

BANK OF AMERICA CORP /DE/  
Form 424B2  
March 02, 2016

**Subject to Completion  
Preliminary Term Sheet dated  
March 1, 2016  
Filed Pursuant to Rule 424(b)(2)  
Registration Statement No. 333-202354  
(To Prospectus dated May 1, 2015,  
Prospectus Supplement dated January 20, 2016 and  
Product Supplement EQUITY INDICES CBN-1 dated February 1, 2016)**

Units  
\$10 principal amount per unit  
CUSIP No.

Pricing Date\*  
Settlement Date\*  
Maturity Date\*

\*Subject to change based on the actual date the notes are priced for initial sale to the public (the pricing date )

March , 2016

March , 2016

April , 2017

**Autocallable Coupon Bearing Notes Linked to the S&P 500® Index**

Maturity of approximately one year and one week, if not called prior to maturity

Automatic call of the notes at \$10 per unit plus the applicable interest payment if the Index is flat or increases from the Starting Value on the relevant Observation Date

Interest payable quarterly at the rate of [6.50% to 7.50%] per year

If the notes are not called, no participation in any increase in the level of the Index, and the Redemption Amount at maturity will not exceed the principal amount per unit plus the final interest payment

If the notes are not called, 1-to-1 downside exposure to decreases in the Index, with up to 100% of your principal at risk

All payments are subject to the credit risk of Bank of America Corporation

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 and certain additional costs. See Risk Factors beginning on page TS-7 of this term sheet and beginning on page PS-7 of product supplement EQUITY INDICES CBN-1.**

**The initial estimated value of the notes as of the pricing date is expected to be between \$9.50 and \$9.75 per unit, which is less than the public offering price listed below. See Summary on the following page, Risk Factors beginning on page TS-7 of this term sheet and Structuring the Notes on page TS-11 of this term sheet for additional**

information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

---

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.

---

<u>Per Unit Total</u> Public offering price(1)(2) \$10.000 \$	Underwriting discount(2) \$0.125 \$
Proceeds, before expenses, to BAC \$9.875 \$	

(1)

Plus accrued interest from the scheduled settlement date, if settlement occurs after that date.

(2)

For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be \$9.975 per unit and \$0.100 per unit, respectively. See Supplement to the Plan of Distribution; Conflicts of Interest below.

**The notes:**

**Are Not FDIC Insured  
Are Not Bank Guaranteed  
May Lose Value**

**Merrill Lynch & Co.**

March , 2016

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Summary

The Autocallable Coupon Bearing Notes Linked to the S&P 500® Index, due April , 2017 (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 will pay quarterly interest payments. The notes will be automatically called if the Observation Level of the Market Measure, which is the S&P 500® Index (the Index ), is equal to or greater than the Call Level (which will be equal to the Starting Value) on any Observation Date. If the notes are called, you will receive a payment equal to the principal amount plus the applicable interest payment. If not called, at maturity, you will receive the final interest payment regardless of the performance of the Index. In addition, you will receive the principal amount if the Ending Value of the Index is at or above the Threshold Value (which is equal to the Starting Value). If the Ending Value is less than the Threshold Value, you will lose all or a portion of the principal amount of your notes. Payments on the notes, including the amount you receive at maturity or upon an automatic call, will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Index, subject to our credit risk. See Terms of the Notes below.

The economic terms of the notes (including the interest rate) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed or floating rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This initial estimated value range was determined based on our and our affiliates' pricing models, which take into consideration our internal funding rate and the market prices for the hedging arrangements related to the notes. The notes are subject to an automatic call, and the initial estimated value is based on an assumed tenor of the notes. The initial estimated value of the notes calculated on the pricing date will be set forth in the final term sheet made available to investors in the notes. For more information about the initial estimated value and the structuring of the notes, see Structuring the Notes on page TS-11.

Terms of the Notes

#### **Issuer:**

Bank of America Corporation ( BAC )

#### **Starting Value:**

The closing level of the Index on the pricing date.

