



Opportunity in Motion

Corporate Social Responsibility Report 2010



Cover images



We fund innovative arts and culture organizations, like the North Carolina Dance Theatre in Charlotte.



We support the revitalization of neighborhoods across the U.S., like Fells Point in Baltimore.
Baltimore Mural Program Artist: Nelson Rivas, 2008



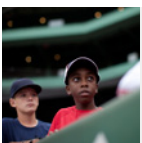
We lend and invest in small businesses that are the backbone of our economy, like New York City tote manufacturer, Built.



Last year, our employees volunteered over a million hours in nonprofits and community organizations, like Free Arts NYC.



Our funding supports solar power and energy efficiency programs like one in Milpitas, California, part of our 10-year, \$20 billion environmental business initiative.



Last year, we gave over \$200 million to nonprofit and community programs like a youth baseball clinic in Boston, part of our 10-year, \$2 billion philanthropic goal.

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1.1 Our Core Values and Operating Principles

All of us at Bank of America share a commitment to core values and operating principles that drive our business decisions, guide our activities and focus our resources.

Bank of America Core Values

Deliver for our customers, clients and shareholders — We share a passion for winning and serving the financial needs of individuals, corporate clients and institutional investors. We believe that disciplined execution will lead to sustainable, long-term performance.

Trust in our team — We work together around the globe to deliver the entire franchise to all our constituents. We strive to be consistent and straightforward in our interactions.

Embrace the power of our people — We value our differences, understanding that diversity and inclusion are good for business and make our company stronger.

Act responsibly — We are aware that our decisions and actions affect people's lives every day. We hold ourselves accountable for the disciplined management of risk and for doing the right thing.

Promote opportunity — We are committed to helping each other achieve our potential in order to build a better future for ourselves and the customers, clients, communities and shareholders we serve.

Bank of America Operating Principles

We are customer-driven — Being customer-driven is about building a business model that enables the company to serve all of a customer's financial needs in ways that are easy, seamless and efficient for the customer. The business is designed from the customer in, making sure employees understand what the customer wants, how they think about the company, and how they value the services the bank provides. We build value propositions and products to satisfy customers' needs and deliver them through teams of talented employees who span multiple lines of business.

We will pursue operational excellence in both efficiency and risk management — Operational excellence means a commitment to "getting it right" in all we do, from building systems and executing process at the point of customer contact, to flawless execution throughout the technology and operations areas that support customer service, risk management and other critical functions.

We are focused on creating a fortress balance sheet — With a fortress balance sheet, the bank will be well-positioned to weather the unexpected, to manage through the next cycle without issuing shares, lowering volatility and setting the stage for high-quality, consistent growth.

We are focused on our shareholder return model — As the economies around the world recover, Bank of America intends to restore its earnings to more normal levels while generating capital, managing with discipline, increasing stability and making the company less susceptible to economic cycles. Core businesses will focus on operational excellence, efficiency and reasonable and sustained revenue growth. The bank will focus on what it does best. One of our goals is sustainable growth in tangible book value per share.

We are focused on cleaning up our legacy issues — Even as we focus on executing our forward-looking strategy for growth, we also will aggressively work through issues that are left over from the financial crisis, such as: continued high credit costs into 2011; mortgage related issues; and deferred maintenance on systems and technology platforms.

We will be the best place for people to work — Bank of America will strive to be a workplace in which our teammates have the opportunity to achieve their full potential; in which diversity and inclusion are valued and fostered; in which employees can succeed while balancing work, life and family; and in which rewards are based on results.



To our customers, shareholders, neighbors, and teammates:

We are pleased to provide you with Bank of America's Corporate Social Responsibility (CSR) Report. In it you will find information about how we conduct our global business and hold ourselves accountable to our customers, employees, shareholders and the communities in which we do business.

In 2010, the global economy continued its recovery from the worst recession since the 1930s. While there are a number of positive signs that the economy is improving, we recognize the role the financial industry played in this crisis and are committed to working with policymakers, financial institutions and others in the private sector to restore growth and foster greater stability going forward. This is as important for the individuals and communities we serve as it is for the long-term success of Bank of America. It will continue to be the primary focus of the approximately 288,000 Bank of America employees who live and work throughout the U.S. and around the globe.

Specifically, we will continue working to deliver on five fronts:

- Responding to the needs of our customers and clients
- Ensuring transparency and clarity in our products, services and policies
- Providing capital needed to drive economic growth
- Supporting the communities in which we do business
- Generating attractive, sustainable, long-term returns for our shareholders

As part of a company with a 227-year history of leadership, all of us at Bank of America share a commitment to the operating principles and core values that drive our business decisions and practices. Our commitment to promote trust in the company and the products and services we offer is evident in decisions we made in 2010, including the extension of our Clarity Commitment® statements to small business credit card accounts, the elimination of overdraft fees for everyday debit card transactions at point-of-sale and our modification of nearly 285,000 mortgage loans for distressed homeowners. These were responsible actions, which I believe will deepen relationships with our customers and ultimately add bottom-line value for our shareholders.

There continue to be challenges ahead as the U.S. and global economies slowly grow their way out of the crisis. We see opportunities, too. In this report, you will find a summary of the many specific steps we are taking to address both.

Thank you for your interest in Bank of America. We hope you will read this report as a scorecard of what we have accomplished and a blueprint for creating opportunity in the days ahead.

Brian T. Moynihan
Chief Executive Officer



To our stakeholders:

I want to join Brian in thanking you for taking the time to review Bank of America's Corporate Social Responsibility Report. Our new management team started the year by setting an ambitious agenda: *for Bank of America to become, and to be seen as, the world's finest financial services company.* Central to that vision is our promise to be a purpose-driven company that makes opportunity possible for customers and clients across the economic spectrum, and throughout their economic lives. We know we will be successful in fulfilling this mission when we retain the trust and confidence of our customers, clients, shareholders, employees, policymakers and community leaders.

Candidly, while we have made good progress, there is much more for us to do. Large financial institutions across the industry sector are eager to build public goodwill since the onset of the global economic crisis. The aftereffects of the crisis and the slow economic recovery on Main Street have resulted in increased skepticism of our motives, constant scrutiny of our actions and compromised credibility of our claims. Consumers across all segments of income and wealth want our industry to acknowledge that we understand how they feel about the economy and the relationship they want with their bank. They want tangible actions that demonstrate that we have their interests at heart rather than our own. This report provides an overview of the many substantive actions that we have taken in 2010 in response to this challenge.

As you read this report, you will find ample evidence of our progress and the advantages of being big. Our size, scope, capabilities and commitment can be a powerful source for doing good. Whether it's working with legislators to find solutions that drive economic growth, financing the low-carbon economy, harnessing the volunteer spirit of our employees, or simplifying the language of financial services so that customers really understand what they are choosing and the value they are getting, we are taking actions necessary to be responsive, responsible and to successfully realize our mission.

Thank you again for your interest in Bank of America.

A handwritten signature in black ink that reads "Anne Finucane".

Anne M. Finucane
Global Strategy and Marketing Officer

2 Headline Issues in 2010: A High Level Summary

During 2010, we tackled a number of major issues facing our industry and embarked on a series of significant internal and policy changes intended to strengthen our business, improve our relationships with customers and clients, and create opportunity wherever we operate. Outlined below is a summary of some of the actions we have taken.

1. Acquisitions and legacy issues

During the past several years, we made a number of significant acquisitions. While they have helped us to become one of the preeminent financial services companies in the world, they have also presented challenges. Our merger with Merrill Lynch now allows us to serve more international markets, and has strengthened our positions in global investment banking and wealth management. Legacy issues from the purchase of Countrywide continued to remain a focus in 2010. In June 2011, we announced an \$8.5 billion settlement with The Bank of New York Mellon (BNY Mellon), the trustee representing a number of major institutional investors holding first-lien mortgage-backed securitizations (RMBS) issued by Countrywide. Combined with similar agreements made earlier in the year with Fannie Mae, Freddie Mac and Assured Guaranty Ltd, we have made substantial progress in resolving the legacy issues associated with Countrywide-issued mortgage-backed securitizations. [Read more in our 2010 10-K >](#)

2. Fairness and responding to consumers

Since the onset of the financial crisis, we have redoubled our commitment to listen to our customers. In response to industry-wide frustration and complaints focused on fees, overly complicated banking statements and agreements, and unsatisfactory customer service, we expanded our industry-leading Clarity Commitment® statements and introduced new policies to achieve greater clarity, choice and control for our customers. Eliminating overdraft fees for everyday debit card transactions at point-of-sale and introducing easy-to-read banking statements were just initial steps toward upholding this commitment. We will continue making enhancements to better understand what customers want and need, and translate that into solutions to help them control their financial decisions. [Read more in section 4.1 >](#)

3. Lending to small and medium-sized businesses

Credit for small and medium-sized businesses is critical for the U.S. economic recovery. Bank of America is at the forefront of helping small and medium-sized businesses weather the sluggish economy and position themselves for growth. In 2010, we pledged to increase our lending to small and medium-sized businesses by \$5 billion. We also extended credit through other innovative approaches such as loans and investments to Community Development Financial Institutions. Due in part to these efforts, we loaned more than \$92 billion to small and medium-sized businesses in 2010 — \$10 billion more than in 2009. [Read more in section 4.2 >](#)

4. Home lending and helping distressed customers

Lending responsibly and helping to create successful homeowners are critical to strengthening the economy as well as ensuring the future of our business. Recognizing that maintaining the flow of credit for home financing is a linchpin for the housing recovery, we provided \$306 billion in mortgage lending to help 1.4 million customers in 2010. Of this, we originated \$70 billion of lending to more than 452,000 low- and moderate-income customers.

We also completed nearly 285,000 home loan modifications in 2010 (almost 775,000 since January 2008) to help as many of our customers as possible remain in their homes. This included converting 109,000 customers from trial period to permanent modifications under the federal government's Home Affordable Modification Program (HAMP). We expanded default management staffing to 30,000 to help homeowners in financial difficulty; that is a 200 percent increase since January of

2009. We believe that foreclosure should be the option of last resort. We believe home lending is one area where Bank of America is helping to move the housing recovery and U.S. economy forward. [Read more in section 4.1 >](#)

5. Regulatory reform

The events of the past few years have shown that the U.S. financial system needed to change. We were early supporters of comprehensive regulatory reform. We support many of the steps that have been taken to better protect consumers in the financial services sector, including the creation of a Consumer Financial Protection Bureau. We also have been vigorous in defending shareholder and associate interests. If properly implemented, reform should contribute to future stability of the financial system. However, much work remains to be done. We recognize that no regulatory policy is a substitute for management's core responsibility to run a company correctly, balancing short- and long-term risk and reward.

[Read more in section 5.2 >](#)

6. Size, stability and accountability

In 2010, we worked to build a "fortress balance sheet" by strengthening liquidity, credit reserve positions, asset quality and overall capital levels. We responded to the charge that we are "too big to fail" by reinforcing the foundation of our business. We conducted a thorough overhaul of our internal governance processes to make us more accountable and transparent and we introduced a new risk management framework to help us better manage risk across our business. We acknowledge and are acting on the great responsibility for ensuring financial stability that comes with the size and interconnectedness of our company. We also share a responsibility of citizenship in the many communities in which we operate and our employees live and work. Despite reporting a loss in 2010, we paid more than \$2 billion in U.S. state and local, payroll, property, sales and use, and other taxes. These taxes, which are included in our operating expenses, are a significant source of funding for U.S. federal, state and local governments.

[Read more in section 5.1 >](#)

7. Executive compensation and incentives

Compensation across the financial services industry continues to be a topic of global debate. We have a longstanding pay-for-performance philosophy that ties executive performance to the performance of our company, lines of business and individual executive officers over the short- and long-term. In addition, consistent with our compensation principles, our executive compensation program provides a mix of salary, benefits and incentives paid over time that we believe properly aligns the interests of our executive officers with the interests of our shareholders. We also take into account the manner in which results are achieved, including an evaluation of adherence to risk and compliance policies and other core values of our company.

[Read more in section 5.1 >](#)

8. Investing in the environment

Environmental sustainability continues to be an issue of critical importance to Bank of America and those we serve. We recognize our responsibility to take action to reduce our environmental footprint, while having an opportunity to use our business resources to enable our clients, customers and employees to reduce their own environmental impacts. We invested \$4 billion toward our environmental business in 2010, delivering \$11.6 billion since 2007, by financing a wide range of energy-efficiency, renewable and other low-carbon energy projects on behalf our clients. In our own operations, we achieved a 7.5 percent reduction in Scope 1 and 2 GHG emissions between 2009 and 2010. We also reached 13.2 million square feet of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certified space, which is more than 10 percent of our total real estate occupancy. [Read more in section 8.1 and 8.2 >](#)



Who We Are

Our role as a global financial institution is to help our customers and clients secure the financial resources needed to pursue opportunities that transform lives, communities and nations. When we combine our global reach with our commitment to the community, we are uniquely positioned to help set into motion — through lending, investing and giving — a powerful force for prosperity for everyone. For individuals and families, start-ups and big businesses, towns and nations, we are a catalyst, a facilitator, a conduit and a partner.



Profile of Bank of America in 2010

“What makes us unique is we can deliver for each customer or client in a manner which no other competitor can do... We are the bank of opportunity for all of our clients, and we deliver for them every day.”

— Brian Moynihan

Global Customers and Clients Our customers provide the foundation for opportunity.

Individuals & Households

- 57 million consumer and small business relationships
- Over 5,800 retail branches
- 19,700 wealth advisors
- \$2.2 trillion in client balances
- \$643 billion in loans
- \$699 billion in deposits

Companies

- 158,000 business banking clients
- 21,000 middle market clients
- 10,000 corporate clients
- \$297 billion in funded loans and leases
- \$311 billion in deposits

Institutional Investors

- 12,000 institutional clients
- 3,200 companies researched in 60 countries
- Primary dealer in 15 countries
- \$414 billion in trading-related assets

Our Business Divisions

Our market-leading positions, products and capabilities allow us to offer a full range of financial products and services to the entire spectrum of customers to help them meet their financial goals.

Deposits

- Serve approximately 57 million consumers and small businesses
- Products include traditional savings accounts, money market savings accounts, CDs and IRAs, and non-interest- and interest-bearing checking accounts
- Present in 32 U.S. states and the District of Columbia with 5,800 banking centers, 18,000 ATMs, call centers and via online and mobile banking platforms

Global Commercial Banking

- Provide lending-related products and services, integrated working capital management and treasury solutions
- Serve clients through a network of offices and client relationship teams and product partners
- Our clients include business banking and middle-market companies, commercial real estate firms and governments

Card Services

- Serve customers in the U.S., Canada, Ireland, Spain and the U.K.
- Products include U.S. consumer and business cards, consumer lending, international cards and debit cards to consumers and small businesses

Home Loans and Insurance

- Provide consumer real estate products and services including fixed and adjustable rate first-lien mortgage loans for home purchases and refinancing, home equity lines of credit and home equity loans to customers nationwide
- Products are available through our banking centers, mortgage loan officers in 750 locations and a sales force offering our customers direct telephone and online access to our products
- Products are also offered through our correspondent loan acquisition channel

Global Banking & Markets (GBAM)

- Provide financial products, advisory services, financing, securities clearing, settlement, and custody services globally
- Serve institutional investor, as well as commercial and corporate clients
- Leader in the global distribution of fixed income, currency and energy commodity products and derivatives
- One of the largest equity trading operations in the world

Global Wealth & Investment Management (GWIM)

- Provide wealth management capabilities to clients ranging from the emerging affluent to the ultra high-net worth individual
- Primary businesses are Merrill Lynch Global Wealth Management, U.S. Trust, Bank of America Private Wealth Management and Retirement Services

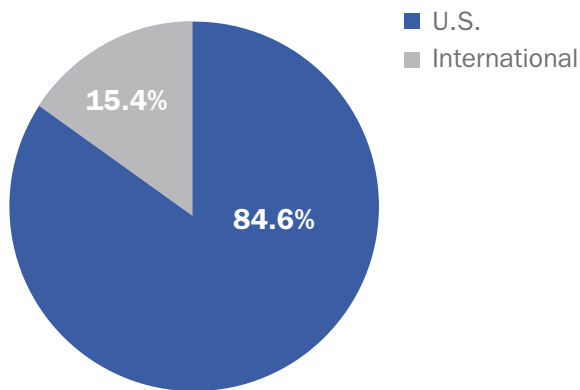
Our Global Footprint

Headquarters: Bank of America Corporate Center in Charlotte, North Carolina, U.S.A.

Employees: Approximately 288,000 full-time employees in 2010. In 2009, we employed 284,000 people; and 243,000 people in 2008.



Workforce Breakdown



2010 Financial Results

Bank of America Corporation (NYSE: BAC) Consolidated results for 2009 and 2010:

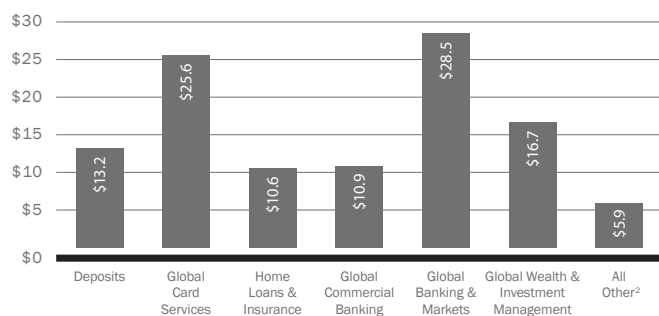
Total Net Revenue (millions)

2009	2010
\$120,944	\$111,390

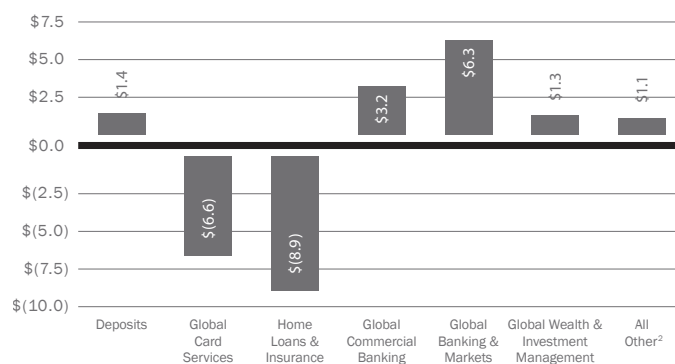
Net Income (millions)

2009	2010
\$6,276	\$(2,238)

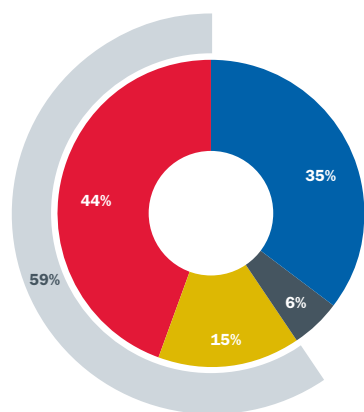
2010 Total Net Revenue Per Line of Business¹ (dollars in billions)



2010 Net Income (Loss) Per Line of Business (dollars in billions)



Revenue Contribution by Client View



- Deposits
Global Card Services
Home Loans and Insurance
Revenue: \$49.4 billion
- Companies and Institutional Investors
Revenue: \$39.4 billion
- All Other²
Revenue: \$5.9 billion
- Global Wealth & Investment
Management Revenue: \$16.7 billion
- Consumers

¹ Fully taxable — equivalent (FTE) basis

² All Other consists primarily of equity investments, the residential mortgage portfolio associated with asset and liability management (ALM) activities, the residual impact of the cost allocation process, allowance for credit losses and the cost allocation processes, merger and restructuring charges, intersegment eliminations, fair value adjustments related to structured liabilities and the results of certain consumer finance, investment management and commercial lending businesses that are being liquidated.

“As a global financial institution, the most significant impact we have on both the people and communities we serve is through our investing, our lending and our philanthropic giving. Our practices, policies, programs and actions in these three areas are also the most material to our business as a sustainable enterprise and a responsible company.”

— Andrew Plepler, Global Corporate Social Responsibility and Consumer Policy Executive

2010 CSR Highlights

In recent years, we have set a number of CSR-related goals that guide us and inspire us in fulfilling our mission to become the world’s finest financial services company. In 2010, some of our key achievements against these goals included:

Big Goals for 2010	Achievements in 2010
Invest and lend \$1.5 trillion in community development projects by 2019.	Invested \$168.5 billion in community development, bringing our total investment since 2009 to \$336.7 billion. Read more in chapter 7 >
Increase loans to small and medium-sized businesses by \$5 billion in 2010.	Increased lending to more than \$92 billion to small and medium-sized businesses, \$10.5 billion more than in 2009. Read more in chapter 4 >
Spend \$10 billion with small, medium-sized and diverse suppliers by 2015.	Spent \$4.1 billion with thousands of small, medium-sized and diverse suppliers, including \$2.3 billion with diverse suppliers alone. Read more in chapter 5 >
Invest \$20 billion in environmentally friendly businesses by 2017.	Delivered nearly \$4 billion toward our environmental business initiative in 2010, reached the \$11.6 billion mark on our three-year-old initiative to address climate change through our lending, investing, products and services and our own operations. Read more in chapter 8 >
Reduce our total greenhouse gas emissions by 9 percent between 2004 and 2009.	Surpassed our goal to achieve an overall emissions reduction of 18 percent within the legacy Bank of America portfolio between 2004 and 2010. We also reduced Scope 1 and 2 emissions by 8 percent in 2010 alone. Read more in chapter 8 >
Invest \$2 billion through philanthropy by 2019, including at least \$200 million in 2010.	Invested \$207.9 million in philanthropy in 2010. Read more in chapter 7 >
Volunteer one million employee hours of service in 2010.	Volunteered nearly 1.3 million hours of employee service. Read more in chapter 7 >



Who We Serve

Who we serve defines every part of our organization. Bank of America has grown into one of the largest, most capable and most diverse financial institutions in the world. With such formidable scale and scope come advantages, responsibilities and opportunities. In 2010, we relied on our core values in continuing to develop our business strategy to serve our customers and clients, shareholders and employees.

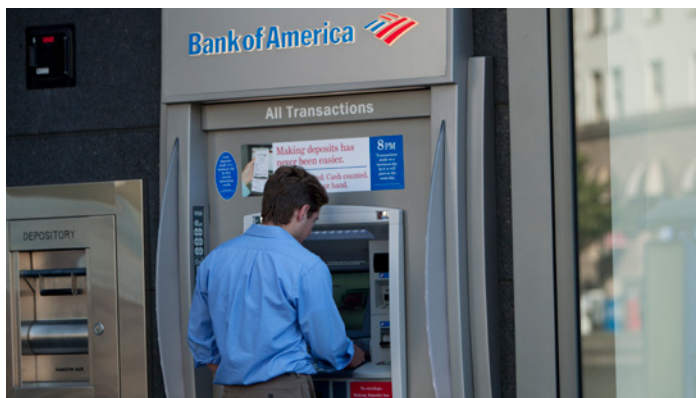
This chapter explores the new opportunities we are promoting for our main customer segments and describes how we are managing some of the critical challenges we collectively face.

While the majority of our individual, homeowner and small business clients are based in the United States, through our mergers we are increasingly able to serve affluent individuals, large companies and institutional investors in every region of the world.

To reflect our new customer strategy, we have divided this chapter into three sub sections: **Individuals and Households, Businesses and Institutional Investors.**

4.1 Individuals and Households

“Instead of launching a hard-sell campaign to persuade its customers to opt in to the most expensive form of overdraft coverage, Bank of America has correctly decided to simply deny debit card purchases on insufficient funds.” — Jean Ann Fox, Consumer Federation of America



In 2010, Bank of America continued to focus on our customers and clients, the millions of people who bank with us worldwide.

Through mid-2009, a relatively small portion of bank account customers were paying a disproportionately high percentage of fees. In response to changing consumer behavior and in advance of new legislation, we implemented a shift in our business model. This shift enables the cost of banking services to be distributed across the broad base of customers who use banking services for their everyday financial needs.

