



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

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Community Reinvestment Act Performance Evaluation

**Fleet National Bank
Charter Number: 1338**

**111 Westminster Street
Providence, RI**

**Office of the Comptroller of the Currency
Large Banks Division
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Washington, DC 20219**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency, when examining financial institutions subject to its supervision, to use its authority to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon the examination's conclusion, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Fleet National Bank** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **February 23, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR part 25.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout the Performance Evaluation. The definitions are intended to give the reader a general understanding of the terms, not a strict legal definition.

Metropolitan Statistical Area (MSA) - Area defined by the United States Office of Management and Budget (OMB). MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in an MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and its disposition.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above and below it. HUD updates the MFI each year.

Low-Income - Income levels that are less than 50 percent of the MFI.

Moderate-Income - Income levels that are at least 50 percent and less than 80 percent of the MFI.

Middle-Income - Income levels that are at least 80 percent and less than 120 percent of the MFI.

Upper-Income - Income levels that are 120 percent or more of the MFI.

Small Business Loans - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

Regulatory Capital - Bank capital as defined by regulation. In this evaluation we use Tier I capital as a measure. Tier I capital consists of paid in stock, surplus, and retained earnings.

Institution’s CRA Rating: This institution is rated Satisfactory.

- Fleet produced a significant volume of lending during the evaluation period with \$9 billion in mortgage loans and small business loans.
- Fleet has developed many flexible loan products which are reflective of local credit needs.
- Market share for home mortgage lending in low and moderate income census tracts was greater than the overall share in Connecticut, Massachusetts, and Rhode Island and was roughly equivalent for the Providence MSA.
- Fleet has been a leader in providing affordable home purchase loans to low and moderate borrowers, especially in Massachusetts, Connecticut and the Providence MSA.
- Fleet had provided \$269 million in qualified investments throughout its assessment areas, which equals 5 percent of equity capital.
- A substantial majority (92 percent) of Fleet’s lending occurred within its assessment areas.

The following table indicates the performance level of **Fleet National Bank** with respect to the lending, investment, and service tests.

Performance Levels	Name of Financial Institution		
	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High satisfactory	X		
Low satisfactory			X
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests in the overall rating.

Description of Institution

Fleet National Bank (Fleet) headquartered in Providence, Rhode Island, is the lead bank of Fleet

Financial Group (FFG). FFG, a diversified financial services company headquartered in Boston, Massachusetts, is engaged in general commercial banking and trust businesses throughout the northeast and has a nationwide presence through its nonbanking subsidiaries. FFG also has banking units in Florida, Maine, New Hampshire, New Jersey, and New York.

Fleet is a full service bank serving Connecticut, Massachusetts, Rhode Island and portions of Upstate New York. As of December 31, 1997, the bank's assets totaled \$64 billion; equity capital \$5.6 billion; domestic deposits \$42 billion; and total loans \$45 billion. Loans comprise 63 percent of the assets of the bank with commercial loans 41 percent, residential real estate 28 percent, commercial real estate 10 percent, consumer loans 10 percent and other loans and leases 11 percent.

Fleet has many subsidiaries which contribute to its CRA performance. Qualifying loans and investments originated by these subsidiaries were considered in Fleet's performance, with the exception of Fleet Bank (RI), N.A. This national bank subsidiary was recently chartered and will receive its own CRA evaluation in the future. A listing of significant subsidiaries can be found in the Appendix. The most significant to CRA performance are Fleet Mortgage Company (FMC) and Fleet Community Development Corporation (FCDC).

FMC, a subsidiary of Fleet, provides residential mortgages nationwide. Non-saleable mortgages are originated directly by the bank and maintained on the bank's balance sheet. During 1997, FMC experienced significant management turnover and changed its business strategy, which caused turnover at all levels in the organization. This turnover resulted in reductions in mortgage loan production during 1997. FFG established FCDC in 1994 to offer non traditional financial assistance to small businesses located in low- and moderate- income areas.

Community Contacts

Meetings were held with 24 community representatives in all of the MSAs selected for full-scope review. In addition, we reviewed all of the community contact forms that representatives of the OCC, Federal Reserve Banks, Federal Deposit Insurance Corporation and the Office of Thrift Supervision had prepared from 1996. The groups mentioned the following as credit needs: financing for nonprofit organizations' small-scale acquisition, rehabilitation and sale projects; loans or credit lines to nonprofits to be used for underlying home improvement loans to their home owning clients; and loans that combine purchase and rehabilitation financing for owner-occupied 1 - 4 family houses.

Description of Assessment Area (AA)

The bank has defined 34 assessment areas in Connecticut, Massachusetts, Rhode Island and New York. These areas are comprised of 25 MSAs, 2 multistate MSAs, 21 Non - MSA counties in

Upstate New York and 71 BNAs which are not full counties. Due to the diverse nature of the demographics and economies for these areas these descriptions can be found within each State and Multistate MSA rating area. Demographic data is from updated 1997 HUD information.