#### **Principal Amount:**

\$10 per unit

#### **Observation Level:**

The closing level of the Index on the applicable Observation Date.

#### **Term:**

Approximately one year and one week, if not called

#### **Observation Dates:**

September , 2016 and December , 2016, subject to postponement if a Market Disruption Event occurs, as described on page PS-19 of product supplement EQUITY INDICES CBN-1.

**Market Measure:**

The S&P 500® Index (Bloomberg symbol: SPX ), a price return index.

**Call Settlement Date:**

The interest payment date immediately following the applicable Observation Date, subject to postponement if the related Observation Date is postponed, as described on page PS-19 of product supplement EQUITY INDICES CBN-1.

**Interest Rate:**

[6.50% to 7.50%] per year

**Ending Value:**

The closing level of the Index on the Valuation Date.

**Interest Payment Dates:**

June , 2016, September , 2016, December , 2016, and the maturity date.

**Threshold Value:**

100% of the Starting Value

**Automatic Call:**

The notes will be automatically called in whole, but not in part, on any Observation Date if the Observation Level is greater than or equal to the Call Level.

**Valuation Date:**

March , 2017, subject to postponement if a Market Disruption Event occurs, as described beginning on page PS-19 of product supplement EQUITY INDICES CBN-1.

**Call Amount:**

The principal amount plus the applicable interest payment.

**Fees and Charges:**

The underwriting discount of \$0.125 per unit listed on the cover page and the hedging related charge of \$0.05 per unit described in Structuring the Notes on page TS-11.

**Call Level:**

100% of the Starting Value

**Calculation Agent:**

Merrill Lynch, Pierce, Fenner & Smith Incorporated ( MLPF&S ), a subsidiary of BAC.

**Autocallable Coupon Bearing Notes**

TS-2

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Determining Payment on the Notes

#### Automatic Call Provision

The notes will be called automatically on an Observation Date if the Observation Level on that Observation Date is equal to or greater than the Call Level. If the notes are called, you will receive \$10 per unit plus the applicable interest payment.

#### Redemption Amount Determination

If the notes are not automatically called, on the maturity date, in addition to the final interest payment, you will receive a cash payment per unit determined as follows:



## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

The terms and risks of the notes are contained in this term sheet and in the following:

Product supplement EQUITY INDICES CBN-1 dated February 1, 2016:

<http://www.sec.gov/Archives/edgar/data/70858/000119312516446357/d98907d424b5.htm>

Series L MTN prospectus supplement dated January 20, 2016 and prospectus dated May 1, 2015:

<http://www.sec.gov/Archives/edgar/data/70858/000119312516433708/d122981d424b3.htm>

These documents (together, the Note Prospectus ) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322.

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 EQUITY INDICES CBN-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to we, us, our, or similar references are to BAC.

Investor Considerations

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

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

You anticipate that the Observation Level on one or more Observation Dates, or the Ending Value on the Valuation Date, will be greater than or equal to the Starting Value.

You seek interest payments on your investment.

You accept that the maximum return on the notes is limited to the sum of the quarterly interest payments, and that you will not participate in any increases in the level of the Index.

You are willing to risk a loss of principal and return if the notes are not automatically called and the Ending Value is below the Threshold Value.

You are willing to forgo dividends or other benefits of owning the stocks included in the Index.

You are willing to accept a limited or no 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, our internal funding rate and fees and charges on the notes.

You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the interest payments and the Call Amount or the Redemption Amount, as applicable.

You want to hold your notes for the full term.

You believe that the notes will not be automatically called and the Ending Value will be less than the Threshold Value.

You anticipate that the level of the Index will increase and seek to participate in that increase.

You seek principal repayment or preservation of capital.

In addition to interest payments, you seek an additional return above the principal amount.

You seek to receive dividends or other distributions paid on the stocks included in the Index.