We believe customers will respond favorably when they understand the value of the products and services they use, and are charged a price that takes into account their overall relationship with us. Our new strategy, which is supported by our commitments to clarity, choice and control, aims to create deeper, long-term relationships with individuals and families, while delivering maximum value for customers and consistent results for our business. While developing these consumer policy changes, we consulted with our National Community Advisory Council, a group of independent community leaders and consumer experts who meet periodically to share their insights and provide counsel to Bank of America.

We also heard directly from customers that they no longer wanted to spend money they do not have. As a result, we no longer

Profile of Consumer and Home Loan Businesses in 2010

Approximately **57 million** U.S. consumer and small business relationships

13.4 million home loan customers

\$407 billion year-end consumer and small business deposits

Over **5,800** branches

18,000 ATMs

Responsible Executives:

- Consumer Policy Executive, who reports to Global Strategy and Marketing Officer
- President, Consumer and Small Business Banking
- President, Home Loans

authorize overdrafts or charge overdraft item fees on everyday debit card purchases if a customer does not have enough money in their checking account or a linked account.

We have also focused on strengthening ties to the communities where we do business through our philanthropy and volunteer activities delivered at the local level, as a long-term commitment to help communities thrive and grow our business.

Similarly, we have implemented changes to benefit consumers who have asked for products and services that are simple, straightforward and intuitive. Notably, we have introduced our Clarity Commitment® statements — simple, one-page summaries that describe important information about payments, interest rates and fees in easy-to-understand language. Building on our Clarity Commitment, our wealth management business also focused on communicating to clients about their investment options in a simple, straightforward way. To this end, Merrill Lynch launched “Investor Education” fact sheets, describing a variety

of investment solutions in plain language. These fact sheets are designed to help clients more clearly understand the products they are investing in and how they work. We also redesigned disclosures on Merrill Lynch account statements so that clients could more easily read them.

As one of the nation's largest home lenders, we understand how essential recovery in the housing market is to move the U.S. economy forward. We have remained a leader in extending credit during the economic downturn, working to meet customers' needs — from strong lending to low- and moderate-income borrowers to providing high-balance mortgage loans. As the nation's number-one purchaser of loans originated by other lenders, we have also facilitated mortgage originations by smaller banks, credit unions and independently owned mortgage companies. We have led the industry with solutions to help struggling homeowners through both our development of innovative proprietary loan modification programs and our early, active participation in government programs. When home retention is not an option, we work with community organizations to provide resources that help customers make the transition to alternative housing. In early 2011, we announced the creation of Legacy Asset Servicing, a new division with accountability directly to the CEO to focus on managing legacy mortgage issues, making continued process improvements and helping distressed customers.

What We Did in 2010

In 2010, our new consumer strategy started to yield results for both our customers and our business.

Consumer and Small Business Banking

In 2010, our efforts were directed toward the overarching goal of deepening our relationships with individuals and families.

We launched and extended products and services to offer more flexibility and convenience to our customers, including:

- **Text Banking**, which allows customers to use their cell phones to get checking, savings and credit card account information within seconds by texting a short command.
- **eBanking**, which is designed for U.S.-based customers to use convenient electronic channels to make transactions, manage their accounts and receive electronic paperless statements.
- **Online bill pay**, which served 15 million active online users who paid bills totaling \$304.3 billion during 2010.

We were recognized as a consumer banking leader, specifically as:

- Number one in market share for retail deposits in the U.S.
- Number one in U.S. online banking capabilities, with 29 million active users
- Number one in U.S. mobile banking with 6.4 million active users
- Number one in debit cards
- Number one primary small business provider
- Number three in U.S. credit cards
- Number one in customer safety features, including the protection of customer identities, by Javelin Strategy & Research in its "2010 Banking Identity Safety Scorecard." This is the sixth consecutive year we have won this award.
- Number one among 25 American banks and two credit unions for our capabilities to prevent, detect and resolve fraud according to Javelin, achieving 79 points, compared to an average of 62 out of 100 in 2010. This is the fourth consecutive year we have won this award.

As part of our commitment to provide more clarity, choice and control for our customers we:

- Decided to authorize everyday debit card transactions at the point of sale only if customers have enough money in their checking or Overdraft Protection account. This reduces the likelihood that a customer will overdraw their account and helps eliminate unexpected overdraft fees.
- Went beyond the 2010 requirements of the Credit Card Accountability, Responsibility and Disclosure (CARD) Act to do what is right for customers. We decided not to change rates on existing consumer credit card balances, even if the customer was 60 days past due, because we wanted to help customers who were struggling to make their payments. Additionally, we eliminated the late fee on balances of \$100 or less, as small dollar amounts are typically generated by smaller transactions that our customer may have overlooked.
- Began sending credit card customers simpler, more informative credit card materials, even before the CARD Act went into effect. For example, we sent all our consumer credit card customers our Credit Card Clarity Commitment® statement, which is a one-page summary of each customer's rate, fees and payment information.

- Introduced our industry-leading Clarity Commitment® to two million small business credit card accounts and applied many of the CARD Act provisions to our small business cards.

National Community Advisory Council

A primary example of direct stakeholder involvement and the bank acting as a convener on issues in the community is the Bank of America National Community Advisory Council. This external group is comprised of nationally prominent leaders in various facets of community development. The key mission of the council is to promote an open forum on critical issues affecting community development efforts on a national and local level. Members of the National Community Advisory Council advise Bank of America on programs and services that advance the bank's strategies for revitalizing neighborhoods.

Our Global Card Services business helped customers by:

- Extending \$25.3 billion in credit to consumers and small businesses around the world.
- During, 2010, Global Card Services modified more than 648,000 consumer and small business loans, as well as approximately 510,000 U.S. credit card and unsecured consumer loans representing approximately \$4.6 billion in credit. Loans were modified by lowering the interest rate, reducing the monthly payment, eliminating fees or referring customers to debt management programs. On average, card customers' monthly payments were reduced by about one-third.

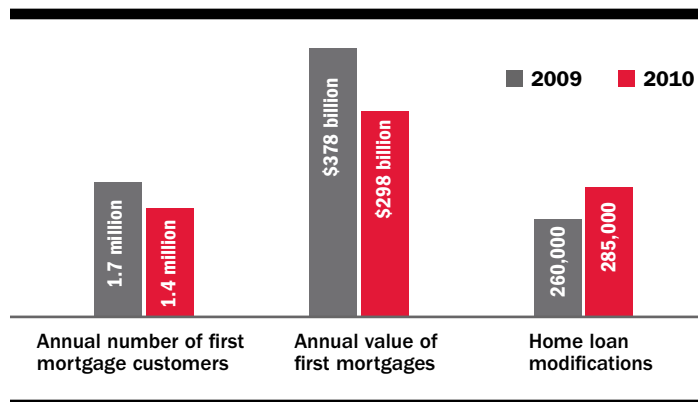
Home Loans

The prolonged economic downturn and sustained high unemployment led to challenges that are more profound and complex than anyone could have anticipated. At the end of 2010, 88 percent of the customers in Bank of America's 13.9 million total home loan portfolio, which includes owned loans and loans serviced for others, were in good standing on their payments.¹

Bank of America has invested heavily in our loan modification efforts to assist hundreds of thousands of customers who are struggling to make their mortgage payments, and we continue to reach out to customers in need, including an increased focus on in-person contact through a growing number of Customer Assistance Centers and outreach events. Feedback from

customers, public officials and community groups has helped us transform our operations to provide greater clarity and faster resolution through increased staffing and improved processes.

Helping to drive housing market recovery, Bank of America delivered \$306 billion in 2010 mortgage lending to 1.4 million customers. That included \$298 billion in first mortgages and more than \$8 billion in home equity and reverse mortgages.



Mortgage Production:

- We extended first mortgages to 1.4 million customers in 2010, compared to 1.7 million in 2009 and 658,000 in 2008, prior to our merger with Countrywide. Many mortgage holders benefited from our new Clarity Commitment documentation.
- Nearly one in every three mortgages Bank of America Home Loans originated in 2010 was for a low- to moderate-income customer — nearly \$70 billion to more than 452,000 customers; that ratio was consistent with our performance in 2009.
- The bank's first mortgage production across all channels in 2010 was approximately 38 percent purchase and 62 percent refinance, compared to 34 percent purchase and 66 percent refinance in 2009. At the end of 2010, Bank of America led the industry with nearly 188,000 loans refinanced through the government's Home Affordable Refinance Program (HARP), which assists borrowers with loan-to-value ratios between 80 and 125 percent.
- We helped nearly 90,000 first-time homebuyers take advantage of the government's homebuyer tax credit, with \$18 billion in funding through our retail channel.

¹ "In good standing" is used here to refer to customers less than 60 days delinquent.

Home Retention Solutions:

- We modified 285,000 home loans in 2010, compared to 260,000 in 2009 and 230,000 in 2008 (the 2008 number includes both Bank of America and Countrywide), helping a total of 775,000 homeowners between January 2008 and the end of 2010.
- As of December 2010, Bank of America led the industry in the Home Affordable Modification Program (HAMP) with 102,000, or 18 percent, of all permanent modifications started and 90,000, or 17 percent, of all active permanent modifications.
- Bank of America has been an industry leader in developing modification programs, including the precedent-setting National Homeownership Retention Program, which preceded the government's HAMP Program. We also announced an innovative earned principal forgiveness program for qualified borrowers in the spring of 2010.
- In order to help more homeowners who require assistance, since the beginning of 2009 we have increased our default management staffing by 200 percent, to 30,000.
- Changes currently underway will further improve customer communications and provide greater clarity throughout the loan modification process. These include establishing customer relationship managers during the modification and foreclosure process.
- We have opened in-person Customer Assistance Centers in areas most impacted by the housing downturn, with additional sites planned for 2011. We have also launched mobile home retention teams who travel around the country meeting with customers.
- Additionally, we have worked with groups like Neighborhood Assistance Corporation of America (NACA), National Urban League, National Council of La Raza, and the National



Coalition for Asian Pacific American Community Development to conduct multicultural outreach and attend housing rescue fairs, participating in 335 events in 2010, and nearly 250 events in 2009.

Foreclosures:

We exhaust every option to help customers avoid foreclosure — from modifications to short sales to deeds-in-lieu of foreclosure.

- Of our completed foreclosure sales in 2010, 76 percent of borrowers had not made a mortgage payment for more than one year; the average customer had been delinquent for 537 days (approximately 18 months). Forty-two percent of foreclosed properties were vacant.
- In October of 2010, Bank of America voluntarily evaluated the integrity of our foreclosure process across all 50 states. The review confirmed that the underlying grounds for our foreclosure decisions had been accurate. We identified areas of improvement and have made significant progress against these commitments, including additional staffing, new controls to prevent wrongful foreclosures, and additional quality checks.
- The bank has dedicated significant resources to other foreclosure alternatives. We completed 92,656 short sales and deeds-in-lieu in 2010, compared to 43,091 in 2009. We were the leading provider of these foreclosure avoidance solutions to customers who fell out of or did not qualify for HAMP trial modifications, who numbered nearly 50,000 through January 2011.
- We continue to provide support to customers who must transition out of homeownership, including financial counseling and social service support with nonprofits.

Customer and Client Satisfaction

Bank of America continually surveys customers and employees. In 2010, we observed:

- Customer Satisfaction metrics demonstrated good, steady improvement overall in 2010.
- Financial Advisor and Banking Center Satisfaction metrics are at or near all-time highs.
- Consumer Problem Incidence and Dissatisfaction were both lower and improved in 2010.
- Client Satisfaction in our client-managed businesses also showed signs of post-crisis stability and improvement.

Serving Our Diverse Clients

Our diverse, inclusive workplace gives us the business advantage of understanding and meeting the needs of our diverse customers, clients and shareholders.

The bank partners on both Visa® credit cards and demand deposit account products with many diverse organizations, such as Rainbow, the Human Rights Campaign (HRC), and Olivia and Atlantis. Global Wealth & Investment Management has a network of more than 1,500 Certified Special Needs Financial Advisors (FAs) who are certified in special needs planning. These FAs help families integrate special needs concerns into their broader financial strategy. The wealth management business also offers integrated, comprehensive and personalized wealth structuring information for a broad range of lesbian, gay, bisexual and transgender (LGBT) clients, including individuals, same-sex spouses and domestic partner and civil union couples.

The bank's Home Loans and Insurance business continues to strengthen its support for military customers struggling with their finances, recently introducing a principal reduction loan modification program and a dedicated mortgage servicing team to ensure these customers receive the specialized assistance they need. Bank of America is the #5 provider of Veteran's Administration (VA) mortgages, with more than \$12.6 billion in loans to veterans in 2010 alone. The bank also offers the Home Possible program, which allows active-duty military to qualify for mortgages under less restrictive terms and conditions.

We are committed to ensure compliance with the U.S. Servicemembers Civil Relief Act (SCRA) across our company, going above and beyond SCRA requirements to help military customers. This includes extending benefits to spouses; extending lower interest rates and fee waivers to home loan balances accrued during active duty; and extending the lower interest rates for credit card customers six months longer than what is required by law.

Within Consumer and Small Business Banking, we have a dedicated group focused on delivering products and services to military customers across the country and around the world. Military-themed MyExpression® products are sold in banking centers across the franchise and are available to anyone who wants to demonstrate their patriotism or support America and its troops.

As part of Bank of America's long-standing commitment to customers with disabilities, we are dedicated to making banking more accessible with the right tools and information for all customers to securely and confidently manage their money. In 2010, we continued to enhance our existing programs and services designed to help customers with disabilities — including the nation's largest network of talking ATMs and award-winning Online Banking services. For our customers who are blind or visually impaired, all 18,000 Bank of America ATMs now offer a talking feature that delivers private, spoken instructions in English or Spanish through a headset that plugs into an audio jack.

We are also focused on providing innovative solutions through Online Banking so all our customers have the control and choice to manage their finances effectively. Web accessibility helps customers with visual, physical or even cognitive disabilities use the Online Banking site and ensures a better online experience. Assistive technology includes devices such as screen magnification programs, audio browsers, or screen readers where the application actually reads the content of the web browser to the customer. To manage risks and deliver a world-class customer experience, we have developed an innovative End-to-End Web Accessibility Compliance Strategy & Program — integrating people, process and technology to ensure the rights of all people are met under the Americans with Disabilities Act (ADA).

Wealth Management for Specific Client Needs

We have continued to build on Merrill Lynch's pioneering work in serving the LGBT community. In 2010, we examined estate planning issues for same-sex couples in U.S. Trust's *Practical Drafting* publication used by estate planners nationally and created new client collateral and analysis for all wealth management clients in Merrill Lynch and U.S. Trust. U.S. Trust also approved the Certified Financial Planner's Accredited Domestic Partnership Advisor designation for use by U.S. Trust advisors.

Additionally, our Special Needs Training Program for Merrill Lynch Financial Advisors grew to 1,895 certified Advisors and Client Associates in 2010. These individuals help clients address the financial needs of family members who are seriously disabled or have other special needs, including those who are deaf, blind, or afflicted with autism, Down syndrome or other life-altering disabilities.

Thinking Ahead

In 2011 and beyond, we will continue to implement many of the strategic changes started in 2010, including:

- Demonstrating our commitment to serve changing customer needs, Bank of America will introduce new and innovative capabilities in mobile and online banking throughout 2011. These innovations include mobile “banking on the go” offerings that help customers bank securely at their convenience. We will also introduce targeted ways to save that anticipate customer needs and translate them into products, services and solutions.
- We will introduce new banking solutions that are easier to understand and reward customers for doing more business with the bank. These solutions are currently being tested in three U.S. states and offer customers more choices to customize their banking to meet their financial needs. We are also planning to deliver a new recognition and benefits program that rewards customers for using Bank of America for more of their banking needs and Merrill Edge® for their investment needs.
- We will maintain our focus on strengthening ties to the communities where we do business through our philanthropy and volunteer activities delivered at the local level as a long-term commitment to help communities thrive and grow our business.
- In 2011, we will continue to expand community outreach through a doubling of outreach staffing, new regional customer assistance centers, more community-based events and increased collaboration with nonprofit housing counselors. The bank’s assistance centers hosted meetings with more than 12,000 customers in 2010.
- Our measures of success will be increasingly focused on deepening and broadening relationships with our home loan customers. For example, in 2010, about 60 percent of new home loan customers did not have a deposit account with Bank of America, representing a sizable opportunity going forward.
- In our home loan business, we will also invest in technology to improve our processes and training, speed up closing times, and further enhance the quality of customer service.
- With respect to upcoming U.S. mortgage industry reforms, we are actively preparing for a number of potential outcomes. We are engaging with regulators, elected officials, industry groups and others to help shape those outcomes. We believe the reform process should result in greater transparency and clarity for consumers and a level playing field for all participants.
- In 2011, Bank of America is introducing a new loan modification program and dedicated mortgage servicing team exclusively for U.S. military servicemen and women, reinforcing the company’s long-standing commitment to the military. The program offers mortgage principal forgiveness to active-duty service members who have fallen behind on their mortgage payments while serving the U.S. military.
- To maintain our sharp focus on helping distressed customers and making continued improvements, in February 2011, Bank of America created Legacy Asset Servicing, a new division with a dedicated staff and executive leadership. This group will continue focusing on servicing new and existing clients, as well as servicing all defaulted loans and discontinued residential mortgage products.

Global Wealth & Investment Management

Bank of America's Global Wealth & Investment Management (GWIM) organization is, first and foremost, in the business of serving clients. We define our success through our clients' success. Over the past few years, our clients have understandably become much more conservative in their investing. In fact, we increasingly have heard them tell us they want a portion of their assets preserved before they engage in any discussion about asset growth. In a broader sense, our clients are re-evaluating their lives and their financial goals — thinking not only about how they can meet those goals but also about how they can make a difference in the world. In turn, GWIM has sought to identify areas we think will make a difference to our clients — and to those around us:

Investment Choices

In April 2010, U.S. Trust launched the Socially Innovative Investing (S2I) strategy, its first proprietary socially responsible investment (SRI) strategy. S2I allows clients to reflect their personal beliefs in the way they invest their assets. The strategy is rooted in the principles of shared value — policies and management practices that simultaneously enhance a company's performance while addressing social concerns around the environment, corporate citizenship and human capital engagement. S2I focuses on identifying U.S. corporations that, in addition to having strong track records of performance and alignment to U.S. Trust's macro, market and thematic outlooks, rate highly across 46 trademark-pending social criteria ranging from diversity and gender issues to access to education and environmental stewardship. These criteria are strategically weighted to create a diversified portfolio of socially responsible companies. The strategy can be implemented using equities or corporate bonds.

Additionally, GWIM maintains a number of other socially responsible investments for clients. These include approximately \$450 million in assets under management (AUM) in socially responsible mutual funds, \$15 million in AUM in socially responsible exchange-traded funds (ETFs) in Merrill Lynch as of year end, and some \$20 million in AUM in socially responsible ETFs in U.S. Trust, among other offerings, also as of year end.

Responsible Advocacy

As a vocal and long-standing leader and advocate for instituting a single fiduciary standard for registered investment advisors and broker-dealers, preservation of informed client choice and harmonization in industry oversight, GWIM formed a financial reform team to work with the U.S. Congress, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and other regulators and legislators to determine how we can better serve our clients. We continue to work with these leaders and help shape the dialogue on this issue.

Communication

In May 2010, Merrill Lynch launched an Investor Education series with the objective of providing our clients with clearly written information to help them make investment decisions. The fact sheets in this series include information on how an investment works, its potential benefits and risks, and how we charge for our services. A total of 11 pieces, written in clear, plain language, have been developed representing investment categories and products such as equities, fixed income, market-linked and alternative investments.

Our wealth management leaders have spent many hours with clients to better understand what kinds of investment solutions they want and the kind of information they need to help them better understand these products. To further our efforts to communicate clearly and simply, we renamed our structured product offerings "market-linked investments" — a name that more clearly represents what these investments are and how they can work in a portfolio.

In 2010, Merrill Lynch also revised and reformatted account statement disclosures so that they are now easier to read and understand.

Service and Recognition

One particular area of focus for us is to improve our clients' initial experience with the firm. To that end, Merrill Lynch has streamlined and reduced the number of required client agreements, consolidated the number of "welcome" materials and simplified the language in the client agreement. Merrill Lynch took these steps to ensure an easier new-client or new-account experience. We will continue working to make other required paperwork more client-friendly.

Our institutional retirement business was awarded five highly prestigious honors for providing outstanding service to clients, including honors from J.D. Power and Associates, *PLANSPONSOR*, DALBAR and Group 5. Each was the result of a detailed performance assessment or client satisfaction audit by a respected independent industry evaluator.

4.2 Businesses

“Bank of America gets it. The bank’s efforts to support SBA microlenders with this innovative and timely program are exactly what we need to expand our efforts to support the nation’s smallest of businesses.” — Paul Quintero, CEO, ACCION USA

Businesses — both small and large — not only drive economies forward, but also are critical to our own success. We have the capacity to help them create or retain jobs, offer new products and services and generate new ideas and opportunities for their own customers and investors. In the course of our business, we lend to companies, providing them with access to capital in domestic and international markets, as well as cash management and treasury services.

In 2010, our small and medium-sized business customers required access to new credit and financing, and we met this need by increasing our lending volume, enhancing customer service and deepening our relationships with existing customers, as well as establishing new relationships with thousands of small and medium-sized businesses across the country.

In 2010, our largest corporate clients benefited from the breadth of our offerings across multiple lines of business, including debt and equity capital raising, merger and acquisition advisory, treasury, liquidity management and equipment finance. Our large corporate clients continued to experience considerable benefits from the Merrill Lynch acquisition, including a broader global footprint and world-class expertise in equities and commodities.

What We Did in 2010

In 2010, we helped finance businesses of all sizes, enabling their development and expansion:

Small and Medium-Sized Business Lending

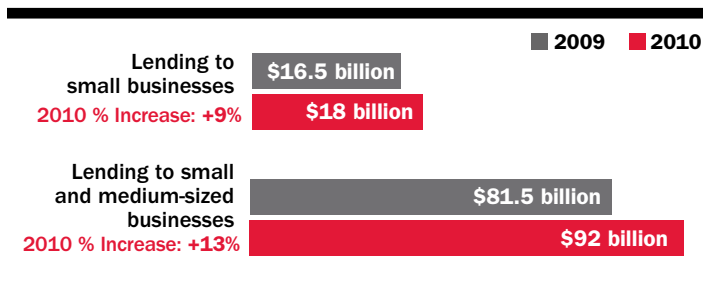
We instituted a number of new programs in 2010 to enhance our service to small and medium-sized businesses, which included increasing access to credit and enhancing customer convenience.

- We made a commitment to increase our lending to small and medium-sized business — businesses with less than \$50 million in annual revenues — by \$5 billion and ended up surpassing our target by \$5.5 billion, for a total of \$92 billion.

Profile of Business Banking Divisions in 2010

4 million	Small Business customers
300,000	Business Banking clients
21,000	Middle Market clients
10,000	Large Corporate clients
\$18 billion	Lending to small businesses
\$92 billion	Lending to small and medium-sized businesses
\$203 billion	Funded loans & leases
\$149 billion	In deposits

- In October 2010, we announced our intention to hire more than 1,000 additional small business bankers by mid-2012.
- We extended more than \$1.4 billion in new credit to small business card customers in 2010. In addition, we assisted more than 26,000 small business card clients to improve their monthly cash flow.
- For the second consecutive year, we ranked first among lenders in the U.S. Small Business Administration’s (SBA) 504 Program, which provides small businesses with long-term, fixed-rate financing to foster community-based economic development. We originated more than \$530 million in new first- and second-trust deed loans with long-term, fixed-rate financing. We also participated in the SBA 7(a) and Express programs.
- Approximately 8,000 of our Merrill Lynch Financial Advisors work with small business owners to serve their retirement plan needs. We also enhanced our Advisor Alliance™ retirement plan platform, which gives small and



medium-sized businesses Merrill Lynch investment services and affordable recordkeeping/retirement plan administration services from preferred partners. In 2010, Advisor Alliance served approximately 900,000 people from more than 40,000 businesses.