ALL AREAS						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% living in CT type)	16,502,989		5	16	57	22
Family Distribution (% by income)	4,252,800		19	18	25	38
Census Tracts	4003		7	18	53	20
Small Business	454,985		6	15	54	24
Owner Occupied Housing (#)	6,145,930		1	11	62	26
Median Housing Value (\$)		135,231				
Median Income(\$)		50,868				

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests

Scope of Review:

We reviewed Fleet’s performance under the Community Reinvestment Act beginning February 23, 1998. We reviewed HMDA reportable loans, small business loans, community development loans and investments for 1996 and 1997. Consumer loan data collected by the bank for 1997 was also reviewed. We also reviewed all mortgage loans made by Fleet Mortgage Company, as well as, loans made by bank affiliates within Fleet’s assessment area. Other investments, loans, or investment made by affiliates within the assessment area were also considered. All loans listed as community development loans and qualified investments were reviewed to verify that they qualified for community development consideration.

Lending Test

Fleet and its affiliates originated 53,505 HMDA reportable loans for \$4,435 million and 27,827 small business loans for \$4,233 million during 1996 and 1997. They also originated 107,002 consumer loans during 1997 for \$711 million. This level of activity demonstrates a good level of commitment to its assessment areas. The bank's level of lending can be better evaluated at a market level, that analysis is found at the state and MSA level discussions. A table of the overall lending by product is found below.

Fleet originated a substantial majority of its small business loans during the evaluation period within its assessment areas. During the evaluation period 94 percent of all reportable small business loans were originated within its assessment area. The percentage for HMDA reportable loans was at 90 percent. This product was slightly lower due to the fact that all affordable mortgages are booked on Fleet's balance sheet and therefore loans made in other bank markets (New Jersey, New York City, New Hampshire and Maine) were originated by Fleet which lowered this percentage.

LENDING ACTIVITY - 1996&1997					
Loan Type	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
	B				
Purchase Money REM	CT	2	17	57	24
	B	10	20	28	31
Home Improvement	CT	1	8	59	32
	B	8	19	28	46
Refinance REM	CT	1	8	57	35
	B	5	17	29	49
Multi-family REM	CT	7	-	57	36
	B	-	-	-	-
Consumer - (Specify type; add additional lines as needed)	CT	3	16	58	23
	B	27	28	22	23
Small Business	CT	7	16	52	25

(CT) Income Level of Census Tracts
(B) Income Level of Borrower

Geographic Distribution

Fleet has demonstrated good performance in lending throughout its assessment areas. Distribution was reviewed at an MSA level for conspicuous gaps and none were found. Lending performance was especially good in the area of home purchase loans. In substantially all markets reviewed, and for the states overall lending in low and moderate income areas was higher than that of the aggregate of all lenders. Fleet's lending in low and moderate income census tracts at 2 and 17 percent respectively also exceeded the demographic of owner occupied housing at 1 and 11 percent. For refinance and home improvement loans, this was generally not the case and in some instances the lending was substantially lower than the overall lending market shares.

Small business lending was generally consistent with the geographic distribution of small businesses in all census tracts. In most cases, the percentage of lending in low and moderate income census tracts was higher than the percentage of businesses located there. In each rating area, except the State of Rhode Island, lending was at least in parity with the percentage of businesses. However, the Rhode Island market was less than 1 percent of the overall lending. Small business lending was particularly strong in Massachusetts and Connecticut where the percentage of lending to low and moderate income census tracts was 3 to 4 percent greater than that of the market.

Consumer lending was generally consistent with the population distribution.

Borrower Distribution

A strength of Fleet's affordable lending program is its ability to reach low and moderate income borrowers. These mortgages are targeted toward home purchase loans and especially first time home buyers. During outreach in all MSAs, affordable housing and mortgages were cited as a significant need. In all rating areas except the State of New York, New London MSA and the State of Rhode Island, Fleet's HMDA lending to low or moderate income borrowers had a higher market share than its overall market share. This performance was generally a result of strong performance in the home purchase product, which showed better performance to low or moderate income borrowers in all areas reviewed except two Connecticut MSAs. Due to the refinancing activity of the past two years the overall numbers do not look as strong as the individual performance of home purchase loans. In addition, due to the structure of affordable mortgages with lower downpayments and rates, it is unlikely that low or moderate income borrowers who had received these mortgages in the past would be eligible or inclined to participate in refinancing.

Due to the income level of low income families at less than 50 percent of the median family income and the high cost of housing in the northeast, few low income families can purchase housing in these markets. Additionally, the poverty level is calculated at less than 30 percent of the median family income further reducing the number of families that would qualify for mortgage loans. Based on these facts, we feel that the performance of the overall market is the best

indicator for comparing for lending especially to low income families.

Small business lending, shows significant lending to small businesses. Overall 51 percent of the lending to businesses was to entities with revenues of less than \$1 million. This compares well to the lending patterns in most rating areas. In general, Fleet's percentage of lending was slightly lower than the aggregate of all lenders. Small loans of less than \$100,000, comprise 67 percent of Fleet's portfolio, this was also generally lower than the percentage of loans in this category for the aggregate of all lenders.

Community Development Lending

Fleet National Bank made 46 community development loans totaling \$218 million. The bank originated 4 loans totaling \$17 million to support the provision of health and social services by organizations whose primary beneficiaries are low- or moderate-income persons; 24 loans totaling \$171 million to support the provision of affordable housing for low- and moderate-income individuals; and 18 loans totaling \$30 million to organizations that promote economic development by financing small businesses. For a description of the bank's community development activities see the discussion of the bank's performance by assessment area.