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

**Autocallable Coupon Bearing Notes**

**TS-4**



## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Examples of Hypothetical Payments

The following examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** returns on the notes. They illustrate the calculation of the Call Amount or Redemption Amount, as applicable, based on the hypothetical terms set forth below. **The actual amount you receive and the resulting total rate of return will depend on the actual interest rate, Starting Value, Call Level, Threshold Value, Ending Value, each Observation Level and the term of your investment.** The following examples do not take into account any tax consequences from investing in the notes. These examples are based on:

- 1) a Starting Value of 100.00;
- 2) a Threshold Value of 100.00;
- 3) a Call Level of 100.00;
- 4) an expected term of the notes of approximately one year and one week if the notes are not called on any of the Observation Dates;
- 5) an interest rate of 7.00% per year (the midpoint of the interest rate range of [6.50% to 7.50%]);
- 6) Observation Dates occurring approximately six and nine months after the pricing date.

The **hypothetical** Starting Value of 100.00 used in these examples has been chosen for illustrative purposes only, and does not represent a likely actual Starting Value of the Index. For recent actual levels of the Market Measure, see The Index section below. The Index is a price return index and as such each Observation Level or the Ending Value will not include any income generated by dividends paid on the stocks included in the Index, 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.

#### Notes Are Called on an Observation Date

The notes will be called at \$10.00 plus the applicable interest payment on one of the Observation Dates if the Observation Level is equal to or greater than the Call Level.

**Example 1** The Observation Level on the first Observation Date is 110.00. You will receive the quarterly interest payments up to the applicable Call Settlement Date. The notes will be called at \$10.00 plus the applicable interest payment. After the notes are called, they will no longer remain outstanding and there will not be any further payments on the notes. In this case, you will receive interest payments on the notes for only approximately six months.

**Example 2** The Observation Level on the first Observation Date is below the Call Level, but the Observation Level on the second Observation Date is 105.00. You will receive the quarterly interest payments up to the applicable Call Settlement Date. The notes will be called at \$10.00 plus the applicable interest payment. After the notes are called, they will no longer remain outstanding and there will not be any further payments on the notes. In this case, you will receive interest payments on the notes for only approximately nine months.

#### Notes Are Not Called on Any Observation Date

**Example 3** The Observation Levels on the first and second Observation Dates are below the Call Level, and the Ending Value on the Valuation Date is 105.00. You will receive the quarterly interest payments up to the maturity date. At maturity, in addition to the final interest payment, the notes will also pay the principal amount.

**Example 4** The notes are not called on any Observation Date and the Ending Value on the Valuation Date is 85.00, which is less than the Threshold Value. Consequently, you will receive all quarterly interest payments up to the

maturity date; however, you will also participate on a 1-for-1 basis in the decrease in the level of the Index below the Threshold Value. The Redemption Amount per unit will equal:  
On the maturity date, in addition to the final interest payment, you will receive the Redemption Amount per unit of \$8.50.

**Autocallable Coupon Bearing Notes**

**TS-5**

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Summary of the Hypothetical Examples Notes Are Called on an Observation Date Notes Are Not Called on Any Observation Date

#### Example 1

#### Example 2

#### Example 3

#### Example 4

Starting Value

100.00

100.00

100.00

100.00

Call Level

100.00

100.00

100.00

100.00

Threshold Value

100.00

100.00

100.00

100.00

Observation Level on the First Observation Date

110.00

90.00

90.00

88.00

Observation Level on the Second Observation Date

N/A

105.00

83.00

78.00

Ending Value

N/A

N/A

105.00

85.00

Return of the Index

10.00%

5.00%

5.00%

-15.00%

Interest Payments per Unit(1) (Up to the Applicable Call Settlement Date or the Maturity Date)

\$0.350

\$0.511

\$0.714

\$0.714

Call Amount /

Redemption Amount per Unit (Excluding the Applicable or Final Interest Payment)

\$10.00

\$10.00

\$10.00

\$8.50

Total Return of the Notes(2)

3.50%

5.11%

7.14%

-7.86%

(1)

Interest is calculated on the basis of a 360-day year of twelve 30-day months.

