Registered number: 05978219

FERRYBRIDGE INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2009

CONTENTS

DIRECTORS' REPORT
For the year ended 31 December 2009

Ferrybridge Investments Limited (the "Company") has aligned its financial year with that of its ultimate parent company Bank of America Corporation ("BAC") following the completion of the all-stock acquisition of Merrill Lynch & Co , Inc ("ML & Co " and, together with its subsidiaries, "Merrill Lynch") by BAC on 1 January 2009

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable UK law)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 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 principal activity of the Company was to hold interest rate swaps with affiliated companies as part of its role within a structure that provided an international liquidity facility arrangement Following the termination of this transaction in June 2008, the principal activity of the Company is to act as a funding company

There have been no changes in the principal activities of the Company during the year and the directors expect the principal activities to continue in 2010

The loss for the year, after taxation, amounted to $866,000 (2008 $25,051,000), as a result of the interest on the liability component of redeemable preference shares The significant decrease from the prior year related to the termination of the interest rate swaps held as part of the international liquidity facility arrangement

The directors are of the opinion that analysis using any other key performance indicator is not necessary for an understanding of the development, performance or position of the business of the Company

The directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008 $ nil)

GOING CONCERN

The directors have a reasonable expectation, based on anticipated future performance, that the Company will continue in operational existence for the foreseeable future The financial statements of the Company have, therefore, been prepared on a going concern basis

DIRECTORS' REPORT
For the year ended 31 December 2009

RISK MANAGEMENT

The principal risk to which the Company is exposed to is interest rate risk The Company does not hedge its exposure to interest rate risk, see notes 9 and 10

DIRECTORS

The directors who served during the year and up to the date of signing this report, except as noted otherwise, were as follows

T C Martin
R Shah
M G Koyanagi (resigned 6 November 2009)

INDEPENDENT AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

Deloitte LLP resigned as auditors of the Company during the financial year As the directors have an obligation to appoint an auditor for each financial year pursuant to section 485 of the Companies Act 2006, accordingly, PricewaterhouseCoopers LLP have been appointed auditors of the Company

This report was approved by the Board on 30 September 2010 and signed on its behalf

R Shah
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF FERRYBRIDGE INVESTMENTS LIMITED

We have audited the financial statements of Ferrybridge Investments Limited (the "Company") for the period ended 31 December 2009 which comprises the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities (set out on page 1) the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the Company Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's member as a body in accordance with Chapter 3 of part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the Company's affairs as at 31 December 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF FERRYBRIDGE INVESTMENTS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Company, or
- the Company's financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

L. Wilkinson

Lawrence Wilkinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2010

PROFIT AND LOSS ACCOUNT
For the fifty three weeks ended 31 December 2009 and fifty two weeks ended 26 December 2008

	Note	2009 $000	2008 $000
Operating loss	5	-	(28,596)
Interest receivable and similar income	6	172	43,082
Interest payable and similar charges	7	(1,038)	(48,040)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(866)	(33,554)
TAX ON LOSS ON ORDINARY ACTIVITIES	8	-	8,503
LOSS ON ORDINARY ACTIVIES AFTER TAXATION		(866)	(25,051)

Operating loss derives wholly from activities that ceased in 2008

There were no recognised gains or losses for 2009 and 2008 other than those included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

BALANCE SHEET
As at 31 December 2009 and 26 December 2008

Registered Number: 05978219

	Note	2009 $000	2008 $000
CURRENT ASSETS			
Debtors due within one year	9	**46,597**	46,342
Cash at bank and in hand		**-**	83
CREDITORS: Amounts falling due within one year	10	**(6,745)**	(6,745)
NET CURRENT ASSETS		**39,852**	39,680
CREDITORS Amounts falling due after more than one year	11	**(21,946)**	(20,428)
NET ASSETS		**17,906**	19,252
CAPITAL AND RESERVES			
Called up share capital	13	**31,043**	31,523
Profit and loss account	14	**(13,137)**	(12,271)
SHAREHOLDER'S FUNDS	15	**17,906**	19,252

The financial statements were approved by the Board and authorised for issue on 30 September 2010

They were signed on its behalf by

R Shah
Director

The notes on pages 7 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (together UK GAAP) and the going concern assumption has been used in the preparation of the financial statements

1 2 Accounting period

The Company's financial year consisted of a fifty-three (2008 fifty-two) week period ending on 31 December (2008 26 December) The Company has aligned its financial year with that of its ultimate parent company, Bank of America Corporation ("BAC"), following the completion of the all-stock acquisition of Merrill Lynch & Co , Inc by BAC on 1 January 2009