- Our Clarity Commitment statements were expanded to our two million small business credit card customers; we announced no rate increases on existing balances; and we improved the transparency about fees and charges through our Facts About Fees website.
- About 2.6 million of our small business clients are enrolled in online and/or mobile banking. We also have sustained our Small Business Online Community, which provides free advice and peer-to-peer networking for more than 65,000 registered small business owners.
- We introduced a second look program for loan applications, which allowed some small businesses that otherwise would not have qualified, to ultimately obtain loans in 2010.

Large Corporations

The Global Capital Markets and Global Corporate & Investment Banking (GCIB) divisions within our Global Banking & Markets business work in close coordination to lead, structure and underwrite capital raising transactions in the equity and debt capital markets on behalf of issuer clients in more than 150 countries. GCIB also provides large domestic and global corporations and financial institutions with merger and acquisition (M&A) advice, and comprehensive treasury solutions including liquidity management, payments and receipts, trade and supply chain finance, equipment finance and card services.

Despite a challenging global economic environment, we provided solid results for our large corporate clients in 2010 as indicated by a representative sampling of achievements:

- We serviced 85 percent of the 2010 Global Fortune 500 and 99 percent of the 2010 U.S. Fortune 500, who collectively employ tens of millions of people worldwide.

- We were second in leading debt and equity financing globally, according to the Global Debt, Loans, Equity and Equity-Linked Capital Raising league tables.
- We helped thousands of companies and financial institutions raise more than \$680 billion of capital around the world, enabling them to grow their businesses and achieve their goals.
- Bank of America Merrill Lynch participated in eight of the top 10 investment banking deals of 2010.

The companies we work with represent a cross-section of industries that are key drivers of the economy. Using our market-leading capital raising expertise, in 2010 we helped companies across a variety of industries raise money that's often earmarked for growth and expansion.

In a historic deal, our Global Banking & Markets business worked with the new General Motors (GM) as it began public trading on the New York Stock Exchange, where its legacy dates back nearly a century. The company raised \$23.1 billion in the world's largest ever Initial Public Offering (IPO), enabling the U.S. government to reduce its stake in the Detroit automaker.

In 2010, we underwrote 175 equity deals, raising \$24.7 billion in the U.S. We led 53 equity offerings in the U.S. in the fourth quarter of 2010 alone, raising \$10.7 billion. The GM deal highlights the bank's leadership role in equity offerings across the industrial sector. Including the GM transaction, the firm underwrote 57 industrial equity or equity-linked offerings in 2009 and 2010, raising more than \$44 billion for industrial clients over that time period, including 23 auto deals for proceeds of \$30.8 billion in the U.S.

Financing the Public Sector

In 2010, Bank of America Merrill Lynch's Public Finance group helped local governments, healthcare organizations and educational institutions in the United States raise more than \$59 billion in the public markets, more than any other financial institution. The financing is being used for a variety of public projects including infrastructure, social services, education, hospitals and medical research.

In addition, we directly financed more than \$2.2 billion of infrastructure and equipment through Banc of America Public Capital Corp. Projects included a city hall and parking garage in Fresno, California; a public safety communications center in Scottsdale, Arizona; and more than \$200 million for equipment and software to convert electronic healthcare records in 43 medical facilities around the United States.

Thinking Ahead

We will pursue our goal to hire an additional 1,000 small business bankers, starting in Los Angeles, Dallas/Fort Worth and the Washington D.C./Baltimore area through the first half of 2011. We will also continue to be active in Small Business Administration lending, maintaining our leadership in 504 loans while increasing our 7(a) and Express loans to qualified borrowers.



SaveDirectRx

One small business we have helped to grow is SaveDirectRx, a San Antonio-based company built on a new model for pharmacy services. It uses a highly automated processing center, coupled with a high level of customer service, to meet growing demand for markedly lower pharmacy distribution costs. From its beginnings as a small company in 2005, we worked with SaveDirectRx, providing credit and other services that helped it grow over the past five years. “Bank of America worked very hard to help us access the credit we needed to support the rapid growth in business,” said Mike Norris, cofounder and chief operating officer of SaveDirectRx. Currently employing more than 40 people in San Antonio, it added salespeople last year in Chicago, Texas and the Northeast.

4.3 Institutional Investors

Our Global Markets professionals are at the center of the world's debt and equity markets, providing critical liquidity, hedging strategies, industry-leading insights, analytics and competitive pricing.

Our work for institutional investor clients is conducted primarily by Global Markets, a division of Global Banking & Markets.

We also provide institutional investors with investment insights and ideas along with access to the company's trading desks and award-winning research.

Global Equity Research analysts provide fundamental analysis on nearly 3,200 companies domiciled in 60 countries. Global Credit Research analysts provide in-depth capital structure analysis for more than 880 corporate bond issuers globally and offer value-added investment ideas for today's credit-driven financial markets. The bank's economists and strategists provide recommendations on more than 40 currencies, 60 economies and 20 commodities. BofA Merrill Lynch Global Research provides a world-class index platform with over 5,000 fixed income bond indices, 500 investable commodity indices and over 150 theme- and sector-based equity and equity derivative indices.

What We Did in 2010

In 2010, Global Markets continued to provide best-in-class service and products to institutional investors around the world. Our sales and trading platform received numerous best-in-class global and regional awards and was ranked #1 in 2010 in many areas for helping our clients achieve their portfolio objectives. BofA Merrill Lynch Global Research also received industrywide recognition in 2010 for the high quality of insights it provided clients on a range of industries and subjects, helping them to make thoughtful investment decisions. A representative sampling of our leadership rankings includes:

- Number one in global equity research based on number of companies covered
- Top 3 in equities
- Top 3 in fixed income

Serving Institutional Investor Businesses in 2010

- Published **40,000** research reports
- Research covered **3,200** companies
- More than **12,000** institutional client relationships
- Working across **13 time zones** and **6 continents**
- **\$655.5 billion** in trading-related assets

Preparing for Regulatory Reform

As part of our efforts to ensure our clients were prepared for expected changes to the financial regulatory system, we launched the Global Futures and Derivatives Clearing Services (GFDCS) group following a yearlong planning effort, including feedback from more than 3,000 clients who attended educational seminars and one-on-one briefings. This global initiative, which provides agent-clearing services for rates, currencies, credit, equities and commodities derivatives, was done in anticipation of the substantial growth in OTC (over-the-counter) derivatives clearing, and the tremendous demand for education and related services from the company's clients. Every client will be impacted by the financial reforms transforming the OTC derivatives market, and we will continue to commit considerable resources to the business to ensure our client-clearing services are best in class.

SRI & Sustainability Research Team

In December 2010, BofA Merrill Lynch Global Research hired two highly ranked and recognized senior Socially Responsible Investment (SRI) and sustainability analysts to focus on leading the active integration of material environmental, social and governance (ESG) issues across all research disciplines via sector and thematic reports and quantitative models. The United Nations Principles for Responsible Investment estimate that \$6.8 trillion (€5 trillion) of its signatories' internally actively managed assets now have ESG factors integrated, representing 7 percent of total

market value. A dedicated team is now leading our global efforts, reflecting our commitment to this space and integrating SRI thinking into our overall research product. In addition to SRI & Sustainability Research, our group has analysts in New York, London and Hong Kong who focus on clean technology and renewable energy research.

Socially Responsible Private Equity

Through the Bank of America Merrill Lynch Capital Access Funds (CAF), we facilitate the flow of capital from institutional investors to private equity funds which invest in small businesses. These include small businesses owned by women and/or ethnic minorities, located in low- to moderate-income (LMI) areas, and businesses operated in a way that is socially responsible. By the end of 2010, we managed and advised on over \$1.1 billion in capital to underserved small businesses across the U.S. We consider in excess of 100 investment funds and make an average of five to six fund investments per year. These funds in turn typically invest in 10 to 15 companies over a 10-year period.

Managing Risk

Over the past few years, Global Banking & Markets has undergone changes in the way we manage risk. In 2010, we updated our risk framework, so that going forward, the senior management team will recommend, and the Board of Directors approve, an annual risk appetite that establishes how much risk we are willing to take as a company. We are also requiring employees to openly debate risk-related issues, and we are committed to taking action based on those debates. We have also clarified roles and responsibilities with respect to risk (see Corporate Governance section), and are reinforcing the independence of governance and control employees.

Thinking Ahead

We are strongly positioned to further strengthen partnerships across Global Banking & Markets, Global Commercial Banking, and Wealth Management and Consumer divisions to leverage the power of our platform to serve large corporate and institutional clients globally. Moving forward we will focus on:

- **Capturing international opportunities.** We will leverage our global platform and footprint across products, sectors and geographies to help clients succeed wherever they do business. Increasingly, we are helping companies in emerging markets, in places such as China, Brazil and

Russia, which are transforming into growth markets and potentially represent some of the greatest opportunities going forward. As more of our clients expand their international presence, we want to offer the right infrastructure and systems to help them navigate often complex market conditions.

- **Investing in and streamlining technology and operations infrastructure.** We are focused on creating fully integrated platforms, unified trading and risk systems and superior global treasury solutions that will benefit our clients and employees throughout the world.
- **Delivering the entire bank for our clients.** We are committed to building long-standing relationships focused on understanding clients' strategic needs and creating opportunities and solutions by delivering our full range of products to clients. We value and build day-to-day partnerships with clients, becoming more than just their "big deal banker" — we are their "everyday banker."

Inner City Capital Connections (ICCC)

Bank of America helped cofound the ICCC, a national program designed to stimulate the flow of private equity capital to underserved inner city markets by matching inner city businesses with investors. In each city, ICCC identifies and prepares a select group of 30 to 40 inner city companies to present their business plans to private equity providers, meet individually with investors and network with peers and industry leaders. Events have taken place across cities including Los Angeles, Miami, New York and Chicago, helping at least:

- 67 ICCC participant companies access \$335 million in growth capital. More than a third of this — \$137.7 million — came in the form of equity financing.
- 57 ICCC participants to attract a reported \$197 million in debt financing, a large portion of which came in the form of commercial bank loans and expanded lines of credit.

Despite a challenging economic environment over the last two years, ICCC participants have grown revenues at an average compound annual rate of 23% since participating in an event.

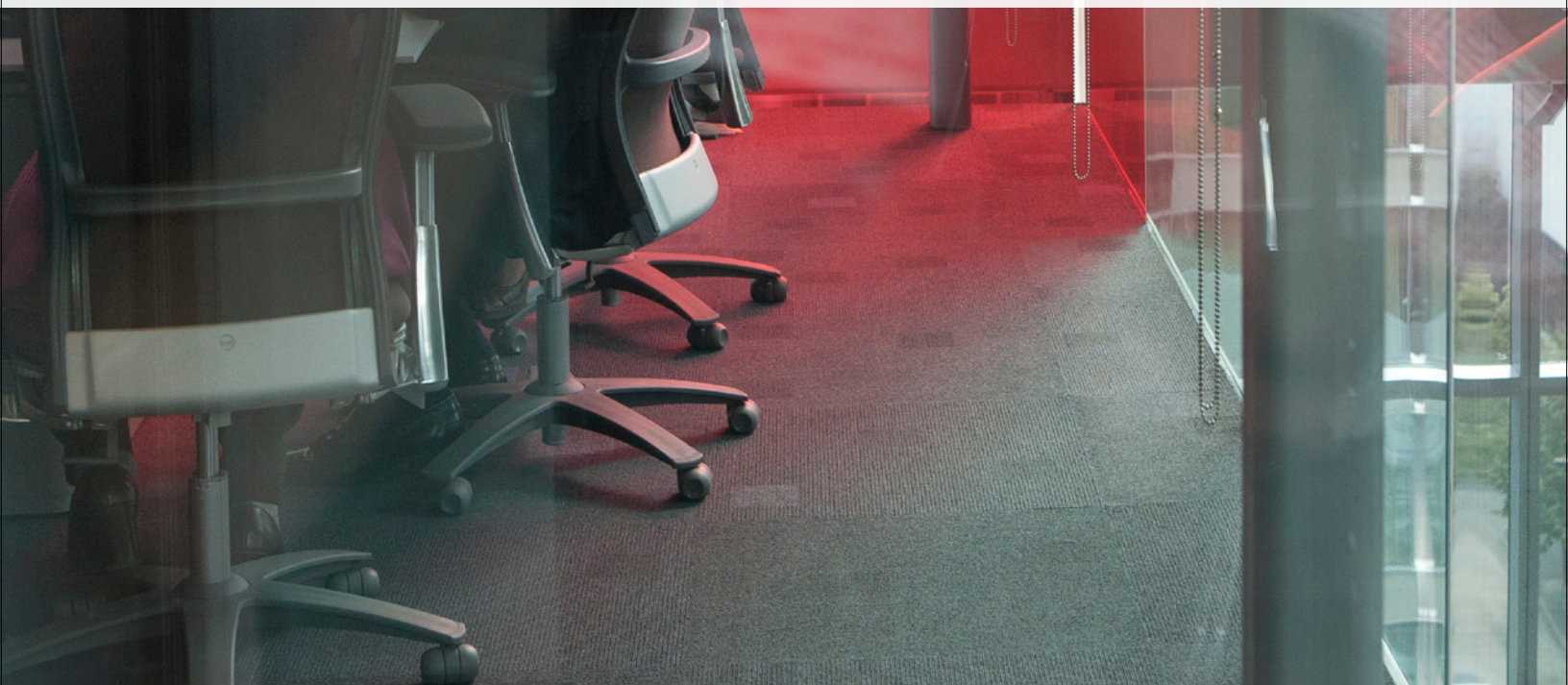


How We Work

How we work is as important as what we do. Every day, we strive to operate our business responsibly and ethically and demonstrate our value in every interaction with our clients, customers, employees, suppliers and vendors and our community organizations.

We know that our ability to operate and grow depends on a continued commitment to responsible business practices. We aim to be consistent with our core values, which were updated in 2010, by complying with the highest ethical standards and so benefiting our shareholders, customers, employees, business partners and community neighbors.

This chapter elaborates on our 2010 approach and performance with respect to: **Corporate Governance, Compliance and Business Leadership, Advocacy and Political Involvement and Procurement.**



5.1 Corporate Governance and Risk

Upholding the highest standards of corporate governance and ethical conduct is critical for the long-term success of Bank of America and, even more critically, helps us to maintain the trust of our stakeholders.

Fundamentally, our conduct is guided by our core values, our code of ethics and a commitment to openness and transparency. Corporate governance is ultimately overseen by our Board of Directors, which is largely composed of directors who are independent of management. Detailed information about our approach to corporate governance and changes made over the past two years are available in our 2010 Proxy Statement.

What We Did in 2010

In 2010, we continued to implement improvements to our corporate governance process, including a series of recommendations that our board made in 2009.

Managing Risk

Risk is inherent in every activity we undertake, whether it is a customer transaction, such as lending money, or an internal process, such as clearing brokerage transactions. Our goal is to make every good loan and transaction we can within the company's risk appetite. We aim to excel at managing strategic, credit, market, liquidity, operational and compliance risk in order to achieve our fundamental objective of growing the company in a sustainable, profitable and competitive manner. Which is why, in 2010, we rolled out an updated risk framework and appetite for how we manage risk effectively at Bank of America.

Board of Directors

In 2009, we identified a number of changes and priorities which have been a focus during the past 18 months. These included modifying board membership and committee membership; focusing on enterprise risk through establishment of the Enterprise Risk and Credit Committees (in addition to the preexisting Audit Committee); adjusting how management reports to the board; further enhancing the orientation process for directors and increasing board interaction with senior management; and formalizing the board's process for approving the company's annual risk appetite.

Our strengthened risk framework includes:

Setting a Risk Appetite — The senior management team recommends, and the Board of Directors approves, an annual enterprisewide risk appetite that establishes how much risk we will take as a company.

Clarifying Roles — We have clarified risk management roles and responsibilities.

Strengthening Governance — We strengthened the way we oversee risk with new committees at the board and management levels.

Holding Employees Accountable — Every employee is responsible for operating within the company's established risk appetite. We are all accountable for debating risk-related issues, escalating concerns and taking action. And we are required to make sound judgments concerning the risk/reward trade-offs of business decisions.

Our Board of Directors profile in 2010:

- Board Membership: 13 members, 11 of whom were independent.
- Independent Chairman of the Board: The company has had an independent chairman since April 2009. Charles O. Holliday, Jr. was elected to that role in April 2010.
- Six Board Committees: Audit, Compensation and Benefits, Corporate Governance, Credit, Enterprise Risk and Executive
- Board Meetings: 10 full board meetings, between nine and 21 meetings of individual committees and regular briefings and conference calls among members and management
- Board Diversity: two female directors; eight directors with experience outside the financial services industry
- Board Evaluations: Yes, annually
- Board Compensation: No compensation for board services is paid to bank employees. All other board members received

cash awards of \$80,000 and restricted stock awards of \$160,000. The Independent Chairman received an additional cash award of \$87,000 and an additional restricted stock award of \$173,000. Chairs of the Compensation and Benefits, Corporate Governance, Credit and Enterprise Risk Committees received a \$20,000 retainer, and the chair of the Audit Committee received a \$30,000 retainer.

Shareholders

- Number of shares outstanding as of December 31, 2010: 10,085,154,806, 62 percent of which were held by institutional investors
- Number of shareholders as of December 31, 2010: 248,121

Executive Compensation

Our Compensation and Benefits Committee is committed to a compensation governance structure that effectively contributes to our company's broader risk management policies. During 2010, the committee formally adopted our Compensation Governance Policy to govern our incentive compensation decisions and define the framework for oversight of the design of incentive compensation programs across our company.

The Compensation Governance Policy is designed to be consistent with global regulatory initiatives so that incentive compensation plans do not encourage imprudent risk taking.

It specifically addresses the following:

- The definition and process for identification of "risk-taking" employees
- The process and policies for the design and governance of incentive compensation plans to appropriately balance risks with compensation outcomes
- Policies on the effectiveness of incentive compensation plans through testing and monitoring at the appropriate level to confirm they appropriately balance risks with compensation outcomes, including the development of processes to administer clawback features of incentive compensation awards
- Policies providing for the independence of the "independent control functions" (audit, finance, human resources, compliance, legal and risk) as well as appropriate input from those independent control functions to the Committee

Our Compensation and Benefits Committee actively engages in its duties and follows procedures intended to promote excellence in the governance of our pay-for-performance philosophy.

Data Security

We value the trust of our customers and clients, and we understand that handling their financial information with care is one of our most important responsibilities.

- We operate a rigorous information security policy and program designed to protect the security and confidentiality of customer and client information. Our Board of Directors has approved our information security policy and program, and we keep the board informed about the overall status of this program. The program also is subject to ongoing regulatory oversight and examination.
- Our employees operate under a strict code of ethics that requires confidential treatment of customer and client information. All employees with access to this information must complete information protection training annually. Bank of America also maintains physical, electronic and procedural safeguards to protect against unauthorized access to customer and client information.

Customer Privacy

We offer comprehensive information about our privacy policies and privacy choices at: www.bankofamerica.com/privacy

Thinking Ahead

We remain committed to good corporate governance practices in 2011 and beyond. We regularly reevaluate our existing governance approach and procedures to ensure we are managing risk and acting responsibly.

5.2 Compliance

In the past few years, we have been focusing on our compliance performance. We have strengthened programs to comply with the laws and regulations of every jurisdiction where we do business.

We also have robust guidelines and programs to help employees understand and avoid compliance violations on subjects such as anti-money laundering, conflicts of interest, information protection and anti-bribery and corruption.

Since the acquisitions of Countrywide and Merrill Lynch, our compliance programs have evolved to address the increased breadth of products and services, and our wider global reach.

What We Did in 2010

Regulatory Reform

Led by our CEO Brian Moynihan, we have publicly supported government efforts globally to strengthen financial industry oversight and regulatory frameworks. In the United States, we were early supporters of federal government plans to establish a consumer financial protection bureau. In 2010, we took steps to support the financial reform regulations, but also opposed certain provisions that we felt were counterproductive to the interests of our customers, businesses and shareholders.

As we focused on improving our ability to weather future economic headwinds, we have continued to increase our capital ratios. The regulatory capital ratios have been strengthening over the years with the Tier 1 common ratio increasing from 4.8 percent in 4Q08 to 7.8 percent in 4Q09 and 8.6 percent in the fourth quarter of 2010. We expect to maintain a Tier 1 common capital ratio in excess of eight percent as the regulatory rule changes are implemented, without needing to raise new equity capital. We have made the implementation and mitigation of these regulatory changes a strategic priority. We also note there remains significant uncertainty on the final impacts as the U.S. has issued final rules only for Basel II and a Notice of Proposed Rulemaking for the Market Risk Rules at this time. Impacts may change as the U.S. finalizes rules and the regulatory agencies interpret the final rules for Basel III during the implementation process.

Paying Taxes

We are committed to being a contributor to the communities in which our employees live and work. Income tax is based on income, and in 2010 we reported a loss. However, we still paid more than \$2 billion in U.S. state and local, payroll, property, sales and use and other taxes.

Bank of America takes its role as a corporate citizen very seriously and pays taxes when taxes are owed. In fact, over the last 10 years, Bank of America and its legacy companies have paid more than \$60 billion in U.S. federal, state and local taxes, including income, payroll, property, and sales and use taxes — more than any other U.S. public company has paid in U.S. taxes.

Human Rights Compliance

We support the fundamental principles of human rights as a part of our core value to “Act Responsibly.” One of the ways we demonstrate support is through the training of our contract security personnel. Every uniformed security officer undergoes 40 hours of training, during which human rights are covered, along with training on Bank of America’s other policies and procedures relating to human rights and our operations. In 2010, 100 percent of new security officers underwent this training.

Litigation and Legacy Issues

A comprehensive review of litigation and legacy issues addressed in 2010 can be found in the Bank of America Corporation Form 10-K filing with the Securities and Exchange Commission.

Employee Compliance

We make every effort to ensure that employees comply with the law, treat customers fairly and make honest, ethical decisions. The Bank of America Code of Ethics references policies that govern our activities, provides principles of appropriate behavior for employees at every level in every location and reinforces our company’s values.

Every employee demonstrates an understanding of the code and a commitment to compliance with the code through annual training and active acknowledgement. Timely completion of this training and acknowledgment across the enterprise and any waivers are reported to the Audit Committee of the Board.

Thinking Ahead

In 2011, we are streamlining and simplifying our code of ethics to focus more on driving ethical behavior and living the Bank of America core values. Other enhancements to the code include a more robust framework to guide good decision-making, stronger policies on interactions with government employees, managing conflicts and anticorruption measures, reinforcing nonretaliation and addressing special obligations of managers to lead by example. The code also highlights the company's commitment to corporate social responsibility, including the environment, corporate business continuity and worker safety, and diversity and inclusion.

Managing Environmental Risk and Performance

Our Board of Directors reviews and evaluates important risks and opportunities faced by the company, which from time to time include social and environmental factors and issues. There are well-established processes for the board to execute these responsibilities, including through board committees such as the Enterprise Risk and Audit Committees.

The annual proxy process allows shareholders to highlight social and environmental concerns to the board and management. Internally, management considers social and environmental risk factors when making business decisions, and is guided by a number of applicable policies and guidelines, including our Credit Policy, Energy Policy, Developing Country Lending Criteria and the Equator Principles and Climate Change Policy. We also try to guard against corrupt practices through our compliance program. We conduct companywide audits to ensure compliance with bank policies, including social and environment-related policies, as well as our code of conduct.

5.3 Advocacy and Political Involvement

Bank of America is an active and constructive participant in the legislative and regulatory process in the jurisdictions in which we do business.

Through our participation, we aim to lend our voice to the creation of policies that sustain our industry, support our customers and benefit society. For example, Bank of America supported creation of a Consumer Protection Financial Bureau as part of the Dodd-Frank Act passed in 2010. While there were areas of disagreement, we supported the stated goals in the legislation of transparency, simplicity, fairness, accountability and access for consumers.