Flexible /Innovative Loan Programs

Fleet was active in developing and offering flexible and affordable loan programs. These products are offered under the umbrella of Fleet's INCITY Initiative. Fleet INCITY represents a comprehensive commitment by FFG to provide community lending programs and outreach initiatives that address the individual needs of the communities which it serves. The Fleet INCITY products are designed to provide individuals, families and businesses, especially those located in low- to moderate- income areas, with access to credit and services.

These include programs developed internally and government-sponsored loan programs. They feature flexible underwriting criteria and/or other enhancements. The loans originated under these programs are included in the data for HMDA reportable and small business loans presented in this evaluation. The following is a brief description of the major flexible programs which are available throughout the bank's assessment areas.

Affordable Mortgage Products

Secondary Market Programs

FHA - A government sponsored program which has minimal downpayment, allows closing cost to be financed and has flexible credit criteria.

Fannie Mae Community Homebuyer's Program - A program with 5 percent downpayment requirement, however a portion may be a grant or gift.

State agency programs - Below market rate bond programs are available within each state in the bank's market.

Jumpstart - This program couples the state agency lending in Rhode Island, Massachusetts and New York with an unsecured loan at the first mortgage rate to cover closing costs or downpayments.

Fannie Mae House Boston and House Hartford - These "House" programs are partnerships with Fannie Mae and the cities lenders to help increase home ownership in the cities. The standard Fannie Mae program is offered with more flexible underwriting standard and low downpayments. In addition, purchase/ rehabilitation loans are available.

Portfolio Programs

Currently Fleet carries \$1.2 billion in affordable mortgage loans in their portfolio. Management is working to package and sell some of these loans for asset/liability reasons. In addition, this will allow Fleet to continue to provide affordable mortgages in the future.

LMI - Fleet's proprietary, market rate product offered since 1993 is available in all bank markets. It features 95 percent financing for 1-3 family housing and allows 2.5 percent to come from grants or gifts. The borrowers portion of funds may come from non traditional sources. Flexible debt to income ratios are allowed and no mortgage insurance is required.

Negotiated Programs - Fleet has programs in certain markets that were negotiated with partners in providing home ownership. These include Neighborhood Assistance Corp. Of America, ACORN, and H.A.R.T.. These programs are similar to the bank's proprietary product but may be more flexible in certain underwriting requirements.

Fleet Small Business Loan Program

A program offered through the INCITY Business and Entrepreneurial Services Group. It is designed to promote and support small businesses and other entities located within, or that benefit, low- and moderate-income persons or geographies. The loan requires less supporting documentation than standard bank requirements. The program also provides flexible underwriting criteria, and the bank does not require a minimum loan amount.

Investment Test

Fleet has demonstrated an excellent record of providing community development investments to its assessment areas. During the evaluation period, the bank extended \$253 million dollars in qualified investments and grants. The bank committed to provide \$269 million in qualified investments. This represents 5 percent of the bank's capital base. In addition, Fleet committed \$11.7 million to organizations which are nationwide but provide resources and assistance to its assessment areas.

The majority of the bank's qualified investments involve Bond Anticipation Notes (BAN's) and Low Income Housing Tax Credits (LIHTC's). The BAN's are for the revitalization and stabilization of economically distressed geographies within the bank's assessment area. During the evaluation period, Fleet committed to and extended \$220 million, of which \$12.7 million remained outstanding at December 30, 1997. The LIHTC's assist in the development of affordable housing for low- and moderate-income families and individuals. During the evaluation period, Fleet committed \$37 million and extended \$23 million, from commitments originated both prior to and during the evaluation period. LIHTC's have been in existence since 1986, and therefore are not considered innovative. They can, however, be designated as complex because of the specialized knowledge required to structure and maintain these projects throughout the required 15-year holding period. Additionally, these investments are not routinely offered by private investors due to the complex nature of their structure.

The remaining qualified investments are centered in commitments of \$4.9 million to small business equity funds. During the evaluation period, \$2.3 million was extended to small business equity funds under commitments made prior to the evaluation period. Additionally, Fleet contributed \$2 million of in-kind donations of former branch offices and properties obtained through foreclosure, to community development organizations.

In addition, during the evaluation period Fleet made approximately \$5.3 million dollars in qualified grants or contributions to a variety of organizations throughout the assessment area.

While the bank's qualified investments focus primarily on the revitalization and stabilization of distressed areas, and providing affordable housing for low- and moderate-income families, the bank's lending activities provide adequate funding for the other identified credit needs of the bank's assessment areas.

In addition to the qualified investments that directly benefit the bank's assessment area, Fleet has invested in organizations that benefit an area larger than, but including, the banks's assessment area. Those organizations are as follows:

- ▶ In the second quarter of 1997, FFG committed to purchase up to \$10 million in notes from the Neighborhood Housing Services of America (NHS). These notes are originated through the Neighborhood Reinvestment Corp. (NRC) mortgage program. The mortgages are located in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, and Rhode Island. NHS is a national nonprofit secondary market

corporation. It purchases first and second mortgages and property-rehabilitation loans made by its related organization, NRC, to families who do not qualify for conventional loans. An initial disbursement of \$750 thousand was extended during the first quarter of 1998.

