



Opening Doors *for our* Communities

A Commitment to Neighborhood Excellence

Bank of America  **Higher Standards**



BANK OF AMERICA ACHIEVES HIGHER STANDARDS everyday, especially in the leadership we bring to our communities. By combining our successful products and services with the expertise, talent and creativity of our associates, we strengthen the markets we serve.

For us, development of our communities requires the joint ownership and participation of neighborhood leaders, organizations, businesses and our associates. We care about creating and sustaining vibrant communities because we are part of them. By working with other members of our communities, we help to identify needs, establish priorities and create opportunities. This is the formula that is successful time and again, neighborhood by neighborhood.

Our record speaks volumes. We were the first bank to create a Community Development Corporation. We led our industry in setting public goals for community development lending and investments, far exceeding our goals well ahead of schedule.

We demonstrate results every time a first-time homebuyer moves into that new house or a small business owner adds jobs in a community. We see results when the sandlot down the street is transformed into a new ballpark and the Little League® team walks onto it for the first time in new uniforms. We are proud to be a part of opening doors to opportunities that benefit the whole community. Our leadership in community development, charitable and volunteer activities is recognized across our coast-to-coast franchise.

Never content to rest on past achievements, we strive to create even more economic opportunities for people and neighborhoods. We have established six key Bank of America initiatives that provide the frame-work for our community involvement activities. In this Community Impact Report, we highlight some of the exciting ways we help communities reach for ever higher achievement and neighborhood excellence.

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Community Development Banking,

through investing and lending, focuses on revitalizing the economic strength necessary for livable, sustainable neighborhoods. This strategy is driven by a 10-year goal of \$750 billion in community lending and investments, announced in 2004. We will report on our first year's progress at mid-year 2006.

Environmental Initiatives

at Bank of America promote conservation efforts and the protection of our global resources, such as reducing greenhouse gas emissions and increasing operating efficiencies that are compatible with economic development and community growth.

Team Bank of America

is a worldwide organization through which associates and retirees volunteer their time and talent to help civic organizations meet the needs of local communities. Our volunteers benefit by developing new skills and building relationships within the Bank of America community.

Sponsorships

by Bank of America of numerous professional and college sports teams, as well as community and cultural events in the neighborhoods where we do business, benefit communities across the country. Our national commitments and programs focus on the Bank of America Colonial, our U.S. Olympic Team sponsorship, and our "Official Bank of Baseball™" platform. In addition, we seek active local involvement, guidance and leadership in sponsoring activities that enrich our communities, and provide support for the organizations that serve them.

Multicultural Supplier Development

is Bank of America's proactive approach to ensuring that diverse businesses are afforded maximum opportunity to participate in the company's competitive contracting and procurement processes. Begun in 1990, this initiative has increased the amount of quality products and services we obtain directly from minority, woman and disabled-owned business enterprises or indirectly through companies that share our commitment to the growth and success of multicultural suppliers in our communities.

The Bank of America Charitable Foundation

is one of the largest corporate philanthropic organizations in the country. Our charitable giving programs are committed to providing financial and human resources to the communities we serve. Through programs like our Neighborhood Excellence Initiative, we support and recognize organizations and individuals who exemplify the true spirit of making a difference in their neighborhoods.

Bank of America Invests in



Expanded Community Investment Goals

In 1998, Bank of America made an unprecedented 10-year, \$350 billion commitment to community development lending and investment. Through 2004, we had already fulfilled more than \$288 billion of that commitment—more than 82% of our goal in six years. Our efforts in individual states and key markets served by Bank of America may be viewed on our Web site, www.bankofamerica.com/community.

Beginning in 2005, Bank of America launched a new nationwide goal to lend and invest \$750 billion over ten years. The new goal will target four main areas including affordable housing, economic development, consumer lending and small business lending, reflecting our continued commitment to be the nation's leader in community development and to meet the needs of low- and moderate-income communities. Annual results will be reported publicly at the national, state and key market levels.

Communities



NationsBank® Neighborhood Funds

NationsBank® Neighborhood Funds was established by Bank of America as an innovative community and economic development program that combines loans and investments to focus on affordable housing, small business venture growth and commercial/economic development. NationsBank Neighborhood Funds builds on the long and rich history of NationsBank Corporation to continue a tradition of leadership in helping communities, their residents and businesses reach their full potential.