We acknowledge that there can be concerns regarding the involvement of companies in politics and policymaking. We strive to abide by all laws and regulations governing our involvement in this process. We aggressively promote our core values and our code of ethics to help ensure ethical behavior in everything we do, including our interactions with policymakers.

What We Did in 2010

In 2010, we worked closely with governments to advance key policy priorities, including our ongoing support for small businesses, enhanced consumer protections, the creation of a new global risk framework and help for people trying to stay in their homes. Specifically we:

- Consulted policymakers and government leaders about proposed legislative and regulatory changes that would improve consumer financial protection
- In the U.S., we engaged on key legislative and regulatory initiatives, including:
 - Regulation Fair Disclosure (so-called “Reg FD”)
 - Dodd-Frank Regulatory Reform Bill
 - Various efforts to support small businesses
 - Basel III global financial guidelines
- Internationally, particularly in Europe, we engaged on:
 - Regulation on OTC derivatives European Market Infrastructure Regulation (EMIR)
 - Regulation on Short Selling
 - Legislation on Crisis Management (Recovery and Resolution Plans)
 - Markets in Financial Instruments Directive (MiFID)
 - Basel III global financial guidelines

Political Action Committee

In the U.S., Bank of America maintains a nonpartisan Political Action Committee (PAC) program to allow the company and its employees to be fully engaged in the political and legislative process. Under federal law, Bank of America is allowed to pay the costs of administering the PAC program. However, the company is prohibited from directly contributing to the PAC. Employees may choose to support the PAC through their voluntary personal contributions.

Non-U.S. Political Contributions

We have a policy of not making contributions to any political party or candidate outside the U.S. While we engage with political parties in our legislative outreach, these efforts are not of a political nature and are purely issue led.

Memberships

Bank of America often has shared interests with others and therefore is an active member of several industry-specific and cross-sector groups that advocate and shape public policy on certain issues. In 2010, we belonged to a number of organizations in the U.S., including:

- American Bankers Association
- Center for Strategic and International Studies
- Clearing House Association
- Consumer Bankers Association
- Council on Foreign Relations
- Council of State Governments
- Electronic Payments Coalition
- Financial Services Forum
- Financial Services Roundtable
- Investment Company Institute
- National Business Coalition on E-Commerce & Privacy
- State bankers associations
- Securities Industry and Financial Markets Association
- The European Institute
- U.S. Chamber of Commerce

Outside of the U.S., our membership of significant industry and business associations included:

- Association for Foreign Markets in Europe (AFME)
- British Bankers' Association (BBA)
- Centre for European Policy Studies
- European American Chamber of Commerce
- Eurofi – Financial Services in Europe
- Finance and Leasing Association (FLA)
- Futures and Options Association (FOA)
- International Capital Market Association (ICMA)
- International Swaps and Derivatives Association (ISDA)
- U.K.'s Association of Foreign Banks (AFB)
- UK Cards Association

Thinking Ahead

Everything we do is considered through the lens of our customers and our shareholders, and how federal or state legislation might affect them. We try to look at issues in terms of what is the greatest benefit to our customers, and strive to ensure that we are able to deliver products and services in ways that enrich their financial lives and meet their individual needs. Some of these issues include foreclosure related issues, environmental issues and tax treatment and retirement issues for our customers.

5.4 Procurement

We encourage our contractors and suppliers to adhere to many of our own principles and strategies.

Beyond commercial terms, we expect our suppliers to operate in ways that are responsible and that promote beneficial social and environmental outcomes.

- **Environment:** We survey a significant number of suppliers annually to assess their environmental practices and performance.
- **Diversity:** We aim to source from diverse suppliers and encourage diversity from our existing suppliers. Since 2007, we have achieved our commitment to devote at least 15 percent of total annual procurement spending with diverse suppliers. We encourage our direct suppliers to participate in our 2nd Tier sourcing program.
- **Local sourcing:** Where possible, we work with our supplier base to support local economies and reduce environmental impacts associated with transportation, goods and services.

For our part, we pledge to treat our suppliers with respect, provide supplier development opportunities and work with them as long-term partners in our business.

Our supplier and procurement activities are overseen by the bank's Supply Chain Management. Additionally, a team of Supplier Development Managers works with our diverse suppliers and offers business development seminars and other capacity building activities.

What We Did in 2010

Bank of America announced a commitment to increase its spending with small, medium-sized and diverse businesses, pledging to purchase \$10 billion in products and services from those companies over five years, with the spending amount expected to grow by an average of more than 5% each year.

- We supported the development of diverse suppliers through scholarships awarded by the Women's Business Enterprise National Council and Minority Business News USA. In 2010, 21 scholarships were awarded.

Recognition in 2010

"Top 10 Company for Supplier Diversity"

– *DiversityInc* magazine

"Top 10 Company for Supplier Diversity"

– *Hispanic Business* magazine

Inducted into the **Million Dollar Club of the U.S. Hispanic Chamber of Commerce** in September 2010, based on spending of more than \$148 million with Hispanic suppliers in 2009

One of "America's Top Companies for Multicultural Business Opportunities"

– DiversityBusiness.com

One of the "Top 15 Companies for Supplier Diversity" – *Black Enterprise* magazine

Eighth recognition by Women's Business Enterprise National Council (WBENC) as **one of America's Top Corporations for Women's Business Enterprises** (WBEs); and awarded "World-Class" status in supplier diversity.

- We continued to enhance the social and environmental performance of our supply chain while working with over 36,000 suppliers globally.

Our total spending on suppliers in 2010 was \$14.6 billion. Of this, \$4.1 billion was spent with diverse, small and medium-sized suppliers, equivalent to 28 percent of total spending. Our spending on diverse suppliers alone was \$2.3 billion, equivalent to 16 percent of sourceable spending.

- We participated in the Carbon Disclosure Project's (CDP) supplier carbon footprint survey, where we invited suppliers to submit information, and increased our response rate to

75 companies. Our participating suppliers scored 60 out of 100, which placed Bank of America in the top quartile of companies and above the average member company score of 54. We were also named a “trendsetter” for the high number of and high scores of our supplier participants.



Connex

When Bank of America needs to reach a large audience via a conference call, we call Connex. Located in Danbury, Connecticut, Connex has been a source for our conferencing events for 19 years, providing audio and web services for shareholder and earnings announcements; investor relations, analyst and media conferences; associate multisite meetings; and internal broadcasts to the bank’s employees.

Connex teams are aligned to specific bank lines of business, allowing bank executives and associates to work with dedicated Connex team members they’re familiar with, from preconference and throughout the call.

Certified as a woman-owned company by the Women’s Business Enterprise National Council (WBENC), Connex is a prime example of how American small businesses are serving as economic engines for job creation, capital investment and trade. The company provides event conferencing solutions using state-of-the-art technology, on-site support as required and a web interface developed for us that allows Connex to service calls by monitoring the number of attendees and keeping track of questions in queue.

A technology leader, Connex recently introduced a solution to deal with the large number of users who call into large conference calls simultaneously, many just a few minutes prior to the start of the call. In these instances, when the collection of names and locations is required, it can be difficult to start the conference call on time. For some key Bank of America events, Connex provides on-site support to help coordinate with the Connex conferencing center.

	2009	2010
Suppliers invited to participate in CDP carbon footprint survey:	49	89
Bank of America supplier participation rate:	22%	84%

Thinking Ahead

Moving forward, some of our areas of focus will be to:

- Continue to drive toward the completion of our \$10 billion small, medium-sized and diverse businesses pledge
- Sponsor small business seminars in partnership with Market Presidents
- Enhance strategic relationships with leading national supply chain organizations to benchmark our programs
- Continue to focus on the environmental sustainability of our supply chain with the goals of:
 - Achieving top quartile performance in the CDP supplier survey by 2012
 - Having up to 80 percent of suppliers disclose their environmental footprints and mitigation goals by 2015
 - Including sustainability criteria as a percentage of our value sourcing equation.



Supporting Our People

With approximately 288,000 employees worldwide, we have long been a leader in providing an array of programs that meet the evolving needs of a global workforce in the areas of healthcare, retirement and compensation. In addition, Bank of America provides programs to foster diversity and inclusion, facilitate career development and support work-life balance.

We understand the important role we play in setting opportunities in motion for our employees to fulfill their potential both personally and professionally. In recognition of our continued efforts to make Bank of America the best place for people to work, we were honored with several awards in 2010, including being named as one of the Top 10 “Best Companies” by *Working Mother* magazine. This marks the twenty-second consecutive year Bank of America has been named as one of the “100 Best Companies for Working Mothers.”

Since 2001, the company regularly has conducted enterprisewide surveys to assess employee satisfaction and engagement. The bank is proud of its superior participation rates (in 2010, the overall participation rate was 95 percent) and we feel that the willingness to provide feedback is an indication of our employees’ interest in making Bank of America the best place to work. Improving our employees’ experiences begins with listening to them and then taking action.

This chapter provides additional information regarding our employee programs, and highlights the steps we’ve taken in 2010 in the areas of: **Employee Well-being and Benefits, Diversity and Inclusion, and Training and Development.**

6.1 Employee Well-being and Benefits

We understand that when it comes to our employees, one size does not fit all.

Following the acquisitions of Countrywide and Merrill Lynch in 2008 and 2009, we focused on developing and refining our practices, processes and tools to address the needs of our employees around the world.

Given the economic environment, many companies have found it necessary to freeze or suspend certain benefits programs. Bank of America has continued to support, as well as improve, our benefits programs. We are committed to providing benefits that meet the changing needs of our global workforce. These include health, life management and retirement benefits that work together to support employees now and for the future.

We also are committed to attracting the best possible talent, and providing appropriate incentives to encourage our employees to continue developing their careers with us. That's why we provide a comprehensive range of benefits and other incentives, as well as opportunities for training, professional development and personal growth.

With global operations that include the Americas, Europe, the Middle East, Asia and Africa, we offer our employees a comprehensive set of benefits in each market that meets or exceeds local standards. Most of the benefits discussed in this section focus on those that are available to U.S. employees.

Corporate Awards and Recognition

Over the years, we have been recognized for our efforts to ensure a healthy work-life balance.

Working Mother magazine has recognized Bank of America as a **"Top Ten Company for Working Mothers"** in 2010.

Conceive magazine named us to its **"Top 50 Fertility and Adoption Friendly Companies in the U.S."** list.

Recognized as a **"Top 50 Best Company"** by the Dave Thomas Foundation for Adoption.

U.S. Workforce Breakdown

43%

of employees in the U.S. are people of color.

61%

of employees in the U.S. are female.

43%

of the management team is female.

What We Did in 2010

In 2010, we continued to offer a world-class suite of benefits and training opportunities to our U.S. employees.

Life Management Benefits

Our Life Management programs are designed to assist employees with managing many of life's responsibilities.

- **Adoption Reimbursement:** For employees who adopt a child, Bank of America provides up to \$8,000 annually for adoption expense reimbursement, per child. In 2010, 99 employees received reimbursement.
- **Child Care Plus®:** 20,500 employees participated in Child Care Plus®, a program that reimburses eligible employees up to \$240 per month, per child, for childcare expenses.
- **Employee Assistance Program:** Through the Employee Assistance Program, Bank of America has provided voluntary, confidential services to approximately 6,500 employees and their family members each quarter in 2010 to help them manage family problems, job-related issues, stress and other situations. Employees and their families also have access to LifeCare®, a free, confidential resource and referral program offering practical advice and support on topics such as financial management and parenting, and assistance finding child- and elder-care resources.
- **Commuter Benefit Program:** 30,700 employees participated in the Commuter Benefit Program, which offers employees who commute the opportunity to pay for work-related commuting expenses with pretax dollars.

- **Tuition Reimbursement:** Approximately 9,700 employees participated in this program, which reimburses eligible employees up to \$5,250 for job-related courses or training required to fulfill a job-related degree program.

Health and Wellness Benefits

In 2010, Bank of America provided comprehensive health insurance benefits to 205,000 employees and their families including medical, dental and/or vision benefits. While this represents a large majority of our workforce, some employees may receive coverage through their family or spouse, or be covered by their country's public program or government health system.

The bank continues to look at ways to limit the impact rising healthcare costs have on our employees, while continuing to provide a high-quality, comprehensive benefits package. For 2011, the bank is basing per-pay-period costs for medical coverage on employees' pay. Most employees saw a decrease in per-pay-period costs. In addition, the bank assumed the full cost of in-network preventive care and has eliminated lifetime maximums on health plans as part of the recent healthcare legislation.

The bank also continues to offer wellness and prevention initiatives to educate and motivate employees to optimally manage their personal, family and health needs. This includes lifestyle coaches to assist with weight management, stress reduction and smoking cessation, health advocate nurses to coordinate care for those with complex medical needs and condition management nurses to educate those with chronic conditions to improve their quality of life.

Compensation

At Bank of America, the biggest investment we make is in our people. We provide competitive salaries, health and wellness benefits, training and development, retirement plans, and recognition programs. In 2010, our investment in our current and retired employees totaled more than \$35.1 billion in personnel expenses.

Our pay-for-performance culture is designed around a simple premise: When Bank of America succeeds, our employees share in that success. At the same time, we believe it is important to structure compensation in a way that attracts and retains talent, while optimizing efficiency for shareholders and the business as a whole.

For example, our Rewarding Success® program rewards eligible employees for their contributions to the company's overall success. If the company meets or exceeds an annual net income goal, eligible employees around the world receive an award. For performance year 2010, nearly 215,000 employees around the world received a Rewarding Success award.

Retirement Benefits

We offer our employees a comprehensive set of retirement benefits that meet or exceed local standards.

Our U.S. retirement savings program includes 401(k) matching contributions from the company and a variety of investment choices to maximize retirement savings opportunities. Our matching contributions remained steady in 2010 for eligible employees even as other companies were reducing or eliminating their matching contributions during the economic downturn.

In 2010, more than 86% of active U.S.-based employees participated in the Bank of America retirement benefits plans.

In the U.S., we offer multiple plans designed to help our employees reach their future financial goals and plan for retirement.

- **401(k) plan:** A tax-deferred retirement savings plan in the U.S., which includes matching contributions from the company up to 5 percent of an employee's plan-eligible compensation after completing 12 months of vesting service.
- **Bank-funded retirement plans:** A foundation for retirement that is funded by the bank and based on employees' earnings while working. An employee's account balance is 100 percent vested after 3 years of service for full-time employees, or when an active employee reaches age 65.

Our retirement benefits encompass much more than the financial commitment we make to our employees' retirement plans. By offering financial and educational tools, we help them develop a personal savings and retirement strategy.

- **Benefits Education and Planning Center:** A confidential service provided at no cost to U.S.-based employees through Ernst & Young. Staffed with experienced financial planners,

the Benefits Education and Planning Center helps employees achieve their financial goals and get the most out of their benefits, including health-related benefits.

- **Financial Engines®:** An online service to help employees generate a personalized retirement income forecast based on their Bank of America 401(k) Plan and Pension Plan retirement savings. Financial Engines also offers a step-by-step Action Plan that recommends investment funds to select and how much to invest in each fund to help employees reach their retirement goals.
- **Advice Access:** Provides employees an investment advisory service that proposes a retirement strategy with specific investment recommendations.

Work-Life Balance

Eligible employees in the U.S. can take advantage of opportunities that encourage flexibility in balancing life and work schedules, including:

- **My Work®:** This is Bank of America's formalized plan that gives employees the opportunity to work from a variety of corporate bank locations or from wherever they are most productive as opposed to a traditional, dedicated cubical or office.
- **Alternate Work Location:** Provides the opportunity for associates to work at a location outside of the bank (home or mobile location).
- **FlexTime and Compressed Workweeks:** Offers employees a flexible option to alter starting and/or departure times, or condense a full-time workweek into fewer days, and job responsibilities for a specific need.
- **Select Time:** Reduces an employee's work schedule and job responsibilities for a specific need.
- **Job Sharing:** Allows two non-overtime-eligible employees to share the responsibilities of one job. For example, two employees can share one full-time job and each work 20 hours a week.

Paid Leave of Absence

Bank of America offers our employees a range of paid and unpaid leave options for taking the time they need away from work.

Parental leave policies differ from country to country. In the U.S., we provide 100 percent paid time off — up to 12 weeks for adoption, maternity and paternity leave — for eligible employees to care for and bond with a newborn or adopted child. An employee can take up to 26 weeks total paid and unpaid leave.

We also offer Military Leave for eligible employees in the United States. Beginning in 2010, we increased paid leave to five years.

Thinking Ahead

We will continue to focus on a number of employee-related initiatives in 2011, in particular:

- Develop programs and educational campaigns designed to not only help employees and their family members understand their health, but understand how to maintain and improve their health over time.
- Work to further enhance retirement and investment education tools. The resources for employees will focus on increasing usability and understanding of the broader investment portfolio offered through the bank's retirement benefits plans.
- Evaluate and refresh investment options within the 401(k) plan.
- Look for ways to support our employees in managing the rising costs of healthcare and retirement.
- Strengthen our culture of recognition and provide enhanced online portal/tools as a part of our Global Recognition Program.

Global Recognition Program

In order to recognize our employees for the important part they play in the company, we launched a new Bank of America Global Recognition Program in March 2010. The program is an easy way for employees to be recognized for providing great service to customers, exceeding clients' expectations and demonstrating the company's core values and leadership behaviors. As its name suggests, it is an inclusive program — reaching around the globe and across cultures and lines of business. The program includes three components to cultivate recognition:

- **Praise Efforts** of individuals or teams through personalized online Recognition Cards and eButtons, for achievements or demonstrations of the company's core values.
- **Reward Results** for extraordinary accomplishments by presenting redeemable "Recognition Awards" to employees in entry-level through mid-level management roles that can be redeemed for merchandise or gift cards/vouchers, or Appreciation Points that can be accumulated for future redemption.
- **Celebrate Milestones** such as anniversaries with the company, birthdays or other personal events with personalized mementos.

Since the launch of the new Global Recognition Program, Bank of America employees have received more than 875,000 Recognition Cards or eButtons, and more than 415,000 Recognition (Bronze, Silver, Gold or Platinum level) awards.

6.2 Diversity and Inclusion

Every day our employees are working with people, businesses of all sizes and institutional investors to deliver the best financial solutions for their current needs and future plans.

Our company is made stronger by the diverse backgrounds, experiences and perspectives of individuals — which enables us to better understand and satisfy the needs of our employees, clients and shareholders.

Diversity and inclusion are critical to ensure that we continue to meet those different needs. By actively promoting and supporting a diverse workforce, we are a better business in the communities we serve.

Our leadership is fully committed to embracing the power of our people and creating a diverse and welcoming environment at Bank of America. We value our differences — in thought, style, cultures, ethnicity and experience — understanding that diversity and inclusion are good for business and make our company stronger. We strive to empower all employees to excel on the job and reach their full potential, and reward and recognize employees based on performance and results.

Bank of America has been widely recognized for its progressive workplace practices and initiatives to promote inclusion. We've proudly earned our reputation as a company that encourages equal opportunity in all aspects of our workplace. Our commitment to supporting a diverse workforce has earned us public recognition from a number of publications and organizations in 2010, such as: *G.I. Jobs*, Securities Industry and Financial Markets Association (SIFMA), Human Rights Campaign, *Black Enterprise*, and many others.

We provided over 30,000 total diversity and inclusion training hours for employees on policies and procedures concerning aspects of human rights relevant to our operations.

What We Did in 2010

Across the enterprise, we continue to reinforce accountability for leadership and mentoring, and the competitive advantage of a diverse, inclusive workplace.

This year, we continued to grow our diversity strategies with the help of the following groups:

Global Diversity & Inclusion Council (GDIC)

The bank's chief governing body for diversity and inclusion, our council is responsible for setting the strategic agenda and plan for diversity and inclusion across the bank's global footprint. The council is made up of top senior leaders from the bank's businesses and regions, and is appointed and chaired by the CEO. GDIC members serve as champions within their business or region, and work closely with business or regional leadership and councils to align, influence and drive the GDIC strategic agenda with a focus on local priorities and opportunities.

Global Diversity & Inclusion Office (GDIO)

A team dedicated to proactively promoting and supporting the bank's diversity and inclusion needs, this group of diversity subject matter experts works closely with corporate, line of business, regional, associate groups and others in the execution of diversity and inclusion strategies and tactics across the bank. The GDIO provides direct support to the Global Diversity and Inclusion Council, diversity and inclusion business and regional councils as well as affinity groups.

Diversity & Inclusion Business Councils (DIBCs)

Formed and sponsored by various lines of business throughout Bank of America globally, DIBCs help build skills and address diversity and inclusion issues within respective business groups. Council members are senior executives who focus on advising and influencing executive management on achieving business goals through diversity and inclusion. They also recommend strategies to promote diversity through inclusive employee recruiting, retention and development practices.

- Progress was made internationally by creating Europe, Middle East and Africa (EMEA), and Asia regional Diversity & Inclusion Councils. Both groups have identified diversity needs in the regions and developed plans to meet the needs.
- Newly established diversity and inclusion councils create greater focus on diversity and inclusion in lines of business by establishing new priorities for 2011.

Associate Affinity Groups (AAGs)

A vital part of the company's diversity and inclusion efforts, our affinity groups are formal, bank-supported organizations made up of employees who share an affinity along with others who support them. The groups meet periodically to network, mentor and encourage each other's development, leadership and success. In 2010, 20 percent of employees participated in AAGs. By giving voice to diverse constituencies within the company and to customers like themselves, the groups assist Bank of America with promoting a fair and inclusive workplace. They also can enhance the bank's efforts to bring exceptional, targeted products and services to our customers, clients and shareholders.

- Asian Leadership Network
- Black Professional Group
- Disability Affinity Group
- Hispanic/Latino Organization for Leadership and Advancement
- Leadership, Education, Advocacy and Development for Women
- Lesbian, Gay, Bisexual, Transgender (LGBT) Pride Resource Group
- Military Support Affinity Group
- Native American Professional Network
- Multicultural Leadership Network
- Parents and Carers Network (Europe, Middle East and Africa, and Asia Pacific only)
- Young Professional Group (Asia-Pacific region only)

For the fifth year in a row, Bank of America has earned a 100 percent rating on the Human Rights Campaign (HRC) Corporate Equality Index (CEI). The index measures corporate policies and practices specific to lesbian, gay, bisexual and transgender (LGBT) employees, customers and clients. The Bank's perfect score reflects the company's commitment to the LGBT community, including: inclusive policies on domestic partner and transgender benefits; LGBT advertising, sponsorship and community engagement; diversity training; and support of the bank's LGBT associate affinity group, the LGBT Pride Resource Group.

Thinking Ahead

As we continue to move forward within our existing programs focused on diversity and inclusion, we also plan to focus on some new initiatives in 2011:

- As an organization, we will continue to look for ways to better leverage the experience and breadth of knowledge that our diverse workforce brings to the table. We will continue to implement programs and initiatives to help us reach our mission to actively promote an inclusive work environment where all associates have the opportunity to achieve personal success and contribute to the growth of our business.
- Anticipating developments in the marketplace in a way that ensures our employees are motivated to help us meet the needs of our customers today, tomorrow and beyond. At the same time, tailoring our programs to meet the needs of employees in the U.S. is different than those needed in other countries. That's why in 2011 we are looking to institute more programs like the Multigenerational Affinity Group.

Support Services

Celebrating its 20th year, our Support Services organization was established in 1990 to provide employment opportunities to employees with cognitive disabilities. Today, this team employs nearly 300, offering opportunities to work alongside other bank employees, receive a competitive salary with benefits, develop professionally and lead independent lives. These employees provide a variety of in-house services to the company's lines of business, including:

- Packaging and fulfillment
- Digital, wide-format and screen printing
- Warehouse and distribution services

In 2010, the Support Services team fulfilled almost 500,000 letter requests per month for line of business partners such as the Customer Assistance team. And when the bank rebranded the Community Volunteers group, they responded by printing 80,000 new t-shirts to support the relaunch.

Within the Support Services organization, the Competitive Employment team includes almost 60 employees who provide clerical assistance, professional support and maintenance services.

6.3 Training and Development

We are committed to providing our employees with opportunities for growth and professional development. Training is an investment in our collective success and has a direct impact on the quality of service we provide for our customers.