1.3 Accounting convention

The financial statements have been prepared under the historical cost convention

1.4 Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) - Cash Flow Statements, as a consolidated cash flow statement is included in the publicly available consolidated financial statements of the ultimate parent company, BAC

1.5 Interest receivable and similar income

Interest receivable and similar income comprises interest receivable on balances with affiliated companies, recognised on an accruals basis using the effective interest rate method

1.6 Interest payable and similar charges

Interest payable and similar charges comprises interest payable on the liability component of the redeemable preferences shares and on balances with affiliated companies, recognised on an accruals basis using the effective interest rate method

1.7 Taxation

Current tax, including UK corporation tax and foreign taxes, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred tax is recognised as a liability or an asset if, prior to the balance sheet date, the Company has entered into transactions or events have occurred that give rise to timing differences giving the Company an obligation to pay more tax in the future or a right to pay less tax in the future Deferred tax assets are recognised to the extent that they are regarded as recoverable Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

1. ACCOUNTING POLICIES (continued)

1.8 Financial assets

The Company classifies its financial assets in the following categories financial assets at fair value through profit and loss and loans and receivables Management determines the classification of its investments at initial recognition

The directors consider that the carrying amounts of financial assets recorded in the financial statements approximate their fair value

Derivatives are categorised as held for trading and measured at fair value through profit and loss All remaining financial assets are classified as loans and receivables

(a) Financial assets at fair value through profit and loss

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking

Gains and losses arising from changes in the fair value of 'financial assets at fair value through profit and loss' are included in the income statement in the period in which they arise

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss, (b) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration

Loans and receivables are carried at amortised cost using the effective interest rate method less an allowance for any impairment Interest calculated using the effective interest rate method is recognised through profit and loss

1.9 Financial liabilities

Derivatives are categorised as held for trading and measured at fair value through profit and loss All remaining financial liabilities are classified as loans and receivables and measured at amortised cost

The directors consider that the carrying amounts of financial liabilities recorded in the financial statements approximate their fair value

1.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value Fair values are obtained from valuation techniques, including discounted cash flow models All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

1 ACCOUNTING POLICIES (continued)

1 11 Preference shares

Redeemable preference shares issued by the Company are compound instruments In accordance with the application of Financial Reporting Standard No 25 – Financial Instruments Disclosure and Presentation ("FRS 25") the liability component has been classified as creditors amounts falling due after more than one year

1.12 Netting

Where the Company intends to settle (with any of its debtors or creditors) on a net basis, or to realise the asset and settle the liability simultaneously, and the Company has the legal right to do so, the balance included within the financial statements is the net balance due to or from the counterparty

2. PRINCIPAL ACTIVITY

The principal activity of the Company was to hold interest rate swaps with affiliated companies as part of its role within a structure that provided an international liquidity facility arrangement Following the termination of this transaction in June 2008, the principal activity of the Company is to act as a funding company

3. DIRECTORS AND EMPLOYEES

The directors received no remuneration for their service to the Company during the year ended 31 December 2009 (2008 – $nil) There were no employees during the current or preceding year

4. AUDITORS' REMUNERATION

Audit fees borne by an affiliated company were as follows	2009 $000	2008 $000
Fees payable to the Company's auditors for the audit of the Company's financial statements	10	10

5. OPERATING LOSS

Operating loss	2009 $000	2008 $000
Fair value losses on interest rate swaps	-	(28,596)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income	2009 $000	2008 $000
From affiliated companies	172	43,082

7. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges	2009 $000	2008 $000
Interest on liability component of redeemable preference shares	1,038	980
To affiliated companies	-	47,060
	1,038	48,040

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 $000	2008 $000
UK corporation tax on profits of the period	-	-
Adjustments to tax charge in respect of previous periods	-	(34,072)
Current tax	-	(34,072)
Deferred tax		
Origination and reversal of timing differences (see note 12)	-	25,569
Tax charge on loss on ordinary activities	-	(8,503)

The factors affecting the tax charge are noted below	2009 $000	2008 $000
Loss on ordinary activities before tax	(866)	(33,554)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28 5%)	(243)	(9,563)
Effects of		
Timing differences relating to fair value movements on interest rate swaps	-	10,380
Timing difference with respect to losses	-	(1,097)
Expenses not deductible for tax purposes	-	280
Adjustment to tax charge in respect of previous periods	-	(34,072)
Tax losses surrendered to affiliated companies for no payment	243	-
Current tax charge for the period	-	(34,072)