NationsBank Neighborhood Funds draws on specialized community development products, financial services and initiatives delivered through Bank of America lines of business to leverage loans and investment products that include:

- Program Related Investments (PRI)
- Community Development Financial Institution (CDFI) investments
- Community Credit Union deposits
- New Market Tax Credits
- Community Development Banking Real Estate Development loans and investments
- Capital Access Funds
- Community Development partnerships and strategic alliances
- Charitable Investments through the Bank of America Charitable Foundation and other initiatives, including the Neighborhood Excellence Initiative
- Funding and Investments targeted to rural areas and Indian Country

NationsBank Neighborhood Funds is a key driver of the bank's goal to deliver \$750 billion in community development lending and investment over the next ten years. Tracking and reporting of NationsBank Neighborhood Funds performance will coincide with the announcement of results against our \$750 billion goal at mid-year 2006.

For more information about how NationsBank Neighborhood Funds can assist in the development of your community, contact:

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**NationsBank
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helping communities.**

Creating Places Where Opportunity Knocks

Bank of America Community Development Banking is in the business of building strong neighborhoods. By providing loans and investments for communities, their families and individuals, we open doors to opportunities for economic growth and vitality. We know that serving our communities is not just a civic duty — it is also a sustainable, profitable opportunity for us.

Revitalization of endangered communities is a strong foundation on which business, government, nonprofit organizations and people can join together to build decent affordable homes, quality schools, job opportunities, and cultural and recreational activities—the very ingredients needed for livable, healthy communities.

Community Development Banking meets the needs of our communities and clients by bringing together innovative products and the financial resources of the bank to provide financing, make equity investments and develop real estate, with a focus on meeting affordable and workplace housing needs, especially in low- and moderate-income areas. Financing takes the form of construction loans to build and preserve housing, both for sale and multi-family developments, permanent financing using term debt loans, tax-exempt bond financing using Bank of America letters of credit to enhance bond issues, and government funding programs for affordable housing and economic development. In addition, we are a leader in leveraging Low Income Housing Tax Credits (LIHTC), Historic Tax Credits and other tax incentives created to increase investing in housing developments. Since investing in Low Income Housing Tax Credits in 1988, we have provided more than \$4.6 billion to create nearly 183,000 units of safe, clean, affordable housing in approximately 2,600 projects.

Through Bank of America Community Development Corporation, we provide for-profit/public purpose real estate development dedicated to the revitalization of urban communities. This wholly owned affiliate of the bank has developed and rehabilitated more than 25,000 affordable and mixed-income housing units across the country and is the first, largest and most productive community real estate development operator among U.S. financial institutions.

Community Development Banking continues its leadership role within the affordable housing

industry, introducing in mid-2005 an End-to-End Taxable Term Loan that provides clients a streamlined, one-stop construction and term financing product for the development of affordable, multi-family properties.

Syndicator Finance is another example of how Community Development Banking is providing a wide array of products and services to the Low Income Housing Tax Credit industry. Syndicators create funds and trusts to invest in non-profit and for-profit developments and are critical to the efficient formation and distribution of capital to affordable housing projects with LIHTC. Using capital from investors, such as large corporations and Government Sponsored Enterprises like Fannie Mae and Freddie Mac, syndicators collaborate with multi-family housing developers that are utilizing LIHTC allocations.

Community Development Banking's Syndicator Finance serves two important roles. It acts in an advisory capacity to provide a single point of contact within the bank, and it provides debt products and other financial services to the syndicators. With our unique understanding of this specialized industry, we are able to deliver specialized financing services that bridge the timing gap between investment and profitability for the investors and meet the challenges of a fast moving market. Syndicator Financing enhances the yield on such investments to housing funds.

Working with our communities and clients, we understand that long-term sustainable solutions require close attention to the needs and dreams of low- and moderate-income individuals, families and communities. As we fulfill the promise of our business opportunities, we continue to open doors to new community development and the partnerships that raise standards for our neighborhoods and customers.

Maverick Landing, Boston, Mass.

Maverick Landing, a major housing redevelopment project, is an important part of the revitalization of the East Boston waterfront district. The Boston Housing Authority project will create 396 new rental units, 305 of which are affordable and 30 of which are for-sale workforce condominium units. The project is made possible by a \$35 million federal HOPE VI grant, with the Boston Housing Authority providing about \$13.5 million in capital funds. Bank of America provided \$5 million in construction financing for the Carlton Wharf condominium phase of the project. We are investing an additional \$40.26 million in Low Income housing Tax Credit equity in later phases of the project to create an additional 166 units of low- to moderate-income and market rate multi-family apartments. The project also received a \$477,675 Green Buildings Design and Construction Grant to incorporate energy savings systems and sources of renewable energy.