Our learning philosophy is simple — we have the responsibility to enable our employees around the globe to do their best work. We must ensure that employees are proficient in the skills that are core to their specific jobs in order to deliver for our customers and clients every day.

We offer a number of leadership, management and professional development programs tailored to individual business units that give our employees the skills they need to succeed in their roles. And, we not only train our employees for the job they do today, but provide opportunities for growth so that they are prepared to advance within the company.

What We Did in 2010

In 2010, we focused on ensuring our training and development programs continued to meet the changing needs of our business and our evolving global organization. Specifically:

- Equipping our newly-hired employees with the skills and knowledge they need to be successful
- Ensuring employee understanding of risk and compliance issues and their role in managing the company's risk
- Evolving our training to meet the changing business requirements across our lines of business
- Integrating colleagues from Merrill Lynch and Countrywide Financial using our training and development platforms

Training and education are critical to attracting and retaining a highly capable work force. As we welcome new members of our team, training prepares them to perform at a defined standard and helps to ensure that our employees are aligned with our strategy, values and operating principles.

Our training programs are critical to support our overall risk management framework by educating teammates on global, regional and country compliance and regulatory requirements specific to their role. And finally, our training opportunities allow for ongoing development by deepening core skills, and providing

Employee Training and Development in 2010

100% of the overall employee base participated in a formal training program.

\$30.6 million was reimbursed to employees and dependents participating in education-related programs.

97% of employees had a documented year-end performance conversation in 2010.

13% year-over-year increase in learning hours was delivered.

the knowledge and tools needed to support self-directed career development.

Employees experience three types of training — in a classroom led by an instructor, on the web or through a hybrid version that incorporates a virtual instructor, and training through a webinar. In 2010, we continued to use technology in our learning programs to improve the learning experience and create new solutions. By offering more online opportunities, we have improved overall accessibility for employees. And given how mobile our workforce is today, we have introduced more self-service learning options, including applications for mobile devices that allow employees to complete their training when they are away from their desk. We have already started using more social simulation in our courses, moving away from text-based courses, and will continue to explore ways to incorporate new technologies in the future.

We work in a rapidly changing environment, and as a result are constantly updating and enhancing our training programs to meet the needs of our business divisions and our customers. In order to serve all of our businesses in the most efficient and effective manner, we have created a centrally managed center of excellence

for learning analysis, design, development, measurement, portfolio and project management, and support of our learning platform. Through the centralized model, we can drive efficiency and leverage best practices across all of our work, so we deliver the quality learning programs that are most relevant to the specific skills employees need for their role.

We also provide opportunities for growth, including our Tuition Reimbursement program, which allows reimbursement for job-related degree programs or courses. In 2010, we continued to offer more than 10,000 courses through our associate learning program, some of which can earn college credit, and supported a wide range of continuing education programs. We develop new talent through a variety of programs, including:

- **Programs** for students pursuing bachelors and advanced degrees to build their knowledge and experience real-world opportunities.
- **PhD programs** that enable doctoral students with high-level technical skills to put their intellect and ambition to work in a fast-paced, exciting environment that will challenge and reward a rigorous approach.
- **Consumer and Small Business Banking programs** that provide two-year general management rotation opportunities for recent MBA-level graduates.

Thinking Ahead

We will continue to make our existing training and development programs a priority and focus on new initiatives, including:

- In 2011, we will launch a new eLearning platform called “MyLearning,” which offers employees enhanced functionality and navigation as they access training opportunities within Bank of America. We will continue to roll out new programs and look for ways to enhance mobility to meet the needs of our mobile workforce.

Employee Safety

We have developed an industry-leading Occupational Health and Safety (OSHA) program, which aims to reduce injury rates, in addition to providing a safe and secure workplace and emergency evacuation procedures for associates. Our Safety and Injury Prevention Department has conducted extensive research to identify and address problems — particularly those related to slip and trip hazards and muscular-skeletal disorders, including repetitive stress injuries such as carpal tunnel syndrome. Since 2005, we have provided Targeted Loss Mitigation Training to over 5,000 managers at production sites (reaching 569 managers in 2010 alone); set ergonomic design standards for our branches, offices and facilities; established Safety Committees in more than 60 locations; offered web-based training and created an online library of safety tips for employees.

Serving Our Communities

Serving our communities is fundamental to our future. As we grow globally, Bank of America's roots deliberately remain in local communities. Our work with communities spans the spectrum — including the purely philanthropic, strictly commercial lending and investment, and often innovative hybrids of the two. Community-based banking is part of our heritage — and a key to our future.

Providing access to capital and credit is also key to our role as a community leader. In 2010, we provided \$168 billion in community development lending, and our employees contributed nearly 1.3 million hours of volunteer time in communities across the United States. We deploy our resources — financial and human capital — both in times of prosperity and economic hardship.

To address pressing local community needs, we must look to our leaders on the ground — our local market presidents and their leadership teams. They understand the critical local issues and can engage our employees and community organizations in deploying loans, investments, charitable contributions and volunteers to make a difference.

This chapter introduces a few of the many community programs and organizations we support, and highlights our performance with respect to: **Philanthropy and Giving, Community Development and The Power of Our Employees.**

7.1 Philanthropy and Giving

Our philanthropic giving is an important component of our comprehensive efforts to strengthen the economic and social health of the communities we serve.

We seek to provide meaningful and responsive support through strategic philanthropic investments made with local community leaders.

In 2010, despite a challenging economic environment, we reaffirmed our commitment to meet critical community needs through \$207.9 million in charitable giving, as part of our 10-year, \$2 billion philanthropic giving goal announced in 2009. We recognize that nonprofit organizations have experienced unprecedented demand for their services in the face of reduced funding resources due to diminished charitable donations.

By partnering with local community leaders, we identify priorities in each market we serve and determine how our charitable investments can have the greatest positive impact in those neighborhoods. Each day, we strengthen the health and vitality of our neighborhoods by building the capacity of charitable organizations and investing in the leaders of today and tomorrow.

Some of our significant support aimed at addressing critical economic and social needs included grants to organizations such as Feeding America, YouthBuild and others, as well as renewing our long-time support of Habitat for Humanity International through an additional \$6 million grant.

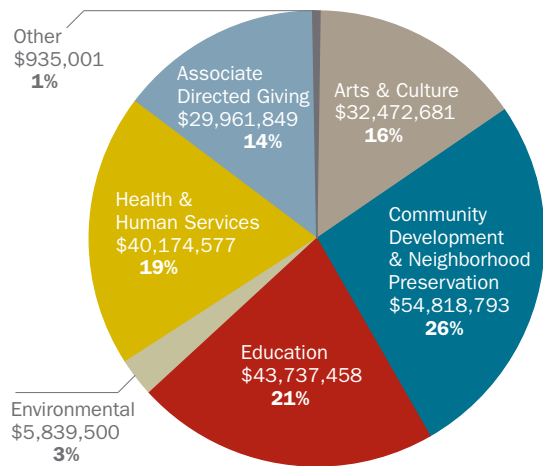
Through the Bank of America Charitable Foundation, we deploy our philanthropic support in communities across our global footprint. With annual giving of \$200 million, we are one of the largest financial institution philanthropic donors and the second largest cash giver in the U.S. Overall, our giving falls into four categories critical to the long-term success of our neighborhoods:

- Community Development/Neighborhood Preservation
- Education and Youth Development
- Health and Human Services
- Arts and Culture

What We Did in 2010

We leveraged the size and scale of our franchise to provide innovative opportunities for communities to develop and grow in 2010. We also remained a committed local partner in a year when many communities suffered cutbacks by government and other service providers. Below is a summary of our philanthropic investments in 2010:

2010 Philanthropic Investments



Safety Net Strategy

In 2009, in response to the economic downturn, the Bank of America Charitable Foundation launched its Emergency Safety Net Strategy to help meet pressing community needs stemming from the unprecedented economic crisis. Since then, we have provided more than \$9 million in philanthropic support and direct funding to enable health and human service nonprofit organizations to continue delivering core health care, job training, hunger relief, shelter and childcare programs and services to help stabilize our communities.

While maintaining our commitment to human services, we

recognize that specific safety net needs vary in relevance and magnitude market by market. In 2010, we adapted our philanthropic strategy to further integrate financial literacy and job training and workforce development as a part of a comprehensive approach to stimulate economic recovery. Our 2010 Safety Net Strategy focused on both immediate relief to address urgent basic needs — including food, shelter, health care, job training and child care — and longer-term solutions that help stabilize neighborhoods by investing in the viability and resiliency of safety net nonprofits and their continuum of programs and services.

- **More than 12 million consumers provided with financial education and literacy initiatives in 2010**
- **More than \$16 million in charitable grants to help young people, working families and seniors receive financial education in 2010**
- **Agreements with more than 550 housing counseling agencies to help borrowers prepare for and preserve homeownership, including the mortgage process, loss mitigation, and financial planning**

As we focus on workforce development and training programs that help individuals and families secure self-sufficiency, we recognize that this includes providing support for such global issues as environmental sustainability. For example, the Bank of America Charitable Foundation has provided support for the Greenforce Initiative, a partnership between the National Wildlife Federation (NWF) and Jobs for the Future (JFF), who joined forces to create opportunities for community colleges to implement or refine high-quality green pathway programs and promote a diverse green workforce.

Increasing Access to Financial Education to Help Move Communities Forward

Bank of America has a longstanding commitment to supporting financial education programs for our customers and communities. Through a wide range of clear and transparent tools, education and product service solutions and initiatives designed to support financial planning needs including savings, budget planning and retirement, we help generate opportunities for individuals and families to move forward and attain economic success.

Consumers today continue to face tough financial decisions as they navigate a challenging economic environment and plan for

future growth. Our philanthropic investments target the most vulnerable and underserved populations with financial education and asset building programs to help create pathways out of poverty. Holistically leveraging our assets and partnerships, we seek to bring financial education resources to individuals experiencing a continuum of milestones, from youth entering the workforce to individuals and families who wish to achieve or preserve homeownership.

We believe integrating financial education with services such as job placement or health and transportation resources is essential to realizing economic self-sufficiency and stability for populations in need. To help ensure financial education is delivered effectively and efficiently, we support a wide range of community-based organizations that incorporate financial education into programs associated with relevant life events (i.e. youth summer jobs programs and community colleges) and also through existing asset building or health and human services delivery programs (tax-time or public benefits enrollment). We also support innovative financial education delivery through the expansion of one-on-one financial coaching, teacher training and skill-based volunteerism.

Our company can bring a powerful combination of financial resources and human capital across our global footprint to address the pressing issue of financial education. For example, through the bank's Your Financial Future (YFF) resources, we enable volunteers to educate young people about personal finance. In the U.K., the YFF curriculum has been incorporated into a wider financial literacy schools program for secondary (high) schools, the Financial Education & Employability program. Funded by the Bank of America Charitable Foundation and delivered by Bank of America Merrill Lynch employees, the initiative provides 2,000 students aged 13 to 16 with a range of

More than **\$27 million** between 2007 and 2010 in support of climate change, developing green, affordable housing opportunities, career pathways for green jobs and maintaining healthy communities.

More than **\$6 million** invested in partnership with Habitat for Humanity to help build affordable housing for working families.

Over the past several years, we have invested **\$4.5 million** in national grants to support the United Way's Earned Income Tax Credit program.

activities designed to improve their knowledge of personal finance, business and other skills that lead to financial independence.

Philanthropic Investing

A healthy community is a healthy place to do business and so we try to develop relationships with and invest in local nonprofits and charitable organizations, while recognizing and training leaders, and partnering with national organizations.

Our local market leaders engage with companies and community organizations in their neighborhoods so we can identify and respond to local needs. Aside from local organizations, we work with national organizations that complement our community activities and collectively impact hundreds of neighborhoods across the country. One of our key philanthropic objectives is

to provide funding flexibility so that our nonprofit partners can allocate funds in order to best serve their clients and build their organizations to meet the long-term needs of their communities.

Our philanthropic investments support broader company CSR goals. For example, in support of our environmental initiative, in 2010, we announced 10 affordable housing projects selected to receive grants through the U.S. Green Building Council's (USGBC) *Affordable Green Neighborhoods Grant Program*. Each recipient will receive a \$25,000 cash award and educational resources to help their project pursue LEED for Neighborhood Development certification. Funding for the program is one component of a broader \$500,000, two-year grant provided by the Bank of America Charitable Foundation.

Some of our grant recipients in 2010 included:

Organization	Investment	Focus
Communities in Schools	\$500,000 over two years (2009–2010)	Empower students and provide specially designed leadership development programs to increase graduation rates.
Local Initiatives Support Corporation (LISC)	\$3.75 million over 3 years	Will help nonprofit community development organizations transform distressed neighborhoods into healthy and sustainable communities
The Nature Conservancy	\$2 million over two years	Support innovative, community-based forest conservation projects in developing parts of the world, including China, Brazil and Indonesia, that support triple-bottom line benefits
National Council on Aging	\$275,000	Development of Economic Security Centers in six U.S. communities to assist older adults through a one-stop approach linking financial education with other support services
National Wildlife Federation and Jobs for the Future	\$1 million over two years	Broad support for community colleges, including expanding job training programs and workforce development, including green jobs training
Operation Homefront	\$250,000 over two years (2010–2011)	Provide emergency financial assistance and supportive housing for military families
Save the Children	\$500,000 over two years (2009–2010)	Support domestic and international programs in communities where the global economic crisis and food price crisis have put nutritious meals for children increasingly out of reach
Feeding America	\$1 million over two years	Support outreach to individuals who may be eligible for Supplemental Nutrition Assistance Program (SNAP) which includes opportunities for budget coaching and benefits screening as part of a longer-term effort to help recipients move from poverty to economic empowerment
Year Up	\$1 million over three years (2009–2011)	Will help Year Up bring its innovative workforce development program for urban young adults to scale nationally



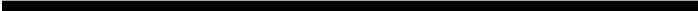
Supporting Leadership and Service

Since 2004, we have recognized the impact of community leadership and service through the Neighborhood Excellence Initiative® (NEI), our signature philanthropic program, active in 45 markets across the U.S. and in London, England.

As part of the program, we support nonprofit organizations through a Neighborhood Builders® award consisting of a \$200,000 grant in flexible funding to help organizations sustain, plan and develop their programs and services. Also included is leadership development training for the nonprofit executive director and an emerging leader.

Neighborhood Builder® awardees contribute to the economic health and vitality of local communities by addressing hunger, shelter and healthcare needs, as well as providing workforce development training and job placement opportunities to individuals.

We also recognize individuals who are making a difference in local communities. Local Heroes direct a \$5,000 grant from the Bank of America Charitable Foundation to an eligible nonprofit organization of their choice, and Student Leaders® participate in a paid, nonprofit summer internship and leadership summit in Washington, D.C. In addition, we recognize the impact made by Bank of America employees through a Volunteer Service Award



Since 2004:

More than **\$130 million** invested through Neighborhood Excellence Initiative®

More than **580** nonprofits recognized

Nearly **1,200** community leaders honored as Local Heroes

968 Executive Directors and Emerging Leaders alumni of our leadership program

1,465 high school students recognized as Student Leaders®



celebrating their service through which the recipient is able to direct a \$5,000 grant to an eligible nonprofit of their choice.

By the end of 2011, Bank of America will have invested more than \$130 million in communities through the Neighborhood Excellence Initiative, recognizing nearly 600 organizations and nearly 3,000 individuals.

These investments have resonated during tough times. More than three quarters of 2010 Neighborhood Builders nonprofits are serving critical needs in the areas of health and human services and community development.

For example, Inspiration Corporation in Chicago is using its grant to expand its Inspiration Kitchens food service training program and provide free meals to low-income working families. In San Francisco, New Door Ventures is using its grant to enhance its efforts to provide meaningful job experiences and mentors to young people in need by expanding its youth internship program. St. Petersburg Free Clinic, a multiservice, multisite agency addressing hunger, shelter and healthcare needs, is leveraging its grant to increase delivery of services to individuals and families in need through renovations of unused space.

In addition to the Neighborhood Excellence Initiative, we support service-oriented nonprofit organizations such as City Year, Teach for America and Habitat for Humanity that encourage and activate service as a solution in communities. Through the Neighborhood Excellence Initiative, and by working with these and other nonprofits, we are helping to build a culture of service to tackle the tough challenges facing communities today and in the future.



Innovative Opportunities to Create Stronger Communities

Bank of America is also a leading supporter of arts and culture around the world. Our multitiered program is built on a foundation of responsible business practices, good corporate citizenship, and a belief that greater cultural understanding will lay the groundwork for a more prosperous future for all. Our extensive support for a wide array of arts programming engages individuals, organizations, communities and cultures in creative ways to build mutual respect and understanding; strengthens institutions that contribute to local economies; and expands access to experiences that challenge, inspire and motivate. In 2010, our company supported more than 6,000 arts organizations worldwide.

Grants from the Bank of America Charitable Foundation help arts organizations of all sizes and arts disciplines carry out their individual missions, create new programming and broaden outreach to communities and schools. Our sponsorships enable exhibitions and performances that wouldn't be possible without private support, strengthen our position in the marketplace and act as cultural ambassadors for our company and our nation.

Major partnerships include our global sponsorship of the Chicago Symphony Orchestra, the international tour of the Alvin Ailey American Dance Theater, and our sponsorship of *Afghanistan: Crossroads of the Ancient World* at the British Museum in London.

Unique to Bank of America, we've turned our own art collection into a public resource through the *Art In Our Communities*® program, lending complete exhibitions to museums and galleries free of charge around the world. Since launching the program, more than 40 exhibitions have been loaned, with 16 exhibitions scheduled for loan in 2011, reaching thousands of people and dozens of communities including Atlanta, Georgia; Charlotte, North Carolina; Washington, D.C.; Boston, Massachusetts; Houston, Texas; Liverpool, England; and Dublin, Ireland, among others.

Museums on Us® supports 150 museums in 55 markets and 85 cities in a total of 29 states across the U.S.

Another distinctive Bank of America program, *Museums on Us*®, provides our U.S.-based cardholders with free access to more than 150 of the finest cultural institutions in the U.S. on the first weekend of every month. This program, now in its 14th year, creates a benefit for our valued customers and employees while helping museums thrive through increased visitorship.

And in 2010, we launched the *Bank of America Merrill Lynch Art Conservation Program*, a unique program that funds the conservation of essential works of art that are significant to the cultural heritage of a country or important to the history of art. This program underscores our presence in and respect for the countries where we do business throughout the world. Conservation has begun on more than a dozen works of art, including the Winged Victory of Samothrace at the Louvre Museum, Paris, France; Picasso's *Woman in Blue* at the Museo Reina Sofia in Madrid, Spain; and a large collection of photographs held by the Arab Image Foundation in Beirut, Lebanon. Piloted in Europe, the Middle East and Africa, this program will be expanded to include Asia and the U.S. in 2011.

Our innovative and thoughtful arts programs differentiate our brand, create employee satisfaction, enrich the communities we serve and create opportunities to reach existing and new customers and clients throughout the world.

We continue to seek creative ways to meet pressing community needs. For example, at the end of 2010, we launched the Gift for Opportunity™ fund — a new nationwide program that extends the combined charitable giving of customers and employees through a corporate match. The fund was created with a focus on the critical issue of hunger. The Bank of America Charitable Foundation supported two key national organizations: Feeding America, one of the nation's leading hunger-relief organizations, and Boys & Girls Clubs of America, whose network of 4,000 clubs provides a safe place for children to obtain healthy meals. In addition to the Foundation's initial donation, customer and employee donations and the Foundation's matching gift brought the total amount of the fund to \$1.5 million. We plan to activate the Fund throughout the year to support a variety of critical community needs important to both the company and its customers.

Thinking Ahead

In 2011, we will continue to explore innovative opportunities to create impact in the communities we serve by leveraging a powerful combination of financial resources and human capital. We plan to:

- Recognize the critical role of employment as a stabilizer in communities, and remain focused on supporting workforce development, whether through support of mentoring, job training, or institutions that serve as economic catalysts in the community.
- Prioritize the following areas for the Bank of America Charitable Foundation in 2011: Basic Needs, Housing, Jobs — moving families into economic self-sufficiency; Safety Net strategy in 2011 will focus on employment and career development (retention, training, placement).
- Expand the *Museums on Us* program to new institutions in several geographical markets across the country, including the addition of New Mexico and Ohio. In states where *Museums on Us* already has a strong presence, the program has extended its reach into new markets. We'll continue to look for ways to expand the program in order to provide customers with the opportunity to experience science and culture in exciting ways and gain valuable insights into the world around them.
- Extend the *Bank of America Merrill Lynch Art Conservation Program* in the United States and Asia in 2011.

Disaster Relief

As part of our ongoing commitment to provide meaningful support to communities in need, we respond to disasters around the world, mobilizing our resources to help bring relief to individuals and families impacted by catastrophe. In 2010, Bank of America and its employees responded to major disasters to help communities regain stability and individuals and families rebuild their lives. We supported many different disaster relief efforts around the world — including relief from wildfires in Russia, recovery from the massive earthquakes in Haiti and Chile, and relief for the flooding in Pakistan, India and the U.S. (Massachusetts, Rhode Island and Tennessee) — by making more than \$1.7 million in donations. We have provided more than \$7 million in disaster relief since 2005, working with national and local organizations engaged in on-the-ground efforts.

Employees seeking opportunities to support relief efforts are encouraged to use the Bank of America Charitable Foundation Matching Gift program, through which charitable contributions to eligible nonprofits are matched, up to \$5,000 per employee annually.

Where possible, we seek to mobilize our resources to benefit those impacted by disaster. For example, in response to the Haiti earthquake, we provided a \$1 million charitable grant for short- and long-term relief, our employees donated nearly \$1.7 million in charitable and matching gifts and we collected almost \$1.5 million in donations from customers in our banking centers, for a total impact of more than \$4.2 million in support.

7.2 Community Development

“Allowing CDFIs and other nonprofits — many of whom receive management and technical assistance through our Entrepreneurship Centers — to provide much-needed micro-loans to small and minority businesses nationwide will lead to increased business growth and job creation, which will boost the economy of our country. We commend Bank of America for the development of this innovative program.”

— Marc H. Morial, President and Chief Executive Officer, National Urban League

Our greatest impact in communities is through our lending to businesses, entrepreneurs and households worldwide. We have a history of and commitment to community development leadership. In the U.S., we have concentrated on aiding economic recovery by lending and investing in many communities that in 2010 continued to struggle. Through our business we extended more than \$685 billion in total credit to individuals and business customers, helping set opportunities in motion for individuals, companies and nonprofit organizations.

Specific to community development, through lending, grants and other innovative support, we remained at the forefront of helping small and medium-sized businesses and low- and moderate-income (LMI) communities and families weather the economic storm and position themselves for growth in better times.

In 2010, our loans and investments helped revitalize LMI areas by creating affordable housing and vibrant retail and commercial sites. Despite scarce capital, we remained in the market, providing community development loans and equity investments. We also provided approximately \$2.4 billion in community development commercial real estate lending. This exceeded the previous year when we were ranked as the number one Affordable Housing lender in the U.S. by *Affordable Housing Finance* magazine. We also invested nearly \$621 million in Low-Income Housing Tax Credits. These activities provided stability for our affordable-housing development clients, enabling them to create much-needed affordable housing across the U.S.

Throughout the year, we continued to build on our industry-leading \$1 billion portfolio of loans and investment commitments to

Community Lending and Investments

Nearly **\$761 million** in tax credit investments, including \$140 million in historic, new markets and solar

Almost **\$19 million** in equity through the Banc of America Community Development Corporation

Nearly **\$222 million** in CDFI commitments for lending and investments; including \$95 million in Program Related Investments (PRIs)

Ranked #1 affordable housing lender for 2009 by *Affordable Housing Finance* magazine

Community Development Financial Institutions (CDFIs), including nearly \$222 million to CDFIs to finance small businesses in lower-income communities.