9. DEBTORS:

Amounts falling due within one year

	2009 $000	2008 $000
Amounts owed by affiliated companies	46,597	46,342

The Company is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the future cash flows The Company does not hedge this exposure

10. CREDITORS:

Amounts falling due within one year

	2009 $000	2008 $000
Amounts owed to affiliated companies	**6,745**	6,745

The Company is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the future cash flows The Company does not hedge this exposure

11. CREDITORS:

Amounts falling due after more than one year

	2009 $000	2008 $000
Liability component of redeemable preference shares	**21,946**	20,428

The above balance comprises amounts not wholly repayable within five years

The redeemable preference shares (see note 13) are compound instruments In accordance with the application of Financial Reporting Standards No 25- Financial Instruments Disclosure and Presentation ("FRS 25") the liability component has been classified as creditors amounts falling due after more than one year

The fair values of the liability and equity components of the redeemable preference shares were recalculated during the year using a discount rate of 4 92%, which represents the market rate for an equivalent 20 year bond at issue This resulted in a credit to the profit and loss account of $8,000 and an increase in the liability component of the compound instrument of $480,000 The residual amount, representing the value of the equity component, is included in shareholder's funds

In subsequent periods the liability component of the preference shares will be recognised on an amortised cost basis until extinguished on maturity The unwinding of the discount on the liability component is recognised in the profit and loss account as interest using the effective yield basis The equity component is determined on the issue of the non-cumulative redeemable preference shares and is not changed in subsequent periods

The redeemable preference shares are mandatorily redeemable by the Company on 13 December 2026, the date falling twenty years after their issue They carry the same right as the Ordinary Shares (see note 13) in respect of dividends

The redeemable preference shares are recognised in the balance sheet as follows	2009 $000	2008 $000
495 Preference shares of $100,000 each	**49,500**	49,500
Equity Component (see note 13)	**(30,543)**	(31,023)
Liability component on initial recognition	**18,957**	18,477
Interest accrued on the liability component	**2,989**	1,951
Carrying value at end of the period	**21,946**	20,428

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

12. DEFERRED TAX

	2009 $000	2008 $000
Provision at the start of the year as previously stated	-	25,569
Deferred tax credit relating to current period	-	9,284
Deferred tax charge relating to the change in the tax rate	-	(165)
Deferred tax credit / (charge) relating to prior period	**(2,888)**	(31,800)
Increase/(Decrease) in estimate of recoverable deferred tax asset	**2,888**	(2,888)
Provision at end of period	-	-

The unrecognised deferred tax asset for the Company for the year ended at 31 December 2009 was $nil (2008 $2,888,000)

13. CALLED UP SHARE CAPITAL

	2009 $	2008 $
Allotted, called up and fully paid		
499,998 Ordinary shares of $1 each	**499,998**	499,998
495 Preference shares of $100,000 each	**30,542,952**	31,022,521
	31,042,950	31,522,519
Allotted, called up and unpaid		
2 Ordinary shares of $1 each	2	2

14. RESERVES

Profit and loss account	**$000**
At 27 December 2008	**(12,271)**
Loss retained for the year	**(866)**
At 31 December 2009	**(13,137)**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2009 $000	2008 $000
Loss for the year	**(866)**	(25,051)
Bifurcation adjustment (see note 11)	**(480)**	-
Opening shareholders' funds	**19,252**	44,303
Closing shareholders' funds	**17,906**	19,252

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard No 8 - Related Party Disclosures, as it is a wholly owned subsidiary and the consolidated financial statements of the ultimate parent company are publicly available as noted below

There were no related party transactions other than those with affiliated companies covered by the exemption noted above

17. PARENT UNDERTAKINGS

The Company is a subsidiary of Bighorn Investments Limited and the ultimate parent company and controlling party is BAC, a company incorporated in 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 are available from the Investor Relations website at http //investor bankofamerica com or by contacting the Corporate Secretary's office, 101 South Tryon Street, Charlotte, North Carolina, 28255, U S A The parent undertaking of the smallest group, including the Company, which prepares group financial statements is ML & Co , a company incorporated in the State of Delaware in the United States of America Copies of the group financial statements of ML & Co , can be obtained from the Corporate Secretary by mail at 222 Broadway, 17th Floor, New York, NY 10038, USA or by e-mail at corporate_secretary@ml com