Curran House, San Francisco, Calif.

Bank of America created a unique financing package, a \$2.7 million Community Impact Loan in conjunction with a \$9.3 million bridge loan, for a nonprofit housing developer constructing a \$21.5 million mixed-use project in San Francisco's Tenderloin District. We saw an opportunity to energize a distressed neighborhood and create 67 units of affordable housing in one of the country's most expensive housing markets. We also assisted in securing a \$335,000 direct subsidy from the Federal Home Loan Bank of San Francisco for the project.



Paradise Club, Phoenix, Ariz.

Banc of America Community Development Corporation is the developer/sponsor of this redeveloped complex of 288 affordable workforce/housing units. We provided \$3.8 million in equity capital for acquisition and predevelopment costs, plus an \$11.3 million acquisition and construction loan for the renovation of the unit interiors, grounds, clubhouse and other structures at this property located adjacent to an elementary school. The complex will provide a stabilizing force in the community and increase quality affordable housing in its neighborhood.

City View Apartments at Hughes Square, Orlando, Fla.

Bank of America responded to Orlando's call to improve a distressed area near downtown. The resulting project provides 107 affordable units and 159 restricted market-rate units, and is part of a \$63 million Hughes Square mixed-use development. We committed a \$14 million construction-phase letter of credit and provided \$10.2 million in equity investments, including a \$3.7 Low Income Housing Tax Credit purchase. Our commitment to revitalizing this urban Orlando neighborhood extended to opening a Bank of America Express Banking Center on the premises, which also houses Hughes Supply Corporation's five-story office building for its 600 employees.



American Tobacco Factory, Durham, N.C.

Banc of America Community Development Corporation partnered with the Capitol Broadcasting Company to redevelop the American Tobacco Factory in Durham, N.C. This 12-building complex is the central part of the American Tobacco Historic District, a major development effort of the City of Durham's Master Plan. The complex consists of 1.2 million square feet of mixed-use structures, a 4,000 to 5,000 seat live-performance theater, and a \$50 million courthouse. The redevelopment project has created 2,100 new jobs. As the federal and state historic tax credit investor and the New Markets Tax Credit investor in the American Tobacco Factory project, Bank of America provided \$12.2 million in Federal Historic Tax Credit equity, \$6.8 million in State Historic Tax Credit equity and \$4.6 million in New Market Tax Credit equity. With the City of Durham providing \$42 million in investment, the project will approach \$1 billion in public and private investment when completed.



Unlocking Nature's Wisdom is Good Business

Bank of America believes responsible environmental stewardship is an integral component of doing business. The health of the environment not only directly affects the quality of our lives; it is a cornerstone to building a sustainable economy. As a result, environmental considerations at Bank of America are increasingly intertwined with economic decisions.

We are committed to integrating environmental stewardship into our business operations, placing emphasis on minimizing waste and consumption, addressing climate change and preserving biodiversity. Understanding that every part of our business has a potential impact on our environment, we commit to integrating environmental policy into our company's operations at every level. In particular, our policies address critical issues such as climate change and preservation of endangered old-growth forests.

Forests

Our forests policy establishes conditions on how we will lend to commercial customers where projects may impact sensitive ecosystems. Our enhanced forests policy increases forest protection to encompass intact tropical, temperate and boreal forest ecosystems, as Bank of America is committed to the protection of these areas. Bank of America will not

Maintaining the ecological health of forests is a key factor in sustaining the cultures, local communities and economies relying on this resource.

provide funding for resource extraction from old-growth tropical rainforests, and lending proceeds will not go to logging operations in intact forests as defined by World Resources Institute (WRI) mapping as it is developed. Bank of America has assisted in funding the development of WRI mapping.

Addressing this issue within our own operations, the bank went one step further by applying the principles of the lending policy to how the bank purchases paper. We recognize that paper is a key material used in providing financial services, that the majority of the paper we purchase is derived from forests, and that maintaining the ecological health of forests aligns with our commitment to environmental stewardship.

Maintaining the ecological health of forests is a key factor in sustaining the cultures, local communities and economies relying on this resource. This new policy expands on our heritage of environmental stewardship to address climate change, biodiversity and conservation of natural systems.