What We Did in 2010

\$1.5 trillion Community Development Lending and Investing Goal

In 2009, we launched an ambitious 10-year, \$1.5 trillion community development goal to lend and invest in underserved communities — the largest community development goal ever established by a financial institution in the U.S.

In 2010, the second year of our 10-year goal, we continued our focus on creating and sustaining vibrant neighborhoods, particularly among LMI communities. We moderately increased the level of lending and investing, committing \$168.5 billion to four areas:

Affordable housing: single family mortgages; loan modifications to existing mortgages; and financing for predevelopment, construction, and term and equity financing for single and multi-family housing that is affordably priced or located in designated LMI communities.

Small business lending: conventional small business loans, loans and lines of credit for companies located in designated LMI communities; small business loan modifications; funding to small business investment companies (SBICs) and minority and inner-city business venture capital funds.

Consumer lending: a broad range of consumer financial services for LMI individuals and families, such as auto loans and personal loans and lines of credit. Credit card borrowings are not included.

Economic development: investments into nonprofits such as Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), financial intermediaries and tax-exempt entities for lending and direct investments that promote neighborhood revitalization in communities designated as LMI, urban, rural and Native American.



Community Development Financial Institutions (CDFIs)

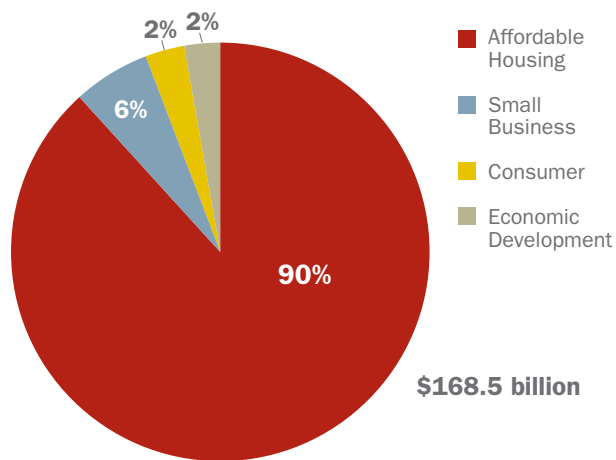
We work with CDFIs to expand access to capital and technical assistance in underserved markets as well as to small businesses that are unable to qualify for traditional financing.

Bank of America is the leading financial institution supporting CDFIs, and by the end of 2010, we had over \$1 billion in loans and investments to more than 120 CDFIs in 37 states, working closely with them to direct funding to projects in underserved communities. In 2010, we increased our commitment to supporting small businesses by announcing we would provide \$10 million in grants to nonprofit lenders that would unlock as much as \$100 million in low-cost, long-term capital for small businesses nationwide over 12 months, and create up to 8,000 jobs. Within the first six months the grants were available, CDFIs used the funds to access nearly \$45.5 million in microloan and other lending capital from the U.S. Small Business Administration and U.S. Department of Agriculture.

Our work with CDFIs is just one part of the company's broad support for LMI communities and small businesses. In section 4.2, we discussed our pledge to increase lending to small and medium-sized businesses. As a result of our efforts, for the second consecutive year, we ranked number one in providing

- 76 grants awarded to CDFI and other nonprofit lenders, totaling nearly \$5.5 million between July and December 2010
- Grants are projected to enable CDFIs to make more than 5,000 new microloans to small businesses and start-ups, helping to retain or create jobs in local communities across the nation

2010 by Goal Category



**\$1.5 trillion Community Development Goal
2010 Performance (\$ billion)**

Affordable Housing	\$151.2	= \$168.5
Small Business	\$11.3	
Consumer Lending	\$3.0	
Economic Development	\$3.0	

capital to small businesses through the U.S. Small Business Administration's (SBA) 504 Program.

Socially Responsible Private Equity

We facilitate the flow of capital from significant institutional investors to private equity funds which invest in small businesses, including those owned by women and/or ethnic minorities, businesses located in LMI areas, or businesses operated in a way that is socially responsible. For more information, visit section 4.

Community Reinvestment Act (CRA)

In the U.S., Bank of America, N.A. received its seventh consecutive "outstanding" rating from the Office of the Comptroller of the Currency (OCC) following its most recent Community Reinvestment Act (CRA) exam. This indicated that the bank had met or even exceeded the needs of underserved communities in areas such as mortgage and small business lending, community development, banking center and ATM locations, and financial education for a nine-quarter assessment period covering 2007 through the first quarter 2009. It was rated in 306 geographic assessment areas within 32 states and the District of Columbia, where it conducted retail business during the performance period. It originated nearly 540,000 CRA-qualified loans in LMI areas totaling nearly \$43 billion, including mortgage, small business and community development loans, and made more than 13,000 investments, such as tax credits and grants, totaling \$5.2 billion. Bank of America, N.A. has the largest number of banking centers located within LMI areas, with more than 1,600 in total.

In the public evaluation dated March 2009, the OCC stated that economic conditions changed significantly and provided

More than **\$48 billion** in credit extended to nonprofit, government and anchor institutions in 2010

More than **\$200 million** in corporate philanthropy in 2010

More than **\$400 million** in charitable investments during 2009 to 2010, the first 2 years of our 10-year, \$2 billion philanthropic-giving goal

challenges for lending, community development and investments during the evaluation period. However, Bank of America, N.A. "maintained a focus on serving the community, especially low-and moderate-income families and geographies."

According to the public evaluation, Bank of America, N.A. remained committed to community development financing, continuing to participate in complex transactions as well as continuing to be a leading provider of debt to Low Income Housing Tax Credit (LIHTC) projects. In addition, we were recognized for remaining a stable, long-term provider of capital, which created a positive impact for LMI families and communities.

Also, it was noted for excellent responsiveness for meeting the banking needs of geographies and individuals of different income levels in our franchise areas. And, as community needs changed due to the economic crisis, it responded by shifting the focus of some of its CD services to foreclosure prevention, especially in those states hardest hit by the housing crisis. As examples, our employees participated in foreclosure prevention workshops and assisted nonprofits in increasing capacity for mortgage counseling.



Lending to Nonprofit Organizations

Through lending and investing, we support vital community resources — nonprofits, government entities and anchor institutions such as hospitals and colleges — that are sometimes struggling financially and need support to meet the critical needs in their communities.

In 2010, we extended more than \$48 billion in credit to nonprofit, government and anchor institutions.

In addition to financial investments, our Philanthropic Management group also provides expertise and a comprehensive suite of investment and charitable management services to help individuals and institutions build and sustain their missions. In this capacity, we serve as a trustee for private foundations, endowments, split interest trusts and donor advised funds, and provide support in three key areas:

- Strategic advice and planning to help an organization fulfill its mission
- Asset management services and solutions to align financial and charitable objectives
- Administration and record-keeping services to simplify an organization's administrative burden

Thinking Ahead

In the coming years, we hope to build on our legacy of initiating meaningful community development initiatives. Specifically, as we move into 2011, we plan to:

- Maintain our commitment to our \$1.5 trillion goal for community development lending and investments.
- Continue to advance our goal of awarding \$10 million in grants to community lenders, such as CDFIs, to help free up capital that can expand microloans for small businesses.
- Continue the growth of our support for socially responsible private equity in the U.S. Whereas funds have historically focused on poverty and race/gender themes, we will look to expand to include socially responsible companies.
- Focus of CDFI lending will be neighborhood stabilization, supporting small businesses and green financing (lending with a focus on energy efficiency); will announce a new CDFI environmental program in 2011 and continue to use technology (cost effective, responsive to what consumers need).
- Reinforce the bank's commitment to use its core business to serve communities.

CDFI Successes — ACCION and ROC USA

We have maintained a 10-year relationship with ACCION, a certified CDFI and nonprofit organization that has lent more than \$28.6 million to LMI small business owners who have difficulty obtaining traditional financing. In 2010, we increased our Program Related Investment (PRI) in ACCION from \$2.5 million to \$3.5 million, enabling ACCION to provide more loans to entrepreneurs and small business owners across New Mexico, Arizona and Colorado. In recognition of this support, ACCION honored Bank of America with its “Open Door Award.”

In November 2010, dozens of families at the Quabbin Sunrise Cooperative purchased the mobile home park in which they live. The cooperative was successful in a large part due to the services of ROC USA, a national social venture that provides homeowners in manufactured home communities who want to purchase their communities with two vital services: Expert Technical Assistance and Community Purchase financing. In the case of Quabbin Sunrise, financing assistance was provided by ROC USA Capital, a national nonprofit lender and certified CDFI that in 2010 was supported by \$13 million in grants and loans by Bank of America.

7.3 The Power of Our Employees

“Over the last ten years, Bank of America and its employees have donated more than 200,000 volunteer hours and invested more than \$24 million in support of Habitat for Humanity’s mission to build simple, decent and affordable housing with low-income families across the globe. The bank has taken a leadership role to strengthen the health of communities around the world.”

— Jonathan T.M. Reckford, Chief Executive Officer, Habitat for Humanity International

Through Bank of America Community Volunteers, employees from across the globe donate their time, passion and expertise to improve the communities in which they live and work. In 2010, our employees answered a companywide call to action to donate one million volunteer hours — and they exceeded this goal.

Giving matters to our employees. Our employees care about making their neighborhoods better places to live, do business and raise children. As individuals, we can benefit hundreds of thousands of lives through programs supported by Bank of America, including volunteering, matching gifts and volunteer grants.

What We Did in 2010

Bank of America supports the passion of our employees to contribute to the communities in which they live and work — whether financially or by donating their volunteer efforts.

Associates contributed nearly 1.3 million volunteer hours, exceeding the 2010 Million-Hour Challenge.

Issue focus areas included health and human services, education, community development, arts and the environment.

Employee Engagement

Bank of America Community Volunteers provides employees and retirees with the opportunity to help others through a wide range of volunteer activities in local communities. From picking up a hammer and nail to help build affordable housing for working families to teaching financial education and serving meals to the homeless, there are a million ways our employees are serving in their communities. Bank of America supports employee volunteerism by offering full-time employees up to two hours of time off each week to volunteer at a nonprofit organization of their choice. In addition, employees who volunteer regularly with an organization may apply for a volunteer grant from the Bank of America Charitable Foundation for that organization.

In order to achieve greater community impact, volunteer focus areas are aligned with the company’s philanthropic priorities of education, health and human services, community development, arts and the environment.

One example is our employees’ support of environmental conservation. In 2010, out of the 1.3 million hours our employees volunteered, more than 76,000 hours were dedicated to environmentally related activities. Projects varied from cleaning up neighborhood parks to hosting lunchtime brown-bag lectures. In 2010, we also provided a \$350,000 grant to support an annual International Coastal Cleanup event — the world’s largest volunteer effort for the ocean — and helped fund new policies and initiatives designed to help mitigate the impact of climate change. Thousands of our employees from Boston, Massachusetts, to Los Angeles, California, volunteered their time to restore waterways and beachfronts.



From the classroom to community centers, our employees offer their passion and expertise to help give youth, individuals and families a better understanding of personal financial management through thousands of service hours each year. For example, through our work with United Way Worldwide, Bank of America helps low-income individuals and families obtain unrealized credit on their income tax returns through the Earned Income Tax Credit (EITC), a federal government credit that offers eligible individuals an opportunity to access valuable tax refunds. In local communities across the U.S., employees volunteer and help prepare tax returns for low-income families or deliver financial education that assists them in meeting current challenges, including building emergency savings or managing credit.

Through volunteering, employees gain valuable opportunities for leadership, teambuilding, skills development and most importantly, community service. Bank of America Community Volunteer Officers plan, organize and implement local events working closely with local market leadership.

Financial Contributions

To honor our employee volunteers who regularly give their time and service to an organization, the Bank of America Charitable Foundation awards volunteer grants on behalf of employees to eligible charitable organizations.

In recognition of our global footprint, in January 2010, we extended our Bank of America Matching Gift program to include both U.S. and international employees. The Foundation's matching gifts program encourages employees to contribute to a wide range of qualifying charitable organizations. The program offers a way to double — up to \$5,000 per person each calendar year — employees' cash or securities contributions to their preferred charitable organizations and thus improve their communities.

In 2010, employees contributed \$26.96 million in matching gifts and volunteer grants to help support nonprofit organizations, resulting in a \$50 million community impact. They also responded generously to Bank of America's United Way Campaign, donating more than \$25 million to help serve those in need in local communities across the country. A longstanding partner with the United Way, Bank of America consistently ranks among the top 10 corporate donors supporting critical local needs through employee donations, local giving and corporate support. In addition to the financial donations contributed during the campaign, employees volunteered in food banks, taught financial education and assisted other critical-needs service providers in their communities.

Thinking Ahead

In 2011, employee volunteerism continues to be a key opportunity for us to make an impact in local neighborhoods and ensure that we are connected to the needs of the communities we serve.

- By aligning our philanthropy with volunteerism, we are able to offer employees meaningful opportunities to contribute. In addition, many lines of business are championing volunteerism as an opportunity for team building, skills development and community contribution. We continue to develop programs that will enable our employees to leverage their skills and expertise to benefit the communities we serve. In 2011, we have extended our Million-Hour Challenge goal for employee volunteerism to 1.5 million hours, and we are confident our employees will once again exceed expectations.

Sharing in Our Environmental Responsibility

For nearly a decade, Bank of America has partnered with the Ocean Conservancy. In 2010, Bank of America provided a \$350,000 grant to Ocean Conservancy to support the International Coastal Cleanup (ICC), an annual event designed to keep the oceans and waterways free from marine debris and safer for people and wildlife. Bank of America not only provides funding, but thousands of bank employees volunteer at ICC events around the world, working to restore the health and vitality of oceans and waterways by cleaning up trash along beaches and riverfronts. In 2010, Bank of America Community Volunteers logged more than 2,100 hours of volunteer time during the 2010 ICC events in more than two dozen locations around the world, including London, Hong Kong, San Paolo, Seattle, Philadelphia and the District of Columbia. During the 2009 Cleanup, our employees' efforts contributed to the removal of more than 7.4 million pounds of debris. Through this relationship and other volunteer projects, Bank of America achieved its 2010 Million-Hour Challenge as thousands of Bank of America Community Volunteers reached the historic goal of contributing more than one million hours of volunteerism around the globe.



Investing in the Environment

Investing in the environment — through our financing of a wide range of energy efficiency, renewable and other low-carbon energy projects on behalf of a diverse spectrum of clients — allows us to help clients, customers and communities navigate the complex transition to energy sources that emit lower levels of greenhouse gases.

In 2010, we reached the \$11.6 billion mark on a 10-year, \$20 billion environmental business initiative, which is addressing climate change through our lending, investing, products and services, and enhancing the efficiency of our own operations. As part of the initiative, which was announced in 2007, we have initiated hundreds of transactions in the U.S. and around the world. These include financing energy-efficiency projects for schools, housing developments and commercial construction. We have also provided access to capital for companies investing in wind, solar, biomass and other emerging technologies.

As a global company, we also have a responsibility to take measurable action to reduce our own environmental footprint and provide resources and education that help our employees calculate and reduce their own environmental impact. By the end of 2010, we achieved an overall 18 percent reduction in greenhouse gas (GHG) emissions, compared to a 2004 baseline, when we committed to reduce GHG emissions by 9 percent, based on our legacy U.S. portfolio. In 2011 we have established new, industry-leading goals to reduce our global GHG emissions by an additional 15 percent by 2015. Factoring in the purchase of Countrywide and Merrill Lynch, this new target represents an overall global reduction in aggregate GHG emissions of more than 30 percent over the 2004 baseline.

This chapter details our performance in: **Financing a Low-Carbon Economy and Operations.**

8.1 Financing a Low-Carbon Economy

While our environmental business initiative continues to achieve scale, we have consistently operated from the firm conviction that business and environmental objectives go hand in hand.

Transitioning to more efficient use of fossil fuels while advancing renewable and other low-carbon energy is inextricably linked to the long-term health of our global economy. As such, one of our roles in addressing climate change is to spur an economic response, which in turn helps to create new businesses, technologies and jobs.

As an international company, we have the depth of expertise, resources and global reach to provide financial services to companies and project developers in support of our clients' energy initiatives, as well as to facilitate the development of market mechanisms that help drive investment toward lower-carbon activities.

What We Did in 2010

In 2010, we continued to deliver on our environmental business initiative to address climate change through lending, investments, capital markets activity, philanthropy and our own operations.

Advancing a Low-Carbon Economy

Since the launch of our environmental business initiative in 2007, our progress demonstrates the many ways that our company has helped further an economy fueled by renewables and other forms of low-carbon energy and predicated on significantly enhanced energy efficiency.

Environmental Corporate Governance

Our company's environmental activities are overseen by our Environmental Council, which sets enterprise strategy, priorities and goals. The Council is also responsible for providing oversight, accountability and resources for enterprisewide implementation, driving greater integration across business lines and addressing possible impediments to success. The execution and delivery of the bank's environmental initiative is ultimately driven by the individual business lines.

Our environmental strategy is driven by the Environmental Council, currently chaired by the Global Technology and Operations Executive, who reports directly to the CEO. The council is comprised of business leaders from across our organization, including several

Some of our key achievements in 2010 included:

\$4 billion delivered toward our environmental business initiative in 2010, or \$11.6 billion between 2007 and 2010

More than **\$1.9 billion** provided in "green" commercial real estate debt and equity transactions

- \$1 billion in debt and equity for green affordable housing in 23 states

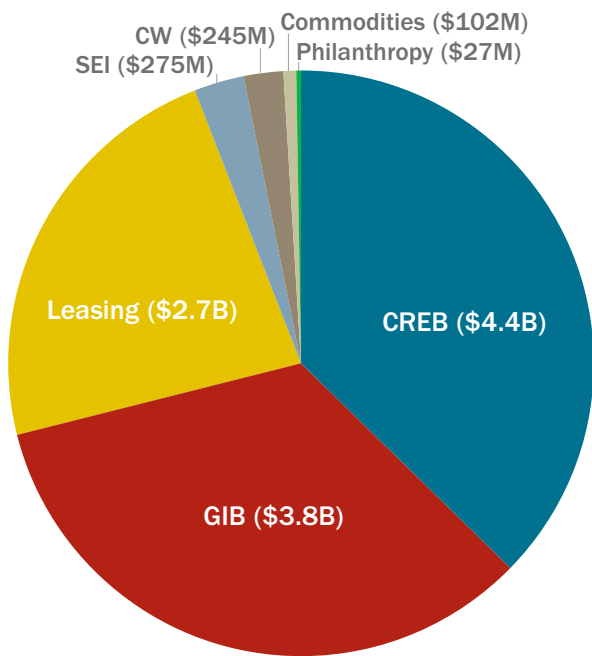
\$476 million supplied in financing for energy efficiency upgrades and retrofitting for K–12 schools, colleges and universities

Acted as underwriter on four IPOs, raising **\$3.7 billion** in capital for renewable energy, clean technology and energy-efficiency companies.

direct reports to the CEO. The council is, in turn, supported by our Global Environmental Group, reporting to the Global Environmental Executive, who serves as the primary integration point for all of our environmental business and operational activities. Other support groups within the company are tasked with fulfilling our environmental commitment, including teams that focus on the bank's corporate real estate, supply chain management, legal and other functional areas.



\$11.6 billion delivered through our Environmental Business Initiative (since 2007)



3/07-12/10

- **Commercial Real Estate Banking (CREB)** — finances projects with LEED certification, ENERGY STAR, Brownfield redevelopment and use of renewable-energy tax credits
- **Global Investment Banking (GIB)** — provides equity and debt capital raised to help clients; climate change initiatives
- **Leasing** — provides equipment financing for energy-efficiency and renewable-energy projects in solar, wind, biomass and biofuel technologies for both utilities and end users
- **Strategic Environmental Investments (SEI)** — places private equity investments for innovative companies addressing climate change issues
- **Corporate Workplace (CW)** — invests in corporate workplace energy and resource efficiency initiatives for Bank of America facilities and LEED certification for all new construction of office facilities and banking centers
- **Commodities** — invests in transactions that finance emission reductions in the global carbon markets
- **Philanthropy** — supports nonprofit organizations focused on addressing climate change and other environmental opportunities

As part of our 10-year, \$20 billion environmental business initiative, we are helping to build a low-carbon economy through strategic investments and financing for new energy-efficient construction, and renewable and other low-carbon energy generation. And even in this challenging economy, strong demand for capital, service and expertise in financing energy efficiency and renewable energy technologies has continued to present compelling business opportunities for us and our clients.

Energy Efficiency

Institutions increasingly recognize that energy efficiency and conservation can lower costs and help drive future profitability. Bank of America supports these efforts through both advice and financing. We have provided financing for a wide range of construction projects and facility improvements that enhance the energy efficiency of newly constructed and existing commercial buildings, federal, state and local government buildings, hospitals and schools.

Examples:

In 2010, we provided financing to elementary and secondary schools, colleges and universities to enable them to carry out energy-efficiency projects, helping each reduce the environmental impact of its operations, save money, create jobs and provide career training for students. The \$14 million in Qualified Zone Academy Bond financing we supplied for Minnesota's **Austin Independent School District** will enable the district to provide energy-efficient equipment for middle and elementary school buildings over a 16-year period.

We also helped **North Carolina State University** finance an energy-conservation project at its main campus. We leveraged a wide pool of expertise within the bank to meet the demanding requirements of the project and provided \$56 million to help finance the 11 megawatt steam plant. Once complete, this energy-conservation project is expected to create \$6.5 million in annual energy savings for the public university.

Renewable and Other Low-Carbon Energy

Since 2007, we have increased our investments in and financing of advanced energy technologies to encourage the growth and development of cleaner renewables and other low-carbon energy, such as solar, wind, biomass and biofuel. In addition to providing financing for schools to become more energy efficient, we are also helping them use more renewable-energy sources.

Examples:

Recently, Banc of America Public Capital Corp. (BAPCC) Renewable Energy Finance provided **Mercer Foods** in Modesto, California, with a \$4.5 million loan for a new solar energy system. The company estimates it will achieve 20% annual energy savings, or about \$195,000.

Also in California, our BAPCC Energy Services group worked with the **Oxnard High School District** to issue \$19 million of Qualified Energy Conservation Bonds (QECBs). The funds are enabling solar panel installations at six of the district's seven locations, with energy savings projected at more than \$22 million over 25 years.

In December 2010, **Horizon Wind Energy LLC**, one of the largest wind farm developers and owners in the U.S., signed an agreement to secure \$99 million of financing through BAPCC in exchange for a partial interest in its 101 MW Kittitas Valley Wind Farm in Kittitas County, in central Washington state. The wind farm has enough capacity to power approximately 28,000 homes with clean energy each year.

In 2010, we also helped northern California's **Butte College** become a national leader in renewable energy by providing nearly \$12.7 million in taxable Clean Renewable Energy Bond financing for its solar projects' third phase. Throughout the process of installing and maintaining its photovoltaic system, Butte College also created a curriculum to provide its students with real-time training on installation and maintenance of the devices, thus preparing them for future careers in the renewable energy field.

Building Environmentally Healthy Communities

Recognizing that the health of our company is dependent on the health of the communities we serve, we continued to provide support through a combination of philanthropic and commercial community-based activities that make buildings and housing more energy efficient, improve the environmental health of communities, and further workforce development and training.

Green Affordable Housing

Bank of America has a long history of funding green affordable housing. This reduces impact to the environment and makes the cost of living in the home more affordable. Through our environmental business initiative and our broader focus on community development, we provided more than \$1.9 billion in debt and equity financing to develop environmentally sustainable affordable housing. Our work in 2010 included:

- **The Crossings on 29th Street**, a 34-unit affordable community in South Los Angeles, California. Bank of America's Real Estate Development group provided development expertise along with more than \$3.2 million in predevelopment equity to assist in facilitating this affordable housing project. Banc of America Community Development Corporation is also providing a \$7.6 million construction loan and a \$1 million end-to-end permanent loan. Features of the project include solar panels, tankless water heaters, ENERGY STAR windows and low-VOC interior paints.