- ▶ In conjunction with the above commitment, FFG committed \$1.4 million in grants over three years to NHSA's affiliated NeighborWorks Organizations (NWOs) to support neighborhood revitalization and the development of affordable housing. The NWOs are located in New England, New York, and New Jersey. In 1997, FFG distributed \$242.5 thousand to the NWOs, of which \$192.5 thousand was in Fleet's assessment area.
- ▶ Fleet invested a total of \$3.5 million in the 1988 and 1992 National Equity Funds. These funds raise money for low-income housing projects through syndication and sale of tax credits to investors throughout the United States.
- ▶ In 1997, Fleet committed to a \$200 thousand three year grant to Rural Local Initiatives Support Corp. (Rural LISC) in New England. The grant is to help support the participation of New England Community Development Corps. (CDC's) in the national rural community development program launched by LISC. The Franklin County CDC and New York Rural Opportunities, Inc. are participating CDC's in the bank's assessment area.

Service Test

Fleet relies heavily upon its branch network and other systems to assess the needs of and deliver services to bank customers and the broader assessment areas. Fleet operates an expanding branch and automated teller machine (ATM) network which respectively totals 720 and 1,235. The vast ATM network reflects operations in 1,027 locations. In each state, a majority of the branch offices and ATMs are located in middle-income census tracts with between 19-26 percent of the branches located in the low or moderate income census tracts. In addition, the bank uses alternative delivery systems as vehicles to help better serve all areas.

Products and Services

Fleet offers a traditional array of bank products and services in a manner designed to reach consumers in all geographic areas and of all income levels, including the low and moderate income population. The bank uses reasonable branch hours to help meet the convenience and needs of the consumers. Most branches reflect core operating hours of 9:30 a.m. through 3:00 p.m. while some branches reflect earlier opening times and still others reflect later closings (especially on Thursdays and Fridays). Fleet offers multilingual service through its branch, ATM, and telephone banking systems. The bank also cashes government checks for non-customers. In addition, while some offices are open on Saturday, many of Fleet's services are accessible on a 24-hour basis through the telephone banking systems.

Fleet also offers a “Basic Checking” personal checking account bankwide. The account requires an opening deposit of \$10; costs \$2.50 per month; and allows eight transactions per month, after which the account will be charged \$1 for each additional transaction.

Fleet has established retail delivery systems that are reasonably accessible to all portions of its assessment areas. These systems provide a wide range of retail banking services to residents in the bank’s assessment areas.

Branch Composition

During the evaluation period, changes in the branch composition through consolidations and divestitures resulted primarily from the acquisitions of NatWest and Shawmut. Fleet sold about 100 branches, largely to an affiliate bank, during the last two years. The sale of branches, rather than closures, helped to provide continued banking services to the areas.

Alternative Delivery Systems

The Telephone Answer Center and the WorkPlace Banking program offer alternative ways for consumers to conduct banking business with Fleet. The telephone based system generally provides access to various banking services via a toll-free number. For employees of participating companies, the WorkPlace Banking program seeks to offer access and convenience to banking services. The availability of banking services through the work place also helps Fleet facilitate the use of banking services by all customers, including those with lower income levels. The WorkPlace Banking program currently applies to about 600 companies throughout the bank’s assessment areas; this service reaches about 53 thousand households.

Community Development Services

Fleet provides an adequate level of community development services. Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank’s assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Fair Lending

We conducted a concurrent fair lending examination of the Fleet Mortgage Company. Home

purchase mortgages were selected by a random sample of the HMDA-LAR by the OCC's Economics and Policy Analysis Department. Multiple variables were analyzed by a computer-based regression model. The results of the model did not indicate any acts of illegal discrimination. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. The mortgage company's fair lending policies, procedures, training programs and internal assessment efforts are satisfactory.

AGGREGATE RESIDENTIAL LENDING										
State:	Demographics		Lending Distribution		Market Share*			#	\$ (000s)	Avg. Loan (000s)
	% Owner Occupied in LMI CTs	% LMI Families	in LMI CTs	to LMI Borrowers	Overall	LMI CTs	LMI Borrower			
Connecticut	11%	37%	8%	25%	5.51	6.06	6.41	10,556	\$1,076,211	\$102
Massachusetts	12	37	17	29	6.28	9.16	8.72	19,852	1,913,054	96
New York	12	37	11	21	6.66	5.99	5.55	17,117	953,219	56
Rhode Island	5	37	4	15	6.42	6.76	6.28	162	20,681	128
New London Multistate MSA	12	37	8	19	4.31	3.15	3.74	936	69,081	74
Providence Multistate MSA	11	37	10	25	8.45	8.30	10.68	4,882	402,257	82
Total			12%	25%				53,505	\$4,434,503	\$83