The paper procurement policy has three primary goals:

- Source reduction and recycling
- Sustainable forest practices
- Protection of endangered forests

The bank developed the paper procurement policy in partnership with a group of key suppliers, such as International Paper, and environmental organizations such as Metafore, a non-profit group that works to conserve, protect and restore the world's forests, and the non-profit organization, Environmental Defense.





Associates participating in Team Bank of America's Environmental Network in Phoenix, Ariz., gather at the bus stop location that the group supported for the bank's campus. The team also is an Adopt-a-Highway sponsor, keeping the environment clean and attractive.



Associate Support

Bank of America associates have taken their commitment a step further, by bringing environmental awareness into their personal lives as well. Each year, associates participate in bank-sponsored activities focused on energy conservation, recycling and preservation. Team Bank of America's Environmental Network implements awareness programs in bank locations across the country to help motivate others to find creative ways to apply an environmental ethic to daily activities. Teams regularly participate in various domestic and international programs aimed at promoting conservation and enhancing biodiversity.



In one award-winning example of volunteerism, associates in Phoenix, Ariz. proactively supported a Travel Reduction Program by convincing the city that a bench and covered bus stop were necessary near the bank's campus where 2,600 associates work. Bus card usage increased almost 11% and vanpool participation tripled. Partly as a result of these efforts, this Bank of America facility was recognized as one of the Best Workplaces for Commuters in Phoenix, and fifth overall in Arizona, as part of a national program sponsored by Fortune 500 magazine.

Collectively, all our measures to protect the environment in wide-ranging ways throughout Bank of America represent a pragmatic example of our commitment to higher standards in everything we do.

Climate

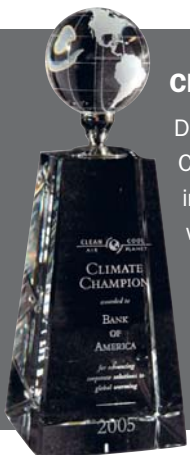
As a corporation, Bank of America has the responsibility to address climate change and the service sector has a role in promoting and implementing reductions of greenhouse gas emissions that extends beyond its own operations, including relationships with customers and suppliers.

The bank has set unprecedented targets and timelines to reduce greenhouse gas emissions throughout Bank of America's chain of activities. We set goals to achieve:

- A 7% reduction in greenhouse gas emissions from the bank's energy and utility portfolio by 2008, in accordance with the Intergovernmental Panel on Climate Change targets.
- A 9% reduction in greenhouse gas emissions from the bank's own operations by 2009.

Climate Champion

During the Global Warming Solutions 2005 conference held in New York City, Bank of America was honored with the Climate Champion award presented by Clean Air-Cool Planet, the Northeast's leading organization dedicated to innovative solutions to global warming. The award recognized our efforts to advance corporate solutions to global warming and exemplifies our work to keep the communities we serve strong and healthy, both economically and environmentally. Bank of America is the only financial institution to commit to a 2008 goal of reducing greenhouse gas emissions by 3.5 million tons through its chain of investment activities. In addition, the award recognized the work we are doing to attain Platinum Leadership in Energy & Environmental Design (LEED) certification from the U. S. Green Building Council for the 52-story Bank of America Tower now under construction at One Bryant Park in New York City.



Setting a New Threshold for Volunteerism

Each year, thousands of Bank of America associates, retirees and their families devote significant amounts of voluntary time in their communities. This work benefits more than 3,000 nonprofit organizations that touch the lives of our customers and improve the communities in which we live and work. Recent tracking of volunteer hours throughout the bank documents that associates donate approximately 125,000 hours or more each year to community-based efforts.

This contribution of time, talent and resources is harnessed through Team Bank of America, a worldwide organization of associates working together to organize and participate in volunteer activities within the bank and in their communities. The organization focuses on five kinds of activities, or “networks” through which individuals can volunteer, including: Diversity, Environmental, Recreation, Speaking and Volunteer. More than 300 such networks operating as part of more than 100 teams are active in numerous countries and most of the states across our franchise.

Each network coordinates activities and projects related to its specific focus. For example, the Volunteer Network connects associates with community service organizations in need of volunteer assistance and helps identify projects that complement and support the community outreach goals of Bank of America. The Speaking Network has more than 90 groups chartered with Toastmasters International. In addition to providing an avenue for associates to give back to their communities, Team Bank of America networks are venues where associates can develop leadership, organizational and interpersonal skills.