Bank of America is also fostering sustainable, mixed-use development that utilizes community gardens, parks and environmentally conscious infrastructure while helping to revitalize communities, creating affordable housing for families and individuals living below the poverty level. Two examples include:

- **Franklin Square Apartments** in Milwaukee, Wisconsin, where we are helping create 71 new green affordable units
- **Sheridan Station** in the District of Columbia, a major redevelopment of an existing public housing complex that was originally built in 1949, but abandoned in 1999.

Solutions for Environmentally Conscious Customers

We offer our environmentally conscious retail customers a variety of options that can help minimize their environmental impact.

In 2010, we delivered more than 285 million correspondences digitally through Online Banking and other channels. We also

eliminated 1,361 metric tons of envelopes through the successful implementation of our new Deposit Image ATMs, collectively averting the consumption of 6,724 tons of paper, or the equivalent of 151,000 trees — enough to fill New York City's Central Park over six times.

The Brighter Planet™ Affinity Banking suite offers credit and debit cards that help customers finance community-based renewable energy projects. Through 2010, more than 188,000 Bank of America Brighter Planet customers have helped fund the construction of 20 community renewable energy projects in the U.S., preventing the release of more than 97,522 metric tons of carbon dioxide into the atmosphere as of December 2010 — equivalent to turning off the lights in every U.S. home for three days.

Bank of America currently offers two mortgage products to customers that promote energy efficiency. With the Energy Credit Mortgage, homebuyers can receive up to a \$1,000 credit for each home-purchase meeting U.S. Environmental Protection Agency ENERGY STAR specifications. Our Energy Efficiency Mortgage allows borrowers to finance energy-efficient home improvement by adding the costs of the improvements to their home loans.

Carbon Capture and Storage Initiative

Bank of America works with Duke University on energy and environmental issues, including supporting the founding of the Corporate Sustainability Initiative in 2007. In 2010, we embarked on a new project to explore carbon emissions control through carbon capture and storage. Coal-based electricity generation is a major contributor to climate change, and yet it will almost certainly continue to play a significant role in global energy generation. Working with academics from Duke, this project aims to identify technologies, legal structures and regulatory mechanisms that can promote the cost-effective development of large-scale carbon capture and storage. In turn, we hope this will significantly help efforts to control carbon emissions, particularly in coal-dependent economies around the world.

Environmental Policies and Practices

At Bank of America, we recognize that an effective environmental program requires the development of and adherence to concrete policies and practices. We also recognize our responsibility to develop methods that work to reduce the environmental impacts associated with all our customers, including those who operate in business sectors that are inherently impactful to the environment. We have extensive environmental policies in the following areas: Forest, Credit, Energy and Climate Change policies. For more information regarding our environmental policies, please visit: <http://environment.bankofamerica.com/policies-and-practices/index.html>

Processes for Assessing Environmental Factors in Transactions

Bank of America may consider financing transactions on behalf of clients and customers that, while providing the raw materials and energy that power economic growth, may have a significant impact on the environment. When considering such transactions, an important focus of the bank is to help its clients minimize the adverse impacts of the clients' operations. The bank's credit policies incorporate an environmental due diligence process, in addition to comprehensive evaluation conducted by consultants and other outside experts on certain transactions. When working with clients that operate in emission-intensive sectors, such as electric power utilities, we apply our risk and underwriting processes and standards to factor in the future potential costs attributed to their GHG emissions.

Regarding our Utilities Portfolio, the bank was one of the first in the industry to monitor the carbon intensity of our lending. We are committed to reducing the emissions rate of the companies in our portfolio. Our metrics-based approach helps the bank understand ways to manage the carbon intensity of our client portfolios, while remaining in alignment with our utility clients focused on reducing their own environmental impacts. We continue to monitor and report this metric, although our numbers lag by two years, due to the process for obtaining emissions and electricity output data of utilities. In 2010, we obtained data on our performance in calendar year 2008, where we emitted 0.580 CO₂e/MWh, and an absolute of 683 million tons of CO₂ emissions. For more information on our Utilities Portfolio, please go to <http://environment.bankofamerica.com/policies-and-practices/climate-change.html>.

From a lending and investing perspective, Bank of America collaborates with key stakeholders across the financial services industry, as well as power and utility clients, academic institutions and environmental groups to set standards. Recognizing the benefits of international collaboration on best

environmental practices in banking, Bank of America joined the United Nations Environment Program Finance Initiative (UNEP FI) in 2001. UNEP FI is a global partnership between the United Nations Environment Program and the private financial sector focused on identifying, promoting and realizing the adoption of best environmental and sustainability practices at all levels of financial institution operations. Since joining, Bank of America has held leadership positions within the organization and was a founding member of UNEP FI's North American Task Force.

Bank of America's Coal Policy

Bank of America recognizes that there are environmental and other impacts associated with any energy source. For coal, these impacts result from extraction, processing and combustion. Consistent with our companywide efforts to promote low-carbon energy, we will continue to engage key stakeholders including coal producers, utility companies, leading universities and the environmental community to ensure that Bank of America is a leading financial services company in promoting the responsible use of coal.

Our coal policy is focused on advancing technologies, including carbon capture and storage, supporting best practices in managing the environmental impacts attributed to coal and addressing the impacts of surface mining of coal, in particular in eastern Appalachia in the U.S. In late 2008, we made the decision to phase out financing of companies whose predominant method of extracting coal is through mountain top removal. While we acknowledge that surface mining is economically efficient and creates jobs, it can be conducted in a way that minimizes environmental impacts in certain geographies. More information is available at: http://webmedia.bankofamerica.com/environment/pdf/COAL_POLICY.pdf.

Thinking Ahead

In 2011, we will continue to work closely with our clients, customers and partners to help build a low-carbon economy.

Areas of focus include:

- Progress toward our 10-year, \$20 billion initiative to address global climate change through lending, investments, capital markets activity, philanthropy and our operations.
- Provide innovative financing to support renewable energy companies, including those in the wind, biomass and distributed solar sectors. As an advisor, we expect to continue to increase our market position and enhance our investment and banking products to better serve the needs of our corporate clients.
- Continue to work with key stakeholders in the environmental space to provide financing opportunities to address energy-efficiency opportunities, particularly within low-income populations.

Carbon Finance and Microfinance — Scaling Up LED Lighting in Sub-Saharan Africa

In 2010, Bank of America Merrill Lynch, via Merrill Lynch Commodities Europe, purchased from Nuru Energy several million Kyoto-compliant market carbon credits over 10 years, all of which will be generated in sub-Saharan Africa. Carbon credits generated in sub-Saharan Africa are currently the only credits with guaranteed eligibility for use in the European Union's Emissions Trading System (EU ETS). The carbon credits are earned from replacement of kerosene lamps with an innovative rechargeable light emitting diode (LED) — a clean, safe and environmentally sound solution that provides affordable lighting to poor communities without access to electricity. Nuru Energy won the prestigious UN Environment Programme's Sasakawa Prize in 2010.

“We are very excited to partner with Bank of America Merrill Lynch. This partnership is unique in that it gives us the operating capital that we need to scale up in Sub-Saharan Africa, as well as unlocking start-up capital for our micro-franchise entrepreneurs. Ultimately, this deal helps to further our social mission in Africa — to help millions of households break the cycle of poverty, both through the creation of sustainable income-generating activities and by displacing kerosene with a much more affordable lighting option.”

— Sameer Hajee, CEO of Nuru Energy

8.2 Operations

“We consider Bank of America to be a leader in terms of engaging their suppliers on climate change, as they have made very significant progress in both increasing the number of participating suppliers in their supply chain initiative and in the overall scoring of those companies.”

— Paul Simpson, Chief Executive Officer, Carbon Disclosure Project

In addition to providing financial services and solutions that help our clients and customers reduce their environmental impacts, we also are committed to creating a healthy, energy-efficient workplace. To accomplish this, we have a comprehensive, metrics-based environmental management program in place, whereby we're addressing our emissions and reducing our environmental footprint by focusing our efforts on the areas with the highest return on investment. This program is comprised of a variety of critical functions around key areas like paper use, recycling, waste management, energy efficiency, supply chain, water conservation and other commodities.

We have taken measurable action to reduce and report on the environmental impact of our own operations — across all 120 million square feet of space that we occupied globally at the end of 2010.

What We Did in 2010

In 2010, we worked to establish new programs and expand existing programs to minimize our impact on natural resources, increase the amount of LEED certified space we occupy and/or

manage, ensure environmental compliance and promote our sustainability programs, education and stewardship both externally and internally.

Within our operations, we continued to increase the environmental performance of our corporate real estate portfolio in 2010. We also focused on initiatives in our retail and administrative facilities to reduce our GHG emissions, driven by benchmarking exercises and on-site audits we conducted throughout the year to identify reduction opportunities. Some of our key achievements included:

Greenhouse Gas (GHG) Reductions

- Our programs contributed to an overall emissions reduction of 18 percent within the legacy Bank of America portfolio between 2004 and 2010. In fact, between 2009 and 2010 alone we achieved a 7.5 percent reduction in Scope 1 and 2 GHG emissions. These reductions can be explained by three primary factors. First, the bank has continued to improve energy efficiency in its retail banking centers, office buildings, and data centers. Second, the bank has optimized its real estate portfolio to make the most efficient use of space. Finally, there was a reduction in the GHG intensity of the U.S. electricity grid, continuing a trend observed over the last decade.
- With the addition of Countrywide and Merrill Lynch into our workplace portfolio, in 2010 we evaluated our global emissions footprint to prepare for the establishment of our new goal — to reduce our global GHG emissions by an additional 15% from 2010 to 2015 — announced in 2011.
- More details on the bank's GHG calculation methodologies and commitments can be seen in the company's response to the Carbon Disclosure Project (CDP). Of note, Bank of America achieved a carbon disclosure score of 85 in 2010

Our Operations

7.5% corporatewide reductions in net Scope 1 and 2 GHG emissions from 2009 to 2010

3,457 buildings monitored by Corporate Workplace Intelligent Command and Control Center (iC³)

30 LEED projects completed by Bank of America or Bank of America landlords in 2010

on the Carbon Disclosure Leadership Index, up from 73 in 2009.

Energy Efficiency

- We invested more than \$14 million in energy conservation measures such as energy-efficient lighting and heating, ventilation and air conditioning (HVAC) systems for our U.S. facilities in 2010. Our Corporate Workplace Intelligent Command and Control Center (iC³), which centralizes the monitoring and control of energy usage in buildings across our portfolio and reduces not only emissions, but costs. As a result of our efforts, we have saved more than \$47 million in energy costs since 2004, and \$8.6 million in 2010 alone.

Conserving Water

- In 2010, we saved 36 million gallons of water from projects in the U.S., contributing to a 2.67 percent reduction in use from our 2008 baseline. Savings from 2010 water projects resulted in a cost savings of \$221,000. Fifteen percent of the savings can be attributed to fixture projects, such as sink aerators and updated low-flow bathroom fixtures, while the remaining 85 percent resulted from irrigation projects on the grounds surrounding our facilities.

Recycling

- Throughout our U.S. operations, we recycled nearly 1,996 metric tons of workplace waste in 2010. By the end of the year, recycling of plastic, aluminum and cardboard was available in 43 million square feet of the owned and leased space we occupy. Waste and recycling program enhancements in the U.S. alone resulted in annual cost avoidance of \$565,000 in 2010. We also eliminated 232,171 metric tons of CO₂ emissions through recycling and composting in 2010.

eWaste Disposal

- Discarded electronics (eWaste) is one of the fastest-growing waste streams in the world. We are proud to be part of the inaugural group of enterprises supporting the e-Stewards Certification program for the responsible disposal of eWaste, and are committed to disposing of our equipment and resources responsibly, using certified e-Steward disposal vendors in our data centers.

Environmentally Friendly Cleaning

- At the end of 2010, we had in place sustainable cleaning practices in 77 million square feet of operational real estate in the U.S., nearly two-thirds of our global portfolio (both owned and leased).

LEED Buildings

Our focus on energy efficiency includes a commitment to build all new banking centers and offices to achieve the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) standards. We now occupy and/or manage more than 13.2 million square feet of LEED certified space, including space certified under LEED for New Construction, LEED for Core & Shell, LEED for Commercial Interiors, and LEED for Existing Buildings Operations & Maintenance. This represents more than 10 percent of our total operational corporate real estate occupancy.

In the spring of 2010, we officially opened the Bank of America Tower at One Bryant Park in New York City — the first commercial high-rise in U.S. history to achieve LEED for Core & Shell Platinum certification — the highest rating for environmental performance and sustainability. The tower received the Council on Tall Buildings and Urban Habitat 2010 “Best Tall Building Award for the Americas Region” and a New York State Environmental Excellence Award. In the summer of 2010, we opened our corporate headquarters, 1 Bank of America Center in Charlotte, North Carolina, which was built to adhere to LEED Gold certification standards.

Green Buildings and Facilities

Occupy **13.2M** square feet of LEED certified space

30 LEED projects certified by Bank of America or Bank of America landlords in 2010

More than **75** LEED Bank of America led projects pending
21 Number of states where we have LEED certified projects



Sustainable Supply Chain

We understand that our global scale provides us with the opportunity to encourage our suppliers to increase their focus on climate change and resource efficiency. In June 2010, we held our first ever Bank of America Global Supply Chain Conference — *Partnering for a Sustainable Future* — a two-day event attended by Bank of America employees and approximately 400 representatives from 100 suppliers. Conference attendees heard from a variety of expert panelists, engaged in small group dialogue providing valuable feedback to the bank on sustainable supply chain efforts, and were strongly encouraged to participate in the Carbon Disclosure Project's (CDP) comprehensive emissions reporting program. As a result, 75 of 89 of the bank's largest suppliers (85%) requested to participate responded to CDP. The conference also provided an opportunity to build awareness of Bank of America's sustainable supply chain management priorities and to encourage suppliers to take additional steps to address GHG emissions in their business activities.

Engaging Our Employees

Bank of America embarked on several new initiatives to foster greater employee engagement with ways to reduce their environmental footprint in 2010. Through educational programming developed by Bank of America and the Pew Center on Global Climate Change, we are providing training, programs and resources to help employees save energy and money, while reducing waste and improving their workplace and communities. Since this and other proprietary programs were launched in the U.S. and U.K. in mid-2010, thousands of employees have been directly engaged through workshops, tools and other communications and activities. Through the Pew "Make an Impact" program — specifically the online carbon calculator — our employees have

identified 2,268 metric tons of potential carbon savings. Additionally, more than 350 employees have made a significant commitment to become "My Environment Ambassadors," helping to host education sessions for their teammates and serving as advisors to the Global Environmental Group.

Bank of America supports employees who are making more environmentally minded commuting choices. Through our Commuter Benefit program, the company provides U.S.-based employees with access to resources that allow for easy enrollment in flexible, market-specific commuting options such as vanpooling and mass transit. Similar programs also are available to employees in a variety of areas outside the U.S.

In 2010, we expanded our Hybrid Vehicle Reimbursement Program to include new highway-capable electric and compressed natural gas vehicles. Initially launched in 2007, the program reimburses eligible U.S. employees \$3,000 on the purchase of a new hybrid vehicle. Since then, more than 3,700 employees have replaced conventionally powered vehicles with hybrids that on average doubled the fuel economy from 21 miles per gallon on trade-ins to 40 miles per gallon on the new vehicles and avoided nearly 4,000 tons of annual CO₂ emissions from employee commuting. To further enhance the program, eligible employees also can obtain 50 basis points off their new hybrid vehicle loan when utilizing the company's employee banking channels.

“The Hybrid Vehicle Reimbursement Program is a great benefit. I have been able to dramatically reduce my car’s fuel intake while saving a considerable amount of money. After buying the hybrid vehicle, my 7-year-old son has also become excited about ‘saving the earth.’ My driving habits also have changed, creating less stress, better gas mileage, and I feel I have a healthier, more responsible lifestyle.”

— Sid Bridges
VP, Senior Operations Manager, Loan Trading

Environmental Compliance

Bank of America owned or leased approximately 120 million square feet of real estate in 2010, and is responsible for compliance with applicable environmental laws and regulations at locations ranging from small bank branches to large data centers.

The bank utilizes a comprehensive data management system to track various records, including registrations for underground fuel storage tanks and operating permits for emergency power generators, among other items. Overall, the company's compliance with related regulations is excellent, due in large part to its ability to manage information across a large number of facilities. The bank received and corrected a small number of violation notices in 2010, including several nonmonetary notices of violation.

Environment-focused Incentives for Employees

One of the ways Bank of America is expanding the work we are doing in the area of environmental responsibility is by incentivizing certain employees to take additional steps to address GHG emissions in their own business activities. Employees within lines of business and corporate groups committed to fulfilling elements of our \$20 billion, 10-year environmental commitment are entitled to benefit from their work. As such, we offer benefits including recognition, monetary awards and career advancement.

Teams responsible for our internal operations are incentivized to successfully implement activities and initiatives that support energy efficiency, manage and reduce energy consumption, GHG emissions and more broadly promote the transition toward a low-carbon economy. These teams are led by senior executives with accountability to the Environmental Council and the Executive Management Team.

Additionally, business units that focus more directly on climate change and environment-related revenue streams are evaluated based on their management of these opportunities. For example, our Carbon Emissions Group has a set of carbon-market-specific performance targets that include carbon-related revenues generated and number and value of carbon-driven principal investments made. Other business units that have similar targets include Renewable Energy Investment Banking and Renewable Energy Leasing.

Engaging Our Stakeholders

Stakeholder engagement is an important tool that helps us understand our key environmental and social impacts, identify risks and opportunities, and develop innovative solutions to challenges we face.

Through dialogue with multiple stakeholders — including nongovernmental organizations (NGOs), government, academic institutions, consumers, shareholders and other businesses — we are able to identify and prioritize key issues.

We do this through participation in networks and organizations, and through memberships and formal agreements including Ceres, UNEP FI, The Nature Conservancy International Leadership Council (ILC), Pew Center on Global Climate Change Business Environmental Leadership Council (BELC), and Conservation International's Business & Sustainability Council (BSC).

Through our involvement, we have access to a wide range of stakeholders and experts who provide ongoing input on:

- Disclosure of environmental, social, economic and governance performance
- Key impacts, risks and opportunities
- Strategies and targets for addressing social and environmental challenges
- New initiatives and projects

External input also helps us assess the issues that are most material to our business and to the community. Key topics that have been identified through stakeholder engagement are reflected throughout this report. We convene feedback sessions to help us identify strengths and weaknesses in performance and disclosure.

Sustainability Performance in 2010

In 2009, following the acquisition of Countrywide and Merrill Lynch, Bank of America monitored and achieved reductions in environmental impacts, such as GHGs, while performing the integration of our global businesses, operations and facilities. This integration allowed us to

establish new global baselines in 2010 from which we can benchmark future goals, activities and achievements.

This following table is a summary baseline of our environmental impacts, key performance indicators and progress.

Carbon/Greenhouse Gas Emissions	Units	2009 Total	2010 Total
Scope 1 Direct Emissions	Metric tons CO ₂ e	124,887 (U.S.) 9,414 (Non-U.S.) 134,301 (Total)	105,819 (U.S.) 13,941 (Non-U.S.) 119,760 (Total)
Scope 2 Indirect Emissions	Metric tons CO ₂ e	1,750,523 (U.S.) 138,795 (Non-U.S.) 1,889,319 (Total)	1,594,639 (U.S.) 157,813 (Non-U.S.) 1,752,453 (Total)
Total Scope 1 and 2 Emissions	Metric tons CO₂e	1,875,410 (U.S.) 148,209 (Non-U.S.) 2,023,620 (Total)	1,700,458 (U.S.) 171,754 (Non-U.S.) 1,872,212 (Total)
Reductions from Renewable Energy Credits	Metric tons CO ₂ e	15,340 (Total)	24,960 (Total)
Net Emissions	Metric tons CO ₂ e	2,008,280 (Total)	1,847,252 (Total)
Reduction in Scope 1 and 2 Emissions	Percent reduction – year over year	N/A	7.5%
Scope 3 Indirect Emissions			
Employee commuting	Metric tons CO ₂ e	643,714 (Total)	760,261 (Total)
Business travel ¹	Metric tons CO ₂ e	140,399 (Total)	215,519 (Total)
Check couriers and armored cars	Metric tons CO ₂ e	N/A	43,193 (Total)
Other contracted transportation	Metric tons CO ₂ e	6,131 (Total)	6,848 (Total)
Life-cycle Emissions from Waste Disposal²			
Traditional disposal	Metric tons CO ₂ e	N/A	26,393 (Total)
Recycling and composting	Metric tons CO ₂ e	N/A	(232,171) (Total)
Direct and Indirect Energy Consumption	Units	2009	2010
Electricity	MWh	3,578,817	3,491,674
Other Indirect (Purchased Steam and Cooling)	MMBtu	265,003	251,033
Natural Gas	MMBtu	1,794,822	1,439,611
Other Direct (Fuel Oil, Jet Fuel, Gasoline, Diesel Fuel, Propane)	MMBtu	278,705	335,032
Hybrid Vehicle Reimbursement Program	Number of employees	585	669

¹ 2009 emissions included only air travel. 2010 emissions include air and rail travel, rental cars, and hotel stays.

² Emissions from waste are calculated using the U.S Environmental Protection Agency's Waste Reduction Model (WARM), version 11, August 2010. This model calculates emissions based on a life-cycle analysis, such as emissions from the long-term decomposition of waste in a landfill. As such, these emissions should not be added to or subtracted from any annual emissions source. Emissions in WARM are calculated from the time the waste material is discarded. However, upstream emissions/sinks are included when the waste management decisions affect these activities, such as recycling and source reduction. For example, when paper is recycled, WARM accounts for the increased forest carbon sequestration from avoided deforestation, reduced transportation and process energy, therefore resulting in a sink or emissions savings. For more detailed information on WARM, refer to EPA's Solid Waste Management and Greenhouse Gases: A Life-cycle Assessment of Emissions and Sinks (<http://www.epa.gov/climatechange/wycd/waste/SWMGHGreport.html>).

Paper (U.S. Operations)	Units	2010
Total paper consumption	Metric tons	62,806
Paper purchased for commercial printing and converting	Metric tons	52,396
Copy paper purchased	Metric tons	10,410
Paper with recycled content (included in paper rows above)	Metric tons	30,262
Paper purchased for commercial printing and converting — 10% or more recycled content	Metric tons	20,277
Copy paper purchased — 30% or greater recycled content	Metric tons	9,985

Waste	Units	2010
Total Waste (U.S.)	Metric tons	15,702
Total Waste Recycled (U.S.)	Metric tons	1,781
Total Waste (EMEA)	Metric tons	2,363
Total Waste Recycled (EMEA)	Metric tons	1,414

Facilities, Furniture and Supplies	Units	2010
LEED Certifications	Square feet	13.2 million (over 10% of total operation corporate real estate occupancy)
FURNITURE		
Quantity of carpet purchased (Global)	Square feet	1,932,318
Quantity of carpet purchased with recycled input materials (Global)	Square feet	1,887,876
Carpet recycled (Global)	Metric tons of carpeting	83 (recycled/downcycled) 212 (recycled as carpet)
Percentage of recycled carpet	Percentage	68%
Sustainable fabrics purchased	Square yards	31,827
CORPORATE DINING SERVICES		
Cafeteria disposables (U.S. and U.K.)	Number used	382,550,954
Number of cafeteria disposables with recycled input (U.S.)	Number used	14,164,559
Cafeteria bottles and cans (U.S.)	Number used	6,754,296
Percentage of cafeteria bottles and cans with recycled input (U.S.)	Percentage recycled	97%
OTHER MATERIALS		
Office supplies (U.S.)	Material purchased (kg)	793,940
Office supplies with recycled content for paper products (envelopes, notebooks, etc.) (U.S.)	Percentage	31%
Bank of America branded merchandise with recycled content	Percentage	11.90%
Environmentally sustainable cleaning	Square feet of office portfolio	77,000,000

Thinking Ahead

As a global company, Bank of America is committed to addressing our emissions and reducing our environmental footprint. As part of that commitment, in 2011 we are announcing ambitious, long-term targets for improving energy efficiency and reducing our GHG emissions.