(2)

The total return on the notes includes interest paid on the notes for the amount of time that the notes are outstanding.

**Autocallable Coupon Bearing Notes**

**TS-6**

---

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### 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 PS-7 of product supplement EQUITY INDICES CBN-1, page S-5 of the Series L MTN prospectus supplement, and page 9 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.*

If the notes are not automatically called, depending on the performance of the Index as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.

Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate 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.

You will not participate in any increase in the level of the Index.

Your investment return is limited to the return represented by the periodic interest payments over the term of the notes, and may be less than a comparable investment directly in the stocks included in the Index.

The initial estimated value of the notes is an estimate only, determined as of a particular point in time by reference to our and our affiliates' pricing models. These pricing models consider certain assumptions and variables, including our credit spreads, our internal funding rate on the pricing date, mid-market terms on hedging transactions, expectations on interest rates and volatility, price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.

The public offering price you pay for the notes will exceed the initial estimated value. If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than the initial estimated value. This is due to, among other things, changes in the level of the Index, our internal funding rate, and the inclusion in the public offering price of the underwriting discount and the hedging related charge, all as further described in Structuring the Notes on page TS-11. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

The initial estimated value does not represent a minimum or maximum price at which we, MLPF&S or any of our affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after issuance will vary based on many factors that cannot be predicted with accuracy, including the performance of the Index, our creditworthiness and changes in market conditions.

A trading market is not expected to develop for the notes. Neither we nor MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

Our business activities as a full service financial institution, including our commercial and investment banking activities, our hedging and trading activities (including trading in shares of companies included in the Index) and any hedging and trading activities we engage in for our clients' accounts, may affect the market value and return of the notes and may create conflicts of interest with you.

The Index sponsor may adjust the Index in a way that affects its level, and has no obligation to consider your interests.

You will have no rights of a holder of the securities represented by the Index, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.

While we or our affiliates may from time to time own securities of companies included in the Index, except to the extent that our common stock is included in the Index, we do not control any company included in the Index, and are not responsible for any disclosure made by any other company.

There may be potential conflicts of interest involving the calculation agent, which is an affiliate of ours. 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 PS-26 of product supplement EQUITY INDICES CBN-1.

**Autocallable Coupon Bearing Notes**

TS-7

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

The Index

All disclosures contained in this term sheet regarding the Index, including, without limitation, its make-up, method of calculation, and changes in its components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by, S&P Dow Jones Indices LLC (the Index sponsor). The Index sponsor, which licenses the copyright and all other rights to the Index, has no obligation to continue to publish, and may discontinue publication of, the Index. The consequences of the Index sponsor discontinuing publication of the Index are discussed in the section entitled Description of the Notes—Discontinuance of an Index on page PS-21 of product supplement EQUITY INDICES CBN-1. None of us, the calculation agent, or MLPF&S accepts any responsibility for the calculation, maintenance or publication of the Index or any successor index.

The Index is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the Index is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943.

The Index sponsor chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its Stock Guide Database of over 10,000 companies, which the Index sponsor uses as an assumed model for the composition of the total market. Relevant criteria employed by the Index sponsor include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock generally is responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. Ten main groups of companies constitute the Index, with the approximate percentage of the market capitalization of the Index included in each group as of January 29, 2016 indicated in parentheses: Consumer Discretionary (12.9%); Consumer Staples (10.6%); Energy (6.6%); Financials (15.9%); Health Care (14.7%); Industrials (10.0%); Information Technology (20.7%); Materials (2.6%); Telecommunication Services (2.7%); and Utilities (3.3%). The Index sponsor may from time to time, in its sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above.