Matching gifts encourage associates to contribute to qualifying nonprofit organizations of their choice by doubling—up to \$5,000 per person each calendar year—their contributions to those organizations.

Bank of America further encourages volunteerism through matching gifts and volunteer grants. Matching gifts encourage associates to contribute to qualifying nonprofit organizations of their choice by doubling — up to \$5,000 per person each calendar year — their contributions to organizations. Volunteer grants honor associates who give their time and services by awarding in the associates’ names up to \$500 per person each calendar year to nonprofit organizations. In 2004, the Bank of America Charitable Foundation contributed more than \$15 million through the matching gift and volunteer grant programs to qualifying nonprofits and community causes supported by our associates.

Team Bank of America captures the impact of associates’ and retirees’ volunteerism through an online system that encourages them to record their service to nonprofit organizations and qualify for recognition in the bank’s Spirit Hours Honor Roll. Visitors to the site can learn about opportunities to participate on local teams and networks, and discover nonprofits seeking specialized volunteer skills.



Team Bank of America’s San Antonio Volunteer network adopted a local children’s shelter and hosted its first volunteer event, a Halloween Party. The shelter has children of all ages, but is the only emergency care shelter in the area accepting children younger than two years of age. Associates have provided ongoing volunteer support for the shelter since 2004.



The Atlanta Team Bank of America was honored by the Metro Atlanta Corporate Volunteer Council with its IMPACT award, one of the most prestigious awards presented in the Atlanta area.



Atlanta Team Bank of America

In 2004, the Atlanta Team Bank of America was honored by the Metro Atlanta Corporate Volunteer Council with its IMPACT award, one of the most prestigious awards presented in the Atlanta area. The Atlanta Team, whose 3,700 associates sponsored more than 80 projects benefiting some 35 different nonprofit groups, was recognized by the Council for volunteering 5,861 hours in the community. Sustaining numerous multi-year commitments to nonprofit agencies, the team has supported groups with volunteer service and fund raising efforts that most recently raised \$387,000 for various health organizations, helped 650 low-income families, and collected 547 pints of blood for the local blood bank.

Such results are just the highlights of the group's contributions. The team's Volunteer and Diversity Networks collaborated to provide 55 volunteers who raised \$12,000 for a local agency that funds AIDS research. Another 180 volunteers helped an agency that supports breast cancer research and raised over \$31,000. Special needs children received sports programs through the efforts of another 48 volunteers and the entire Atlanta team held a cell phone collection that created donations of more than 300 used phones, reprogrammed to dial 911 and provided to elderly clients of an agency for the aging.



Norfolk Volunteer Network and the Virginia Arts Festival

Team Bank of America's Norfolk Volunteer Network forged a unique partnership with the Virginia Arts Festival to provide a wide range of services for the Festival's International Tattoo. One of the highlights of the annual Festival, the Tattoo is an exhibition of marching bands, massed pipes and drum teams, dancers, choirs and more. The event hosts a cast of more than 700 artists from many different countries to create a world-class international event honoring our nation's military and celebrating American freedom. The event attracts visitors from around the world to the Hampton Roads region of Virginia. More than 200 bank associates volunteered over 1,000 hours working with international performers and visitors, meeting needs for accommodations, food, ticket sales, brochures, staffing refreshment booths and many other support functions to help the extravaganza increase ticket sales by over 18%.

San Antonio Fort Houston Fisher House

Team Bank of America volunteers across the country have conducted many projects in support of American troops abroad and the families that await their return. In San Antonio, Team Bank of America volunteers partnered with the San Antonio Fort Houston Fisher House, a facility that serves as a home away from home for family members of wounded soldiers. Bank volunteers hosted a family fun day at Fisher House that included a barbecue and games. During the course of the day, volunteers met and took under their wing a soldier at the event who had no family to support him as he awaited surgery on his wounded leg. As a result of their experiences at the family day, a dozen bank associates opened their homes for soldiers over the holidays, increasing outreach and support for our military heroes.

Stories of volunteerism and community support abound throughout our Team Bank of America. Opening doors for organizations and individuals in Bank of America communities in 32 states and Washington, D.C., team members enrich their communities by supporting schools, non-profit organizations, and special programs and community events of all kinds.

Stepping Up to the Plate

As a major corporate presence in the communities we serve, Bank of America has the ability to sponsor national programs as well as local events that open doors to enriching, quality attractions for communities and fans of all kinds. Additionally, our associates are often leaders in their communities, bringing expertise and enthusiasm to projects and events that benefit local residents and organizations. As part of this commitment, we sponsor numerous professional sports teams as well as community and cultural events in the neighborhoods where we do business from coast to coast.