(*) 1996 HMDA Reporter Market Share

FLEET AGGREGATE SMALL BUSINESS AND COMMUNITY DEVELOPMENT LENDING												
State:	% of Small Businesses in LMI CTs	% of Reporters' Loans in LMI CTs*	Market Share		% of Bank's Loans in LMI CTs	% of Loans less than \$100,000	% of Loans to Small Businesses ♦	Bank Totals		Avg. Loan (000s)	Community Development Loans	
			Overall	LMI CTs				#	\$(000s)		#	\$(000s)
Connecticut	22%	20%	11.96	13.09	23%	69%	55%	5,752	\$862,872	\$150	8	\$16,511
Massachusetts	22	20	9.92	11.58	24	66	48	10,414	1,617,544	155	19	156,991
New York	21	20	8.07	8.69	21	66	49	8,207	1,244,360	152	11	36,860
Rhode Island	6	6	7.36	7.14	8	70	70	80	9,003	112	1	350
New London Multistate MSA	17	18	13.37	16.49	21	75	65	658	85,503	130	1	250
Providence Multistate MSA	22	20	19.87	20.85	22	66	60	2,900	420,272	145	6	7,100
Total States					23%	67%	51%	27,827	\$4,233,206	\$152	46	\$218,062

(*) 1996 CRA Small Business Reporters

♦ Percent of loans to businesses with revenues less than \$1 million when revenue was known.

AGGREGATE BRANCHES & ATMs											
Fleet Geographies:	#			% # of Offices				% # of ATMs			
	Branch Offices	% of Offices	ATMs	Low CT	Moderate CT	Middle CT	Upper CT	Low CT	Moderate CT	Middle CT	Upper CT
Connecticut	159	22%	311	11%	15%	51%	23%	12%	14%	52%	22%
Massachusetts	236	33	460	9	15	51	25	14	15	43	28
New York	241	33	298	6	16	57	21	4	14	55	27
Rhode Island	2	<	5	0	0	100	0	0	0	100	0
Providence Multi-State MSA	61	9	118	6	13	60	21	5	9	68	18
New London Multi-State MSA	21	3	43	9	14	48	29	2	7	72	19
Total	720	100%	1,235								

< Indicates less than 1 percent

Multistate MSA Ratings

CRA Rating for New London-Norwich MSA (CT-RI): Satisfactory

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

- Fleet's loan distribution throughout the assessment area was adequate, with small business lending and home purchase lending showing better overall performance.
- Distribution of mortgage lending to low and moderate income borrowers showed lower market shares than overall lending market share.
- Community development loans were limited to 1 loan for \$250 thousand.
- Investments were limited to grants provided to a local nonprofit.
- The offering of bank services, the accessibility by consumers of all income levels, and the distribution of branches is good.
- Fleet provides a good level of community development services in comparison to opportunities and its presence in the market.

Description of Institution's Operations in New London-Norwich MSA

This assessment area is comprised of the entire New London-Norwich, CT-RI Multistate MSA and several adjacent towns which do not extend substantially beyond the border of this MSA. These towns are Chester, Deep River, Essex, Westbrook, Lyme, Putnam and Killingly. This assessment area is served by 21 branches. The population of this area are 2 percent of the total population of Fleet's total assessment areas. Lending in this MSA was 2 percent of the total lending during this evaluation period and the population comprised 2 percent of the total assessment area's population.

The population of this MSA is slightly over 336 thousand. The assessment area encompasses 85 census tracts with 3 low income tracts (4 percent) and 14 moderate income tracts (16 percent). The 1997 HUD median family income is \$52,383 and 17 percent of the families are considered low income and 20 percent moderate income. Six percent of the households residing in this assessment area live below the poverty level and 88 percent of housing is owner occupied.

The eastern shoreline of Connecticut is currently experiencing a dramatic transformation as the economic base shifts to tourism and entertainment from defense manufacturing. This area was the most defense dependent economy in the nation through the 1980's. Cuts in federal defense

spending have lead directly to the loss of tens of thousands of jobs. These job losses have been replaced by new jobs in tourism and entertainment, particularly at the two Native American casinos. In 1996, Foxwoods replaced Electric Boat (a division of General Dynamics) as the area’s largest employer. However, wages in tourism and gaming are significantly lower (by approximately 40 percent) than those in defense manufacturing. New London has experienced significant office, industrial and retail vacancies, while Norwich has experienced growth in its lodging industry.

Credit needs in this area focus on affordable housing and small business lending. The influx of residents with jobs in the gaming industry has increased the need for affordable rental housing. This reduction in wages has also resulted in stagnant or declining residential values. There has been growing entrepreneurial activity with the defense layoffs and the need for small business loans has been growing.

Mortgage lending in the area was fragmented with the top 15 lenders only accounting for 59 percent of the market. Chelsea Groton Savings Bank and Norwich Society for Savings are the leading competitors in this market.

New London-Norwich, CT-RI Multistate MSA						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	336,583		1	19	58	20
Family Distribution (% by income)	89,634		17	20	26	37
Census Tracts	85		4	16	53	20
Small Business	9976		3	14	55	28
Owner Occupied Housing (#)	81,138		0	12	63	25
Median Housing Value (\$)		151,382				
Median Income(\$)		52,383				
Unemployment Rate - Dec. 31, 1997	4.7%					

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests in New London-Norwich MSA

Lending Test

The volume of Fleet's lending in the MSA was reasonable in light of the bank's size, business strategy and scope of operations. During 1996 and 1997, Fleet originated 936 HMDA loans for \$69 million and 658 small business loans for \$86 million. In 1997, Fleet originated 1,992 consumer loans.