The Index sponsor calculates the Index by reference to the prices of the constituent stocks of the Index without taking account of the value of dividends paid on those stocks. As a result, the return on the notes will not reflect the return you would realize if you actually owned the Index constituent stocks and received the dividends paid on those stocks.

### Computation of the Index

While the Index sponsor currently employs the following methodology to calculate the Index, no assurance can be given that the Index sponsor will not modify or change this methodology in a manner that may affect the Redemption Amount.

Historically, the market value of any component stock of the Index was calculated as the product of the market price per share and the number of then outstanding shares of such component stock. In March 2005, the Index sponsor began shifting the Index halfway from a market capitalization weighted formula to a float-adjusted formula, before moving the Index to full float adjustment on September 16, 2005. The Index sponsor's criteria for selecting stocks for the Index did not change with the shift to float adjustment. However, the adjustment affects each company's weight in the Index.

Under float adjustment, the share counts used in calculating the Index reflect only those shares that are available to investors, not all of a company's outstanding shares. Float adjustment excludes shares that are closely held by control groups, other publicly traded companies or government agencies.

In September 2012, all shareholdings representing more than 5% of a stock's outstanding shares, other than holdings by block owners, were removed from the float for purposes of calculating the Index. Generally, these control holders will include officers and directors, private equity, venture capital and special equity firms, other publicly traded

companies that hold shares for control, strategic partners, holders of restricted shares, ESOPs, employee and family trusts, foundations associated with the company, holders of unlisted share classes of stock, government entities at all levels (other than government retirement/pension funds) and any individual person who controls a 5% or greater stake in a company as reported in regulatory filings. However, holdings by block owners, such as depository banks, pension funds, mutual funds and ETF providers, 401(k) plans of the company, government retirement/pension funds, investment funds of insurance companies, asset managers and investment funds, independent foundations and savings and investment plans, will ordinarily be considered part of the float.

Treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock, and rights are not part of the float. Shares held in a trust to allow investors in countries outside the country of domicile, such as depository shares and Canadian exchangeable shares are normally part of the float unless those shares form a control block. If a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class are treated as a control block.

For each stock, an investable weight factor ( IWF ) is calculated by dividing the available float shares by the total shares outstanding. As of September 21, 2012, available float shares are defined as the total shares outstanding less shares held by control holders. This calculation is subject to a 5% minimum threshold for control blocks. For example, if a company's officers and directors hold 3% of the company's shares, and no other control group holds 5% of the company's shares, the Index sponsor would assign that company an IWF of 1.00, as no control group meets the 5% threshold. However, if a company's officers and directors hold 3% of the company's shares and another control group holds 20% of the company's shares, the Index sponsor would assign an IWF of 0.77, reflecting the

**Autocallable Coupon Bearing Notes**

**TS-8**



## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

fact that 23% of the company's outstanding shares are considered to be held for control. For companies with multiple classes of stock, the Index sponsor calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

The Index is calculated using a base-weighted aggregate methodology. The level of the Index reflects the total market value of all 500 component stocks relative to the base period of the years 1941 through 1943. An indexed number is used to represent the results of this calculation in order to make the level easier to work with and track over time. The actual total market value of the component stocks during the base period of the years 1941 through 1943 has been set to an indexed level of 10. This is often indicated by the notation 1941- 43 = 10. In practice, the daily calculation of the Index is computed by dividing the total market value of the component stocks by the index divisor. By itself, the index divisor is an arbitrary number. However, in the context of the calculation of the Index, it serves as a link to the original base period level of the Index. The index divisor keeps the Index comparable over time and is the manipulation point for all adjustments to the Index, which is index maintenance.

### **Index Maintenance**

Index maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends, and stock price adjustments due to company restructuring or spinoffs. Some corporate actions, such as stock splits and stock dividends, require changes in the common shares outstanding and the stock prices of the companies in the Index, and do not require index divisor adjustments.

