, Mitigate and control, Monitor and test and Report and review. IMMR underpins all day-to-day risk management activities and is embedded in each part of our risk management approach.

Focusing on the five components allows us to effectively manage risks across the seven key risk types (market, credit, operational, liquidity, reputational, strategic and compliance risks).

There has been very limited activity during the period for the Company and accordingly the financial risks have been assessed as low.

9. Events after the reporting period

On January 1, 2013, the Company entered into a cross-border merger with Merrill Lynch SA, in which Merrill Lynch SA ceased to exist and the Company acquired all the assets and liabilities of Merrill Lynch SA at book value under a universal title of succession. Both the Company and the Acquired Company have common shareholders, being Merrill Lynch International Holdings Inc. and Merrill Lynch Corporate Services Limited.

The main activities of Merrill Lynch SA were granting loans to affiliated undertakings and issuing Euro Medium term Notes and Certificates to investors. Merrill Lynch B.V assumed responsibility for these activities at the merger date.

The balance sheet in the statutory accounts of Merrill Lynch SA at 31 December 2012 was represented by:

	$'000
Shares in affiliate undertakings	**7,027**
Amounts owed by affiliate undertakings	**6,370,319**
Subordinated debt	**(100,000)**
Issued debt	**(5,288,240)**
Amounts owed to affiliate undertakings	**(956,147)**
Accrued expenses	**(1,489)**
Reserves	**(31,470)**

The initial accounting of the merger is incomplete at the date that the financial statements are authorised for issue. An estimate of the fair values of assets and liabilities acquired through the merger has not been made due to the differing accounting policies of Merrill Lynch SA and the Company.

During 2013 Merrill Lynch Corporate Services Limited was removed as a shareholder of Merrill Lynch B.V and Merrill Lynch International Holdings Inc. remains as the sole shareholder.

10. Related party transactions

Related party transactions are transfers of resources, services or obligations between related parties and the Company, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Company.
The following parties are considered related parties:
MLIHI, the Company's immediate parent is the holder of all 65 ordinary shares ($65). The company has entered into loan contracts with MLIHI, as set out in note 4.
BAC as the ultimate controlling party has the power to govern the Company.
The Board of Directors received no remuneration during the year in relation to services to the Company.

11. Parent undertakings

The Company is a subsidiary of Merrill Lynch & Co and the ultimate parent company and controlling party is BAC, which is organised and existing under the laws of the State of Delaware in the United States of America. The parent company of the largest group that includes the Company and for which group financial statements are prepared is BAC. Copies of BAC's financial statements can be obtained from the Corporate Secretary's office, 214 North Tryon Street, Charlotte, North Carolina, 28202, USA. The parent undertaking of the smallest group, including the Company, which prepares group financial statements is Merrill Lynch UK Holdings, a company incorporated in the United Kingdom. Copies of the group financial statements of MLUKH are available from the Company Secretary, 2 King Edward Street, London, England, EC1A 1HQ.

The financial statements were approved by the Board and authorised for issue on 8th August 2013.

B. Taylor
Managing Director

A.E. Okobia
Managing Director

OTHER INFORMATION
For the year ended 31 December 2012

Profit appropriation

There is no profit appropriation for the current period.

Subsequent events

On January 1, 2013, the Company entered into a cross-border merger with Merrill Lynch SA, in which Merrill Lynch SA ceased to exist and the Company acquired all the assets and liabilities of Merrill Lynch SA at book value under a universal title of succession. Both the Company and the Acquired Company have common shareholders, being Merrill Lynch International Holdings Inc. and Merrill Lynch Corporate Services Limited. Please refer to Note 9.

Audit report

The audit report is included on the following page.

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Independent auditor's report

To: the general meeting of Merrill Lynch B.V.

Report on the financial statements

We have audited the accompanying financial statements for the period 12 November 2012 to 31 December 2012 of Merrill Lynch B.V., Netherlands, which comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, changes in equity and cash flows for the period from 12 November 2012 to 31 December 2012 and the notes, comprising a summary of significant accounting policies and other explanatory information.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Merrill Lynch B.V. as at 31 December 2012, and of its result and its cash flows for the period from 12 November 2012 to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 8 August 2013
PricewaterhouseCoopers Accountants N.V.

Original signed by A.H. Zoon RA