Based on aggregate 1996 HMDA data, Fleet ranks as the 3rd largest provider of HMDA loans. By individual HMDA product, Fleet ranks 13th in home purchase, 3rd in home improvement and 2nd in refinances. Refinance loans comprise 48 percent of Fleet's HMDA lending during the evaluation period. In 1997, the bank's HMDA loans increased 14 percent from 1996 levels.

LENDING ACTIVITY: New London, RI - Norwich, CT Multi-state MSA - 1996&1997					
Loan Type	CT	Low	Moderate	Middle	Upper
	B	% of #	% of #	% of #	% of #
Purchase Money REM	CT	0	12	59	29
	B	6	18	26	36
Home Improvement	CT	0	9	59	32
	B	5	18	23	46
Refinance REM	CT	0	5	60	35
	B	4	11	20	40
Multi-family REM	CT	0	0	0	0
	B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	CT	2	19	52	27
	B	24	25	19	18
Small Business	CT	5	16	51	28

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower information was not reported for 14% of purchase money REM, 8% of home improvement, 25% of refinances and 14% of consumer loans.

Based on aggregate 1996 small business data, Fleet ranks 3rd in the number of small business loans and 1st in total dollar volume. It should be noted that American Express was ranked 1st with an average loan size of \$7,000, due to its business credit card product. In 1997, Fleet

increased its number of small business loans by 13 percent over the 1996 level.

Distribution by Geography

The bank's lending was reasonably disbursed throughout the MSA. We did not identify any conspicuous gaps in its geographic lending. The bank's distribution of HMDA loans in both low income and moderate income census tracts was reasonable when compared to the opportunities presented by the percentage of owner-occupied units in these census tracts.

Based on HMDA aggregate data for 1996, the bank's market share in low- and moderate-income census tracts was somewhat lower than its overall market share for all products except home purchase loans. For home purchase loans, lending exceeded the demographic for owner occupied housing and exceeded the overall market share for lending within low and moderate income census tracts. Lending in 1997 was consistent in moderate income census tracts, however, there were no home purchase loans made in low income census tracts. Home improvement loans were relatively consistent with the demographic of owner occupied housing and refinancing loans were well below this demographic. It should be noted that the market for home improvement loans and refinance loans in low income census tracts was very limited and consisted of 12 and 17 loans respectively.

The opportunities for small business lending in the MSA are expressed by the percentage of businesses located in these census tracts. The bank has a good distribution of small business loans throughout the MSA and exceeded the percentage of businesses in low and moderate income census tracts. Based on 1996 aggregate small business data, Fleet was ranked 4th in the number of loans in low and moderate income census tracts and exceeded its overall market share.

Consumer loans are also well disbursed throughout the various census tracts based on the percentage of population in the census tracts.

Distribution by Borrower Characteristics

Distribution of HMDA loans to low- and moderate-income borrowers was not consistent with the percentage of families that comprise this income sector. HMDA loans to low- and moderate-income borrowers accounts for 20 percent of the bank's total HMDA lending. In all HMDA products the percentage of loans to low income borrowers was significantly less than the population of these borrowers. With a median housing cost of \$150 thousand and the upper limit for low income families at \$26 thousand, there is little opportunity for low income families to purchase homes. The distribution of home purchase and home improvement loans to moderate income borrowers was very good. The bank's large volume of refinances, which were mainly provided to middle and upper income borrowers, contributed to the bank's disproportionate distribution.

Based on 1996 aggregate HMDA data, the bank's market share to low- and moderate-income

borrowers was lower than its overall market share. Home purchase loans again are the exception, as market shares of 3.0 percent and 2.2 percent were obtained for low and moderate income borrowers versus an overall market share of 2.0 percent. Fleet's market share of home improvement loans and refinance loans to low- and moderate-income borrowers was below its overall market share in these products.

Distribution of Small Business Loan Originations - 1996&1997 Within New London Multi-state MSA By Loan Size and Business Revenues								
Loan Size				Annual Revenues < \$1 Million				
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	489	75%	\$19,217	22%	385	79%	\$13,929	73%
\$100,000 to \$250,000	68	10%	\$12,632	15%	14	21%	\$2,199	17%
\$250,000 to \$1,000,000	101	15%	\$53,654	63%	30	30%	\$14,461	27%
Totals	658	100%	\$85,503	100%	429	65%	\$30,589	36%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	77%	*As a percentage of loans of the size category		
				> 1 Million	7%			
				Unknown	16%			

Business demographic data indicate that 77 percent of businesses in the MSA have annual revenues of less than \$1 million. In 1996, Fleet's loans to businesses with annual revenues less than \$1 million was 65 percent of its small business portfolio. Based on 1996 aggregate small business lending data, Fleet's performance was slightly better than the overall market as approximately 60 percent of all business loans were to businesses with annual revenues of less than \$1 million. Fleet ranked 3rd in the number of loans to very small businesses. The Norwich Savings Society and American Express were ranked 1st and 2nd, each having significantly more loans to businesses with annual revenues less than \$1 million.

Fleet's small business loans in amounts less than \$100,000 accounted for 75 percent of all small business loans. In 1996, small business loans in amounts less than \$100,000 accounted for 85 percent of small business loans reported by all lenders. The average loan size for Fleet's small business loans was generally much larger than the top 10 lenders in the market.