- In 2011, Bank of America established an industry-leading new goal to reduce our global GHG emissions 15 percent over the next five years. When combined with our previous GHG reduction achievements, we will have reduced our aggregate GHG footprint more than 30 percent over 2004 levels by 2015 — far exceeding the goals of most financial institutions and other corporate leaders.
- To help us achieve our new GHG emissions goals, we expect to increase the amount of LEED certified space in our corporate workplace portfolio to 20 percent by the end of 2015.
- Going forward, we are working to create specific goals for the reduction of other impacts such as water and paper usage, and energy used by employees in commuting to and from work.

Eliminating Waste Through Technology Projects

The financial services industry has historically been a paper-intensive operation. Bank of America has initiated a number of paper use reduction programs and applications that are helping the company save costs and reduce our environmental impact.

The bank's innovative Electronification of Paper Group works across the enterprise and lines of business to identify ways to digitize paper streams and be more efficient with the paper used. For example, our "No Paper Leaves the Banking Center" program eliminates mail sent from our Banking Centers by providing a fax alternative to process deposit account opening documentation. More than 900,000 pages of documentation and 30 large confidential shred bins of paper waste no longer leave our banking centers each month.

We were also one of the first financial services companies to partner with Pharos Systems International, and jointly created the Print Monitoring and Controls program. This initiative engages with lines of business within the company to reduce print and its related expenses (paper, toner, etc.), improves

employee productivity, and reduces risk associated with unsecured paper. Using special tracking software known as Blueprint Enterprise,[™] the company is able to track employee-initiated print behaviors such as total pages printed, color versus black and white, single- or double-sided printing, application type and document name. The tracking software has already been deployed globally to more than 50 percent of the company's workstations.

The bank is using the data to change employee print behaviors through information distribution and executive communications, training and accountability. To date, select work groups within the company are recognizing as much as a 45 percent printing reduction and collectively have reduced their print during 2010 by 57 million pages — the equivalent of 6,855 trees and 739 metric tons of CO₂. The program will continue to be deployed in domestic and international banking centers throughout 2011.

About This Report

In compiling this report, which covers Bank of America's nonfinancial performance and impact in 2010, we have been guided by the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines as well as its Financial Services Sector Supplement. We provide additional GRI-related information through our annual submissions to the Carbon Disclosure Project, our 2010 Environmental Progress Report, our 2010 Annual Report and Quarterly Impact Reports available at www.bankofamerica.com/opportunity. As an Equator Principles Financial Institution, we also look at the social and environmental impacts of the development projects we finance, and report annually on our work.

This report was published in July 2011. It provides an account of Bank of America's CSR work and business impact between January 1 and December 31, 2010. Our last CSR Report covered 2007 to 2008 and was published in 2009.

This report aims to present pertinent information about the global business of Bank of America (particularly Bank of America and major subsidiaries, as described in our 2010 10-K filing), as well as important social, environmental and economic impacts. It should be reviewed alongside the 2010 Bank of America annual financial report, where we provide additional facts, figures and analysis. In the future, Bank of America is committed to continued year-on-year improvement in the way we measure and report our performance. We will collect and assess feedback from stakeholders on this report, which will help determine the content, timing and format of our next CSR Report.

Scope and Materiality

A team from across Bank of America's business lines and corporate functions was responsible for drafting this report. In doing so, we prioritized the report content based on stakeholder and business materiality, which included a qualitative assessment of stakeholder concerns, and an examination of the issues that are important to our business decision-making.

For purposes of our analysis, stakeholders included: our customers and clients, shareholders and investors, government officials and regulators, members of the CSR community, our employees, management team and Board of Directors, and our business partners (suppliers and vendors). Priority 2010 issues

material to our business and to our stakeholders are highlighted in section 2 of this report.

Stakeholder Engagement

As a large, international and diverse company, Bank of America engages with stakeholders every day. Our stakeholders include shareholders, employees, customers and clients, suppliers, community neighbors and partners and regulators. We manage our engagement with these groups through:

- Formal and mandated engagements, for example through our shareholder discussions and voting processes, responding to customer enquiries and engaging with regulators
- Voluntary engagement with external bodies and advisors, such as with our National Consumer Advisory Council, as well as many associations, nonprofit groups and independent advisors, some of which are highlighted in this report.

Data Measurement and Assurance

Data presented in our report was collected by teams embedded in our lines of business from across the company. An external consultant from Science Applications International Corporation (SAIC) was responsible for collecting data on environmental performance, including energy consumption, paper consumption, greenhouse gas emissions, among other data from across the bank. SAIC confirmed the accuracy and reliability of these data (see SAIC's statement, below). Our 2010 financial reporting was audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm.

Statement of External Assurance Consultant

Science Applications International Corporation (SAIC) served as an external consultant for Bank of America in preparing this report. An SAIC research manager collected data on Global Reporting Initiative (GRI) environmental indicators, including greenhouse gas emissions, from Bank of America employees and external contractors. SAIC confirmed the accuracy and reliability of these data. SAIC also reviewed data on other GRI Indicators that were collected by others for internal consistency, arithmetic accuracy and plausibility.

SAIC confirmed that all sections and indicators used in this report conform to Global Reporting Initiative (GRI) G3 Guidelines. SAIC guided the bank through the GRI grading process and verified that the indicators and sections included were compatible with a grade of B+ according to GRI G3 Guidelines.

SAIC provided additional assistance and review of the bank's \$20 billion climate change commitment and measurements associated with its power utility portfolio emissions reduction goals and targets. SAIC verified that the bank has a consistent, repeatable and reasonable process for determining which transactions could be attributed to the \$20 billion commitment. Previously, SAIC assisted the bank in developing an approach for the measurement of absolute and intensity-based emissions for their utility portfolio. The bank continues to employ this approach within the bounds of the related challenges described in chapter 8 of this report.

Report Review

We acknowledge the value of third-party engagement and input, and so we invited feedback on an early draft of our 2010 CSR Report from a group of eight external stakeholders who represent expertise across the most material issues surfaced in this report.

Groups that participated in the process included F&C Asset Management, Calvert Investments, Opportunity Finance Network, Enterprise Community Partners, Nonprofit Finance Fund, NRDC, Ceres and Office Depot.

Bank of America engaged with Ceres (www.ceres.org), a nonprofit organization based in Boston, to obtain multistakeholder input on a draft of the CSR Report. Ceres convened a process that brought together investors, environmental and social NGOs and a supplier to discuss the company's sustainability plans, performance and disclosure. Feedback provided by this stakeholder team was considered in finalizing the report.

The following table features highlights of the feedback provided by stakeholders as a part of this process, and how this was addressed.

Stakeholder Feedback	Bank of America Response
Clearly address the financial services crisis in the report, including (i) acknowledging public perception of the role of large banks in creating the crisis (ii) discussing lessons learned and how the company has enhanced its risk management and other systems as a result (iii) detailing the impacts of the crisis on its customers, and the products, services and engagement that the company has in place that are meant to address these impacts.	<p>Letters from Brian Moynihan and Anne Finucane acknowledge the role the financial services industry played in the financial crisis.</p> <p>In response to stakeholder feedback, we have provided additional details on how Bank of America has evolved its values, policies and practices to guard against future crises, including in the area of corporate governance, ethics and risk management.</p> <p>We also have enhanced our discussion of how Bank of America has tried to help customers, clients and communities affected by the economic crisis. Details can be found in chapters 4, 5 and 7.</p>
Better highlight environmental initiatives and programs through the report, and link environmental initiatives with other sustainability and business initiatives.	<p>Environmental initiatives are embedded across our company and we have tried to showcase how they relate to our wider business interests. In 2010, we issued an Environmental Progress Report (available at environment.bankofamerica.com) and in our 2010 CSR Report we have dedicated a full section to the environment, examining both our own operational impacts and how we are financing the environmental initiatives of others. Going forward, we will assess how this information can be better integrated with other business reporting and initiatives.</p>
Include more discussion of the key sustainability policies and impacts.	<p>After receiving this feedback, we have increased discussion of Bank of America's policies in chapters 4, 5 and 8. A list of our environmental policies is also available online at http://environment.bankofamerica.com/policies-and-practices/index.html</p>
Include details on the company's plans to implement long-term environmental and CSR goals, including areas of focus, timeline for implementation, etc.	<p>Our long-term environmental goals are outlined in chapter 8. We also have highlighted more clearly our other CSR-related goals in chapter 3.</p>
Candidly discuss challenges throughout the report, including the results and impacts of legacy issues.	<p>We understand there is significant stakeholder interest in Bank of America and have tried to be candid and transparent in our analysis of legacy issues. In each chapter, we have outlined the challenges and progress made in 2010, as well as looked forward to 2011. Going forward, we will continue to pursue greater disclosure around issues of stakeholder concern.</p>

10 Awards and Recognition

During 2010, we were honored to receive a number of awards and recognition for our employment and business practices. In addition to rankings and awards listed throughout this report, a representative sample of awards in key areas and markets is listed below:

Top 10 Affordable Housing Lender — second time on the list	<i>Affordable Housing Finance</i>
Barron's Top 100 Women Financial Advisors — 30 of our global advisors were listed	<i>Barron's</i>
40 Best Companies for Diversity	<i>Black Enterprise</i>
Forbes World's 100 Most Powerful Women	<i>Forbes</i>
FORTUNE's 50 Most Powerful Women in Business — honoring Barbara Desoer and Sallie Krawcheck	<i>FORTUNE</i>
Top Company for Latinas	<i>LATINA Style Magazine</i>
Top 50 Women in Wealth Management	<i>Research Magazine</i>
Where Women Want to Work Top 50	<i>The Times (United Kingdom)</i>
Top 100 Military Friendly Employers	<i>G.I. Jobs</i>
Top Ten Company for Working Mothers	<i>Working Mother</i>
Human Rights Campaign Equality Index — Scored 100%	<i>Human Rights Campaign</i>
Certificate of Achievement	<i>Carbon Trust Standard (United Kingdom)</i>
Bronze Award for Environmental Excellence	<i>Business Environmental Council (Asia)</i>
2010 Carbon Disclosure Leadership Index (disclosure score of 85)	<i>Carbon Disclosure Project (Asia)</i>

11 GRI Disclosures

STANDARD DISCLOSURES PART I: Profile Disclosures

1. Strategy and Analysis

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
1.10	Statement from the most senior decision-maker of the organization.	Fully	Page 5
1.20	Description of key impacts, risks, and opportunities.	Fully	Chapters 2, 4, 5, 6, 7, 8

2. Organizational Profile

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
2.10	Name of the organization.	Fully	Bank of America Corporation
2.20	Primary brands, products, and/or services.	Fully	Page 10
2.30	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Bank of America 2010 Annual Report: Pages 42–55, 66 (http://media.corporate-ir.net/media_files/irol/71/71595/reports/2010_AR.pdf)
2.40	Location of organization's headquarters.	Fully	Page 11
2.50	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Page 11, 2010 Annual Report Pages 98–100
2.60	Nature of ownership and legal form.	Fully	Certificate of Incorporation available at www.bankofamerica.com/investor
2.70	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Page 11; 2010 Bank of America Annual Report: Pages 42–55 and Pages 98–100
2.80	Scale of the reporting organization.	Fully	Pages 10, 11, 12
2.90	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Pages 5 - 8
2.10	Awards received in the reporting period.	Fully	Page 75

3. Report Parameters

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
3.10	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Page 73
3.20	Date of most recent previous report (if any).	Fully	Page 73
3.30	Reporting cycle (annual, biennial, etc.)	Fully	Page 73
3.40	Contact point for questions regarding the report or its contents.	Fully	Page 86
3.50	Process for defining report content.	Fully	Pages 73, 74
3.60	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Page 73
3.70	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Page 73
3.80	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Page 73
3.90	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Page 73: Data Collection and Assurance Statement
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	No restatements
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Page 73; The breadth and depth of reporting has expanded to include discussion of core business activities, operations, and human resources issues.

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Section 11, Pages 76–84
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Pages 73, 74

4. Governance, Commitments, and Engagement

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4.10	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	2011 Proxy Statement: Pages 7–14 (available here: http://media.corporate-ir.net/media_files/irol/71/71595/reports/2011_Proxy.pdf)
4.20	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Page 28; 2011 Proxy Statement, Pages 7–14
4.30	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Page 28; 2011 Proxy Statement, Page 7
4.40	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Page 31; 2011 Proxy Statement - Pages 13, 14
4.50	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Page 68; 2011 Proxy Statement, Pages 14–16
4.60	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	View Bank of America Code of Ethics which guides all staff and management on Conflicts of Interest (Available here: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9ODM3NDZ8Q2hpbGRJRDOtMXxUeXBIPtM=&t=1)
4.70	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	2011 Proxy Statement: Page 4. We assess board members' capacity to guide overall company strategy, including their ability to understand environmental and social impacts.
4.80	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Pages 4, 30, 63
4.90	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Page 31
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Pages 28, 31; 2011 Proxy Statement, Page 13
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Pages 31, 63, Chapter 9 (e.g., Equator Principles)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Pages 31, 63, 73
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Pages 17, 32, 33
4.14	List of stakeholder groups engaged by the organization.	Fully	Pages 17, 32, 33, 47, 73, 74
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Page 73
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Pages 17, 63, 68, 73, 74
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Chapter 2, Section 4.1, Section 5.3, Section 7.2, Page 74

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Reported	Cross-reference/Direct answer
DMA PS	Disclosure on Management Approach PS	Fully	
Aspects	Product Portfolio	Fully	Page 10
FS1	Policies with specific environmental and social components applied to business lines.	Fully	Section 8.1

G3 DMA	Description	Reported	Cross-reference/Direct answer
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	Page 31, Section 8.1, Page 59
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Partially	Page 63
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	Training is provided to employees on all policies, including social and environmental policies. Additionally, a certain percent of employee compensation is linked to achieving social and environmental goals.
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Partially	Section 5.3, Page 31
	Audits	Fully	2011 Proxy Statement: Pages 50–51
	Active Ownership	Fully	Page 29
DMA EC	Disclosure on Management Approach EC	Fully	
Aspects	Economic Performance	Fully	Chapter 3, Chapter 4, Chapter 7
	Market presence	Fully	Chapter 3, Chapter 4, Chapter 7
	Indirect economic impacts	Fully	Chapter 4, Section 5.4, Section 6.1, Chapter 7
DMA EN	Disclosure on Management Approach EN	Fully	
Aspects	Materials	Fully	Section 8.1
	Energy	Fully	Section 8.1
	Water	Fully	Page 66
	Biodiversity	Not	Not material
	Emissions, effluents and waste	Fully	Section 8.1
	Products and services	Not	Not applicable
	Compliance	Fully	Pages 30, 31, 59, 63
	Transport	Fully	Pages 69–70
	Overall	Fully	Sections 8.1 and 8.2
DMA LA	Disclosure on Management Approach LA	Fully	
Aspects	Employment	Fully	Section 6.1
	Labor/management relations	Fully	Section 6.1
	Occupational health and safety	Fully	Section 6.3
	Training and education	Fully	Section 6.3
	Diversity and equal opportunity	Fully	Section 6.2
DMA HR	Disclosure on Management Approach HR	Fully	
Aspects	Investment and procurement practices	Fully	Section 5.4
	Non-discrimination	Fully	Section 5.2, Section 5.4
	Freedom of association and collective bargaining	Not	Not applicable
	Child labor	Not	Not applicable
	Forced and compulsory labor	Not	Not applicable
	Security practices	Fully	Page 30
	Indigenous rights	Not	Not applicable
DMA SO	Disclosure on Management Approach SO	Fully	
Aspects	Community	Fully	Chapter 7
	Corruption	Fully	Section 5.1, Section 5.2
	Public policy	Fully	Section 5.3
	Anti-competitive behavior	Not	Not available for disclosure
	Compliance	Fully	Section 5.2, 10-K

G3 DMA	Description	Reported	Cross-reference/Direct answer
DMA PR	Disclosure on Management Approach PR	Fully	
Aspects	Customer health and safety	Not	Not applicable
	Product and service labeling	Partially	Section 4.2, Page 16; Section 4.2, Page 23
FS15	Policies for the fair design and sale of financial products and services.	Fully	Section 4.1
	Marketing communications	Fully	Section 4.1
	Customer privacy	Fully	Page 29 with reference to additional information online
	Compliance	Fully	Section 4.1, Section 4.2, Section 4.3, Section 5.2

STANDARD DISCLOSURES PART III: Performance Indicators

Product and Service Impact: Product Portfolio

Performance Indicator	Description	Reported	Cross-reference/Direct answer
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Partially	Pages 11, 12, Section 4.1, Section 4.2, Section 4.3 (Percentage not provided by region)
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	Page 26, Section 7.1, Section 7.2
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	Section 8.1

Product and Service Impact: Audit

Performance Indicator	Description	Reported	Cross-reference/Direct answer
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Partially	Pages 31, 63

Product and Service Impact: Active Ownership

Performance Indicator	Description	Reported	Cross-reference/Direct answer
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Not	Not available for disclosure
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Not	Not available for disclosure
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Not	Not available for disclosure

Economic: Economic Performance

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Pages 12, 28, 37, Section 7.1, Section 7.2
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Opportunities outlined in Section 8.1, Section 8.2. Our support for the Carbon Principles and the company's Utility Portfolio Emissions efforts are two examples of how risk management can be compatible with environmental goals.
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Section 6.1; 2010 Annual Report: Pages 214–220
EC4	Significant financial assistance received from government.	Fully	No significant financial assistance received from governments in 2010

Economic: Market Presence

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not	Not applicable
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Section 5.4, Pages 34–35
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	Not available for disclosure

Economic: Indirect Economic Impacts

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Chapter 7.1, Pages 51–54
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Section 4.1, Section 4.2, Section 4.3, Section 6.1, Section 7.1, Section 7.2

Environmental: Materials

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN1	Materials used by weight or volume.	Fully	Chapter 8, Pages 69–70
EN2	Percentage of materials used that are recycled input materials.	Fully	Chapter 8, Pages 69–70

Environmental: Energy

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN3	Direct energy consumption by primary energy source.	Fully	Chapter 8, Page 69
EN4	Indirect energy consumption by primary source.	Partially	Chapter 8, Page 69
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Chapter 8, Pages 66, 69
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Section 8.2
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Section 8.1, Pages 66–68

Environmental: Water

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN8	Total water withdrawal by source.	Not	Not applicable
EN9	Water sources significantly affected by withdrawal of water.	Not	Not applicable
EN10	Percentage and total volume of water recycled and reused.	Not	Not applicable

Environmental: Biodiversity

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Not applicable. Minimal impacts.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	Not applicable. Minimal impacts.
EN13	Habitats protected or restored.	Not	Not applicable. Minimal impacts.
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Not	Not applicable. Minimal impacts.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not applicable. Minimal impacts.

Environmental: Emissions, Effluents and Waste

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Chapter 8, Pages 69–70
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Chapter 8, Pages 69–70
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Chapter 8, Pages 69–70
EN19	Emissions of ozone-depleting substances by weight.	Not	Not applicable. Minimal impacts.
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Not	Not applicable. Minimal impacts.
EN21	Total water discharge by quality and destination.	Not	Not applicable. Minimal impacts.
EN22	Total weight of waste by type and disposal method.	Fully	Chapter 8, Pages 69–70
EN23	Total number and volume of significant spills.	Not	Not applicable. Minimal impacts.

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	Not applicable. Minimal impacts.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	Not applicable. Minimal impacts.

Environmental: Products and Services

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Chapter 8, Pages 59–64, Page 70
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	Not applicable. Minimal impacts.

Environmental: Compliance

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	Not available for disclosure.

Environmental: Transport

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Chapter 8, Pages 65–71

Environmental: Overall

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN30	Total environmental protection expenditures and investments by type.	Not	Not available for disclosure.

Social: Labor Practices and Decent Work — Employment

Performance Indicator	Description	Reported	Cross-reference/Direct answer
LA1	Total workforce by employment type, employment contract, and region.	Partially	Pages 12, 37
LA2	Total number and rate of employee turnover by age group, gender, and region.	Not	Proprietary
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not	Not available for disclosure

Social: Labor Practices and Decent Work — Labor/Management Relations

Performance Indicator	Description	Reported	Cross-reference/Direct answer
LA4	Percentage of employees covered by collective bargaining agreements.	Not	Not applicable
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	Not applicable

Social: Labor Practices and Decent Work — Occupational Health and Safety

Performance Indicator	Description	Reported	Cross-reference/Direct answer
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	Not available for disclosure
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Not	Not available for disclosure
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Section 6.3, Pages 42, 43
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	Not applicable

Social: Labor Practices and Decent Work — Training and Education

Performance Indicator	Description	Reported	Cross-reference/Direct answer
LA10	Average hours of training per year per employee by employee category.	Partially	Section 6.3
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Section 6.3
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Section 6.3

Social: Labor Practices and Decent Work — Diversity and Equal Opportunity

Performance Indicator	Description	Reported	Cross-reference/Direct answer
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	Section 5.1, Section 6.1, Section 6.2
LA14	Ratio of basic salary of men to women by employee category.	Not	Not available for disclosure

Social: Human Rights — Diversity and Equal Opportunity

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	Not available for disclosure
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	Not available for disclosure
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	Page 30

Social: Human Rights — Non-discrimination

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR4	Total number of incidents of discrimination and actions taken.	Not	Not available for disclosure

Social: Human Rights — Freedom of Association and Collective Bargaining

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	Not available for disclosure

Social: Human Rights — Child Labor

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not	Not applicable

Social: Human Rights — Forced and Compulsory Labor

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not	Not applicable

Social: Human Rights — Security Practices

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Page 30

Social: Human Rights — Indigenous rights

Performance Indicator	Description	Reported	Cross-reference/Direct answer
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	Not applicable

Social: Society — Community

Performance Indicator	Description	Reported	Cross-reference/Direct answer
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Chapter 7
FS13	Access points in low-populated or economically disadvantaged areas by type.	Partially	Section 7.1, Page 53
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	Section 7.1

Social: Society — Corruption

Performance Indicator	Description	Reported	Cross-reference/Direct answer
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	All business units are analyzed for risk related to corruption.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Every Bank of America employee is trained in anti-corruption policies and procedures as part of Bank of America's Code of Ethics training. See Section 5.2
SO4	Actions taken in response to incidents of corruption.	Not	Not available for disclosure

Social: Society — Public Policy

Performance Indicator	Description	Reported	Cross-reference/Direct answer
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Section 5.3, Annual Report: Page 60–63
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	Not available for disclosure

Social: Society — Anti-Competitive Behavior

Performance Indicator	Description	Reported	Cross-reference/Direct answer
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	2010 Annual Report: Pages 200–209

Social: Society — Compliance

Performance Indicator	Description	Reported	Cross-reference/Direct answer
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	Not available for disclosure

Social: Product Responsibility — Customer Health and Safety

Performance Indicator	Description	Reported	Cross-reference/Direct answer
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	Not applicable

Social: Product Responsibility — Product and Service Labeling

Performance Indicator	Description	Reported	Cross-reference/Direct answer
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	Page 18, specific data are proprietary
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	Section 7.2, Page 46

Social: Product Responsibility — Marketing Communications

Performance Indicator	Description	Reported	Cross-reference/Direct answer
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	Not available for disclosure
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	Not available for disclosure

Social: Product Responsibility — Customer Privacy

Performance Indicator	Description	Reported	Cross-reference/Direct answer
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	Not available for disclosure

Social: Product Responsibility — Compliance

Performance Indicator	Description	Reported	Cross-reference/Direct answer
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	2010 Annual Report: Pages 200–209



Statement GRI Application Level Check

GRI hereby states that **Bank of America** has presented its report “Bank of America 2010 CSR Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 23 June 2011

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Bank of America has submitted this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

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Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 23 April 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

12 Contacts and General Information

Information, Feedback, and Concerns

For more information on Bank of America's programs and performance described in this report, visit bankofamerica.com/opportunity

To provide feedback on this report or to contact the Bank of America CSR team, send an email message to Ernesto Anguilla, CSR Communications Executive, at csr2@bankofamerica.com

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