Our national sponsorships focus on: our U.S. Olympic Team sponsorship; sponsorship of Professional Golfers Association (PGA) tour events, such as the Bank of America Colonial at the Colonial Country Club in Fort Worth, Texas; and our unique position as the “Official Bank of Baseball™.” Most recently, we marked our entry into the sport of racing through an agreement with Speedway Motorsports, Inc. (SMI) to serve as title

Our company is founded on the ideal that people are at their best when they strive to exceed accomplishments of the past. We know our success depends upon our ability to help people and organizations grow and prosper.



sponsor of the Bank of America 500 at Lowe’s Motor Speedway in Charlotte, N.C. Bank of America is an official sponsor of four other SMI raceways, and brings racing-themed promotions to markets across the country. We also sponsor art and cultural programs, such as Museum On Us®, which since 1998 has attracted 250,000 people to 56 participating institutions.

Bank of America Colonial

The 2006 Bank of America Colonial marks our fourth year as the title sponsor of this PGA TOUR event. This will be the 60th year of the prestigious tournament that draws top players from all over the world and is the longest running event on the PGA TOUR that is still being held in its original site. Players of today know they are competing on the same hallowed ground as the great Ben Hogan—just part of the tradition that makes the Bank of America Colonial one of the most historic events on the PGA TOUR. At the Bank of America Colonial, the 16th hole was designated as the Birdies for Charity hole, where for each birdie (one under par), we donated \$500 to the Boys and Girls Clubs, the total amount being split between chapters in Dallas and Ft. Worth. With 65 birdies scored on the 16th hold, the total amount was rounded up to \$50,000. Other Birdies for Charity programs at the tournament raised an additional \$250,000. At the 16th hole, Boys and Girls Club members staffed the Birdies for Charity leader board, tracking tournament players’ birdies.

U.S. Olympic Team Sponsorship

In 2006, the Olympic Winter Games will be held in Turin, Italy where U.S. Olympic athletes will compete to bring home the gold. Bank of America will be there providing support for them and their families through our Hometown Hopefuls program.

Our company is founded on the ideal that people are at their best when they strive to exceed accomplishments of the past. We know our success depends upon our ability to help people and organizations grow and prosper.

Sponsorships such as our support of the U.S. Olympic Team help promote higher standards and bring benefits to communities across the company.



The Bank of America Hometown Hopefuls Family Center became a restful, welcoming stop for U.S. Olympic Team members and their families during the 2004 Olympic Games in Athens, Greece. The facility also hosted medal victory celebrations for several U.S. Olympic Teams and individual members.





In a joint effort with Little League Baseball, we created the Bank of America Little League Hitting Competition to recognize team excellence in hitting. The program reaches more than 2,500 boys and girls and begins at the grassroots level, culminating in finals at Major League ballparks in Baltimore, Boston, Chicago and Los Angeles.



Official Bank of Baseball™

Our unique association with America's national pastime includes an exclusive sponsorship agreement with Major League Baseball properties that makes Bank of America the "Official Bank of Major League Baseball." In addition, we are the "Official Bank of Minor League Baseball" and have a national sponsorship with Little League® Baseball as the "Official Bank of Little League Baseball." Bank of America also has a sponsorship agreement with the National Baseball Hall of Fame and Museum in Cooperstown, N.Y. Through this relationship, we will produce television vignettes featuring 40 Hall of Fame members, beginning with the 2006 season.

Baseball is the quintessential American game and an integral part of our country's heritage. From Little League through Major League levels, baseball inspires communities and neighborhoods across the country in a way that is distinctive in the world of sports. Like our brand, baseball has a national reach but is very much local, as are our customers, the communities we support and our associates.

Bank of America incorporated Minor League Baseball games as a venue for presenting its Neighborhood Champions awards in cities across the country.

Fans nominated teachers, law enforcement employees, medical and health workers, and public safety employees for the award that recognizes a higher standard of dedication and service to the community. Below, Linda Heinrich (center) from the Washington County Public Schools System in Hagerstown, Md., is honored for her role in coordinating an educational trip to China for a group of students. The bank's Consumer Real Estate account executive Janet Currie (left) and Kurt Landes, Hagerstown Suns general manager, presented Heinrich with her award at a home game.