Consumer loan data reflects that distribution was good among borrowers of different incomes. However, consumer loan data was collect by the individual's income and may not accurately reflect the household or family income of that individual.

Flexible and Innovative

In addition to the bankwide products mentioned earlier, Fleet initiated a pilot Automobile Loan Program with the cities of Norwich and New London to meet the transportation needs of working, lower income residents. Neither of these cities have effective public transportation systems and loans for older used cars were needed.

Community Development Lending

Fleet National Bank made 1 community development loan totaling \$250,000 in the New London - Norwich Multistate MSA. The loan was made for residential and business property rehabilitation and business development to create and retain job opportunities.

Investment Test

Fleet has not made any investments in this multistate MSA, and donations were minimal. However, there was limited opportunity to invest through Fleet’s traditional investment vehicles. Community contacts indicated that there was not much tax credit investment opportunity. Fleet made small donations during the evaluation period to a local nonprofit organization that rehabilitates deteriorated or foreclosed properties in New London for sale as affordable housing for low- and moderate-income families.

The table below details Fleet’s donations during the evaluation period.

Multi-state MSA 5520	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	0	0	0
Donations	2	2	2
Total	2	2	2

Service Test

Fleet uses delivery systems which provide a wide range of financial services in the New London multi-state MSA. The bank maintains 21 branches and 43 ATMs. This included five branches (23 percent) located in low or moderate income census tracts. This distribution was very similar to the percentage of low or moderate income geographies in the assessment area. For the multi-state MSA, 20 percent of the census tracts are designated low or moderate income and 20 percent of the population reside in these tracts. Hours for the low or moderate income branches are similar to the hours of operation for branches in middle- and upper-income geographies and include some extended hours. The branch consolidations did not reflect a significant adverse impact upon access to bank services. A mobile branch was introduced in August 1996. This full service branch provides scheduled banking services to assisted living facilities and retirement homes and to companies in remote locations within this assessment area.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's assessment area that has as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, a Fleet employee is the chairperson of the City of New London Revolving Loan Pool and employees serve on the loan committees of the Putnam Revolving Loan Fund and the Northeast Economic Alliance.

Multistate MSA Ratings

CRA Rating for Providence-Fall River MSA (RI-MA): Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: Low Satisfactory

Highlights to support rating include:

- Fleet had a strong volume of lending, especially in small business loans.
- Geographic distribution of home mortgage lending was consistent with the percentage of owner occupied housing
- Excellent percentages of home mortgage lending to low and moderate income borrowers, which was much greater than that of the aggregate market, especially for home purchase loans.
- Percentage of small business lending in low and moderate income exceeded the aggregate of all lenders and the percentage of businesses located in such tracts.
- Fleet committed to invest \$11 million in qualified investments throughout this MSA.
- The offering of bank services, the accessibility by consumers of all income levels, and the distribution of branches was reasonable.
- Fleet provides an adequate level of community development services.

Description of Institution's Operations in (Providence-Fall River MSA (RI-MA))

The Providence MSA consists of a substantial portion of the State of Rhode Island and Bristol County, Massachusetts. Fleet's assessment area consists of the entire MSA. During the examination period 9 percent of all HMDA reportable loans and 10 percent of all reportable small business loans were originated in this area, while only 7 percent of the people living within the bank's assessment area reside here.

The population of this MSA is slightly over one million. The assessment area encompasses 255 census tracts with 11 low income tracts (4 percent) and 57 moderate income tracts (22 percent). The 1997 HUD median family income is \$46,900 and 19 percent of the families are considered low income and 18 percent moderate income. Ten percent of the households residing in this assessment area live below the poverty level and only 54 percent of housing is owner occupied.

The State of Rhode Island suffered a steep drop in employment during the early 1990's where

11.6 percent of jobs were lost. The state has only regained 60 percent of these lost jobs. Rhode Island's unemployment rate has remained stable over the past year at a seasonally adjusted rate of 5 percent. While this number appears strong, job growth within Rhode Island has been modest with a growth rate much slower than the nation as a whole. Improving economies in the neighboring states, Connecticut and Massachusetts, provided residents with jobs. The major employers in the state are Rhode Island Hospital, the State of Rhode Island, General Dynamics and Brown University. Manufacturing continues to experience job losses, as service industries add jobs with lower average wages.

Within this area, greatest competition for Fleet was from Citizens Savings Bank and BankBoston. In addition, smaller banks and credit unions compete in certain local areas. Citizens Savings Bank and Fleet have the highest and almost equal deposit market shares at 33 percent.

Providence - Fall River, RI -MA, Multistate MSA						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	1,134,365		2	20	58	20
Family Distribution (% by income)	297,759		19	18	25	38
Census Tracts	255		4	22	54	18
Small Business	27,187		5	17	59	19
Owner Occupied Housing (#)	252,570		1	10	65	24
Median Housing Value (\$)		132,998				
Median Income(\$)		46,900				
Unemployment Rate - Mar. 31, 1998	5.0%					

Percentages may not add to 100 due to 4 census tracts classified as NA

Conclusions with Respect to Performance Tests in Providence-Fall River MSA (RI-MA)

Lending Test

Fleet offers a variety of real estate, consumer and small business loans and the bank widely distributes these throughout the assessment area. The volume of originations and purchased loans demonstrates that the bank has been highly responsive to the assessment areas' credit needs.