To prevent the level of the Index from changing due to corporate actions, corporate actions which affect the total market value of the Index require an index divisor adjustment. By adjusting the index divisor for the change in market value, the level of the Index remains constant and does not reflect the corporate actions of individual companies in the Index. Index divisor adjustments are made after the close of trading and after the calculation of the Index closing level.

Changes in a company's shares outstanding of 5.00% or more due to mergers, acquisitions, public offerings, tender offers, Dutch auctions, or exchange offers are made as soon as reasonably possible. All other changes of 5.00% or more (due to, for example, company stock repurchases, private placements, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participation units, at-the-market offerings, or other recapitalizations) are made weekly and are announced on Fridays for implementation after the close of trading on the following Friday. Changes of less than 5.00% due to a company's acquisition of another company in the Index are made as soon as reasonably possible. All other changes of less than 5.00% are accumulated and made quarterly on the third Friday of March, June, September, and December, and are usually announced two to five days prior.

*Changes in IWFs of more than five percentage points caused by corporate actions (such as merger and acquisition activity, restructurings, or spinoffs) will be made as soon as reasonably possible. Other changes in IWFs will be made annually when IWFs are reviewed.*

*The following graph shows the daily historical performance of the Index in the period from January 1, 2008 through February 24, 2016. 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. On February 24, 2016, the closing level of the Index was 1,929.80.*

### **Historical Performance of the Index**

*This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the notes may be. Any historical upward or downward trend in the level of the Index during any period set forth above is not an indication that the level of the Index is more or less likely to increase or decrease at any time*

*over the term of the notes.*

Before investing in the notes, you should consult publicly available sources for the levels of the Index.

**Autocallable Coupon Bearing Notes**

**TS-9**

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### License Agreement

S&P® is a registered trademark of Standard & Poor's Financial Services LLC ( S&P ) and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ( Dow Jones ). These trademarks have been licensed for use by S&P Dow Jones Indices LLC. Standard & Poor's®, S&P 500® and S&P® are trademarks of S&P. These trademarks have been sublicensed for certain purposes by our subsidiary, MLPF&S. The Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by MLPF&S.

The notes are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or any of their respective affiliates (collectively, S&P Dow Jones Indices ). S&P Dow Jones Indices make no representation or warranty, express or implied, to the holders of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly or the ability of the Index to track general market performance. S&P Dow Jones Indices' only relationship to MLPF&S with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its third party licensors. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to us, MLPF&S, or the notes. S&P Dow Jones Indices have no obligation to take our needs or the needs of MLPF&S or holders of the notes into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of the notes or the timing of the issuance or sale of the notes or in the determination or calculation of the equation by which the notes are to be converted into cash. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of the notes. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC and its subsidiaries are not investment advisors. Inclusion of a security or futures contract within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security or futures contract, nor is it considered to be investment advice. Notwithstanding the foregoing, CME Group Inc. and its affiliates may independently issue and/or sponsor financial products unrelated to the notes currently being issued by us, but which may be similar to and competitive with the notes. In addition, CME Group Inc. and its affiliates may trade financial products which are linked to the performance of the Index. It is possible that this trading activity will affect the value of the notes.

S&P DOW JONES INDICES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY US, MLPF&S, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND MLPF&S, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

### Autocallable Coupon Bearing Notes



## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Supplement to the Plan of Distribution; Conflicts of Interest

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.

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.

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. 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, and these will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Index and the remaining term of the notes. However, neither we nor any of our affiliates is obligated to purchase your notes at any price, or at any time, and we cannot assure you that we or any of our affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of our affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions and other considerations, as mentioned above, and will include transaction costs. At certain times, this price may be higher than or lower than the initial estimated value of the notes.