Welcoming Diverse Resources

Bank of America's Multicultural Supplier Development

program has focused for more than 15 years on opening doors for diverse enterprises by giving them the best opportunity to do business with our company. By contracting for quality products and services with businesses owned by women, minorities and disabled entrepreneurs, we help these firms prosper —helping us grow, while benefiting qualified businesses and their communities throughout our franchise.

Since 1990, the bank has increased its spending with diverse suppliers each year, increasing from \$11 million to more than \$825 million in 2004 – 10% of the bank's overall spending. Our goal is to increase that percentage to 15% by 2009.

Our supplier diversity and development program targets diverse businesses that can provide professional services, including legal, marketing and advertising, personnel, property management, design and construction, and technology and automation, as well as traditional commodities such as furniture, office supplies and computer equipment. Bank of America's Supply Chain Management structure helps identify, develop and competitively select diverse companies to provide products and services based on price and quality. We also offer support, consultation and supplier advocacy by reaching out to such businesses and their communities to increase inclusion and the economic impact of diverse supplier relationships.

Bank of America's Supply Chain Management structure helps identify, develop and competitively select diverse companies to provide products and services based on price and quality.

Bank of America has been widely recognized for its supplier diversity and development program. In 2004, the Florida Minority Supplier Development Council honored us as Corporation of the Year. Recently, for three consecutive years, the Women's Business Enterprise National Council named us Top Corporation for Women's Business Enterprises. DiversityBusiness.com ranked us #1 in its list of "Top 50 Companies for Multicultural Business Opportunities." Additionally, the National Minority Supplier Development Council validated Bank of America with its "World Class" supplier diversity program distinction—making one of only 12 national corporations to receive this ranking.



American Product Distributors

In 1992, American Product Distributors (APD), a 100% minority-owned and operated distribution company, was a new, start-up business in Charlotte, N.C. The young business caught the attention of Bank of America managers who saw an opportunity to exercise the bank's new diversity supplier development program. The bank became one of APD's first customers for copier paper, contracted through Office Depot and Staples, and reprographic center paper for bank work performed by Pitney Bowes. APD also provides specialty envelope paper for the bank via Atlantic Envelope. This core business has grown to more than \$11 million in 2004, and the relationship continues to grow.

**C. Ray Kennedy, CEO and Chairman,
American Products Distributors**



Management Scholarships Honor Dorothy Brothers

Bank of America and its community of suppliers and business partners experienced a loss in the passing of Dorothy Brothers, Supplier Diversity and Development executive, in 2002. A pioneer and leader in creating supplier diversity programs at the bank and for corporate America, her contributions have been honored with the establishment of management scholarships for executives from diverse suppliers.

Sponsored by Bank of America, the Women's Business Enterprise National Council, and Minority Business News USA magazine, the scholarships provide executives with educational development that positions them to grow their businesses and compete for procurement opportunities in corporate America. For more information about the scholarships, contact: Women's Business Enterprise National Council at www.wbenc.org or Communities Foundation of Texas at www.minoritybusinessnews.com.

In 2003, Bank of America nominated and sponsored APD for Corporate Plus membership to the National Multicultural Supplier Development Council, a prestigious designation reserved for the best minority businesses in the country. The bank also facilitated APD's relationship with Atlantic Envelope — which accounted for more than \$2 million of APD 2004 revenues of over \$100 million.



**Edward O. Owens, President and CEO,
The Owens Companies**

Henry F. Owens Moving

Owens Movers, of Boston, is owned by Edward O.

Owens, whose father started the business in 1927 with a horse and cart, taking away rubbish and cleaning out basements and attics. Today, the business has grown to include a fleet of more than 20 trucks and employs between 20 and 100 people at any given time, exclusively from the community. Paying union wages and providing health benefits, Owens Movers makes a major difference in minority employment in its community.

Providing facility management services for the bank in the Boston area, Owens was one of the vendors who cleared the Fleet Center in preparation for the Democratic National Convention in 2004—and moved everything back after the event. Owens continues to provide commercial moving services for the bank and is a Facility Partner for the bank's Northeast Region. The firm's services now include specialty moving, warehousing and distribution, tradeshow installation and dismantling, and management services.

Promotions Marketing Group, Inc.

Promotions Marketing Group, Inc. (PMG) is an independent, woman-owned marketing services firm headquartered in Blue Bell, Penn. Since 1995, Bank of America has contracted with PMG for a variety of marketing and training programs, with the firm becoming designated as a Strategic Partner on the bank's Federal Government GSA contract. In 2003, PMG was awarded production of a significant amount of the bank's account statement inserts.