An investor's household, as referenced on the cover of this term sheet, will generally include accounts held by any of the following, as determined by MLPF&S in its discretion and acting in good faith based upon information then available to MLPF&S:

the investor's spouse (including a domestic partner), siblings, parents, grandparents, spouse's parents, children and grandchildren, but excluding accounts held by aunts, uncles, cousins, nieces, nephews or any other family relationship not directly above or below the individual investor;

a family investment vehicle, including foundations, limited partnerships and personal holding companies, but only if the beneficial owners of the vehicle consist solely of the investor or members of the investor's household as described above;

a trust where the grantors and/or beneficiaries of the trust consist solely of the investor or members of the investor's

household as described above; provided that, purchases of the notes by a trust generally cannot be aggregated together with any purchases made by a trustee's personal account.

Purchases in retirement accounts will not be considered part of the same household as an individual investor's personal or other non-retirement account, except for individual retirement accounts ( IRAs ), simplified employee pension plans ( SEPs ), savings incentive match plan for employees ( SIMPLEs ), and single-participant or owners only accounts (i.e., retirement accounts held by self-employed individuals, business owners or partners with no employees other than their spouses).

Please contact your Merrill Lynch financial advisor if you have any questions about the application of these provisions to your specific circumstances or think you are eligible.

**Autocallable Coupon Bearing Notes**

**TS-11**

## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### Structuring the Notes

The notes are our debt securities, the return on which is linked to the performance of the Index. As is the case for all of our debt securities, including our market-linked notes, the economic terms of the notes reflect our actual or perceived creditworthiness at the time of pricing. In addition, because market-linked notes result in increased operational, funding and liability management costs to us, we typically borrow the funds under these notes at a rate that is more favorable to us than the rate that we might pay for a conventional fixed or floating rate debt security. This rate, which we refer to in this term sheet as our internal funding rate, is typically lower than the rate we would pay when we issue conventional fixed or floating rate debt securities. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, typically results in the initial estimated value of the notes on the pricing date being less than their public offering price.

Payments on the notes, including the interest payments on the notes and the amount you receive at maturity or upon an automatic call, will be calculated based on the \$10 per unit principal amount. The Redemption Amount will depend on the performance of the Index. In order to meet these payment obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of its affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our creditworthiness, interest rate movements, the volatility of the Index, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately \$0.050 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers.

For further information, see Risk Factors—General Risks Relating to the Notes beginning on page PS-7 and Use of Proceeds on page PS-16 of product supplement EQUITY INDICES CBN-1.

### 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 an income-bearing single financial contract linked to the Index.

Under this characterization and tax treatment of the notes, we intend to take the position that the stated periodic interest payments constitute taxable ordinary income to a U.S. Holder (as defined beginning on page 99 of the prospectus) at the time received or accrued in accordance with the U.S. Holder's regular method of accounting. Upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity (other than amounts representing accrued stated periodic interest payments), a U.S. Holder generally will recognize capital gain or loss. This capital gain or loss generally will be long-term capital gain or loss if you hold 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 PS-26 of product supplement EQUITY INDICES CBN-1.**

**Autocallable Coupon Bearing Notes**

**TS-12**



## Autocallable Coupon Bearing Notes

Linked to the S&P 500® Index, due April , 2017

### 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](http://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 1-800-294-1322.

### Market-Linked Investments Classification

*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 Income Market-Linked Investment or guarantee any performance.*

Enhanced Income Market-Linked Investments are short- to medium-term market-linked notes that offer you a way to enhance your income stream, either through variable or fixed-interest coupons, an added payout at maturity based on the performance of the linked asset, or both. In exchange for receiving current income, you will generally forfeit upside potential on the linked asset. Even so, the prospect of higher interest payments and/or an additional payout may equate to a higher return potential than you may be able to find through other fixed-income securities. Enhanced Income Market-Linked Investments generally do not include market downside protection. The degree to which your principal is repaid at maturity is generally determined by the performance of the linked asset. Although enhanced income streams may help offset potential declines in the asset, you can still lose part or all of your original investment.

### **Autocallable Coupon Bearing Notes**

**TS-13**