The bank and PMG created a supplier development plan that increased revenue for the vendor by \$2.5 million in 2004. The plan is designed to expand PMG's customer base, reducing risk associated with any shift in bank business. Additionally, PMG participated in a bank Six Sigma quality and productivity project, resulted in a contract that is projected to save \$3.3 million for Bank of America while enhancing revenue for the supplier. Through the development plan, PMG was also able to establish a national network of minority-owned businesses to support its creative and production activities through Diverse Net®.



**Peg Fitzpatrick, President,
Promotions Marketing Group**

Sharing the Keys to a Brighter Future

At Bank of America, we understand that our success depends on the health and vitality of our neighborhoods. Through our charitable giving programs, we are able to direct financial and human resources to the places and people that we serve, a direct reflection of our commitment to the communities and neighborhoods where we work and live.



The Bank of America Charitable Foundation is one of the largest corporate foundations in the country, and the channel through which we provide the majority of our charitable dollars. In 2004, we announced an unprecedented \$1.5 billion philanthropic goal over 10 years. This commitment finds expression through a national strategy called neighborhood excellence. At its core, neighborhood excellence is about identifying critical issues in local communities and directing resources to address those priorities.

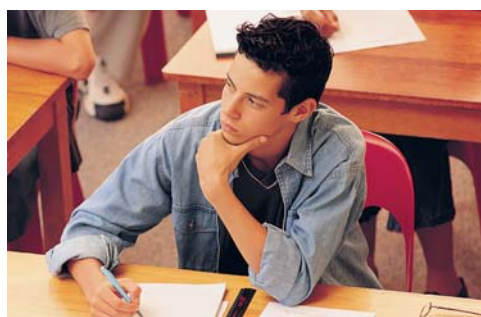
We believe the people best equipped to determine the needs of the community are the people who live there. Through the Foundation's structure, we provide grantmaking guidance to our local leadership teams across our franchise, but we rely heavily on

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the bank's local leaders who partner with their communities to identify local priorities. Challenges facing local communities range from affordable housing and economic growth to youth education and art and culture. Our philanthropic investments are directed to address these local priorities.

The Foundation also partners with local leadership teams to support anchor institutions that substantially contribute to the vitality of our neighborhoods. These organizations often include performing arts centers, hospitals, colleges and universities, and play a critical role in revitalization efforts, job creation and economic development. Our support of these anchor institutions compliments our overall strategy of promoting neighborhood excellence.

In addition, the Bank of America Charitable Foundation continues to develop and support relationships with national and local nonprofit organizations that are striving to achieve neighborhood excellence.





The Neighborhood Excellence Initiative

Bank of America's signature program embodying this strategy is the *Neighborhood Excellence Initiative*, which is designed to recognize and reward individuals and organizations who are making a difference in their communities. Currently, the initiative operates in 38 markets, and by the end of 2005, the Foundation will have awarded more than \$30 million through the program.

The *Neighborhood Excellence Initiative* is comprised of three distinct programs, and in each selected market awards are given in the three program categories:

- **Neighborhood Builders:** \$200,000 in grant funding and leadership training over the course of two years is provided to two local nonprofit organizations working to promote vibrant neighborhoods. The combination of operating support and leadership training helps strengthen the capacity and infrastructure of the selected organizations and promotes the professional development of the nonprofits' leaders.
- **Local Heroes:** recognition of five community heroes whose achievements and leadership on local issues contribute significantly to neighborhood vitality. Recipients will direct a \$5,000 contribution to an eligible nonprofit of their choice and will be honored at a public ceremony.
- **Student Leaders:** development of five high school students entering their junior or senior years who are exemplary young people with an interest in improving their neighborhoods. To further their personal and educational growth, each student will participate in an eight-week paid summer internship with a community-based organization, as well as a mentorship program with an executive at Bank of America.

The *Neighborhood Excellence Initiative* takes a unique approach to meeting community needs. In addition to providing much sought after operating support for nonprofit organizations struggling to meet the increasing demands of growing communities, the Neighborhood Builder component includes a tailored and rigorous training program. This program is designed to assist the groups' leaders in identifying organizational challenges and planning for long-term growth, accomplishment and sustainability. The Local Hero and Student Leader components of the program build momentum in each community by recognizing and promoting role models for other individuals wanting to make a difference.