Fleet originated or purchased 4,882 HMDA reportable loans for \$402 million during the evaluation period and 2,900 small business loans for \$420 million. Fleet began collecting consumer data in 1997 and originated 9,075 consumer loans for \$52 million. Fleet was third in

this market for home purchase mortgages and second for home improvement and refinance loans. This was consistent with their ranking of second in deposits in the market. In addition, Fleet was ranked second for small business loans behind a nationwide credit card issuer. Fleet's number of small business loans was more than three times that of any other banking institution. In addition, Fleet was the leading small business lender based on dollar amount with 51 percent of the market.

LENDING TEST: Providence- Fall River, RI-MA Multi-state MSA					
Loan Type	CT	Low	Moderate	Middle	Upper
	B	% of #	% of #	% of #	% of #
Purchase Money REM	CT	1	13	59	26
	B	7	25	28	31
Home Improvement	CT	1	8	55	36
	B	8	16	26	38
Refinance REM	CT	1	6	59	34
	B	4	15	26	40
Multi-family REM	CT	0	0	0	0
	B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	CT	3	18	60	19
	B	25	25	18	20
Small Business	CT	5	17	56	21

(CT) Income Level of Census Tracts
 (B) Income Level of Borrower

Geographic Distribution

Fleet demonstrated a good distribution of loans. During the evaluation period, home mortgage lending to applicants in low and moderate income census tracts was relatively consistent with the percentage of owner occupied housing. However, in 1996, Fleet's market share for home purchase lending in moderate income tracts (11 percent) significantly exceeded the overall market share (7 percent). The geographic distribution of reportable business lending demonstrated similar performance. Lending to low income census tracts was consistent with the aggregate market and the percentage of businesses located there. However, reportable business lending in moderate income tracts exceeded the aggregate market and the demographics. When the dollar amount of lending was reviewed, Fleet's market share was 50 percent higher in low income census tracts than its overall market share. The 1997 consumer lending was also consistent with

the geographic distribution of the population.

Borrower Distribution

Fleet demonstrated an excellent distribution of home mortgage lending to low and moderate income applicants. In 1996, 8.3 percent and 26.6 percent of the home purchase mortgages were originated to low and moderate income applicants respectively. The aggregate of all lenders showed 3.9 percent and 17.3 percent to these same applicant classes. With a median housing cost of \$133 thousand and the upper limit for low income families at \$24 thousand, there is little opportunity for low income families to purchase homes. Performance in 1997 was similar to 1996 for home purchase lending. For home improvement and refinance loans Fleet’s performance was similar to the market.

Lending to businesses of different sizes and distribution of loan size was good. In 1996, Fleet originated 59 percent of its loans to businesses with revenues of less than \$1 million. While demographic information indicates that 75 percent of all businesses have less than \$1 million in revenue, 52 percent of the aggregate of all reporting lenders went to these businesses during 1996. In addition, 85 percent of the loans made by all reporting lenders were in amounts less than \$100 thousand. This percentage drops to 75 percent when two large credit card banks are removed. Fleet’s performance is shown in the table below.

Distribution of Small Business Loan Originations - 1996&1997 Within Providence-Fall River Multi-state MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	1,918	66%	\$80,068	19%	1,415	74%	\$53,268	66%
\$100,000 to \$250,000	505	17%	\$91,746	22%	186	37%	\$32,463	35%
\$250,000 to \$1,000,000	477	17%	\$248,458	59%	135	28%	\$70,745	28%
Totals	2,900	100%	\$420,272	100%	1,736	60%	\$156,476	37%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:					*As a percentage of loans of the size category			
					< 1 Million 75 % > 1 Million 11 % Unknown 14 %			

Source: Dun and Bradstreet

The consumer data for 1997 shows excellent borrower distribution in comparison to the number of families for low and moderate income borrowers. In both cases 25 percent of the loans were made to each of these income classes.

Community Development Lending

Fleet originated 6 community development loans totaling \$7,100,000 in this assessment area during the evaluation period. The bank made 3 loans totaling \$600,000 to support the provision of affordable housing for low- and moderate-income individuals; and 3 loans totaling \$6,500,000 to organizations that promote economic development by financing small businesses.

Investment Test

Fleet has demonstrated an excellent record of providing community development investments in the Providence - Fall River MSA.

Fleet has extended a variety of investments in this multistate MSA. Fleet committed to and extended a BAN in an economically distressed city. Fleet played a leadership role in the establishment of the first low-income community based credit union in the state of Rhode Island. Fleet funded a \$200 thousand three-year deposit to this credit union at a nominal interest rate of 1 percent in the fourth quarter of 1997.

During the evaluation period, Fleet provided a significant number and dollar volume of qualified investments. These consisted of \$11 million in investments and donations extended within the multistate MSA. In addition to the investments noted above, Fleet made donations to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people. Included in the donations are three parcels of Other Real Estate, given at no cost, to community development organizations. The properties had a combined appraised value of \$562 thousand.

Amounts are detailed below.

Multi-state MSA 6480	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	9,800	10,000 *	10,000
Donations	986	986	424
Total	10,786	10,986	10,424

* One commitment made prior to this evaluation period was extended during this period.

Service Test

The bank's delivery systems in the MSA provide reasonable access to a wide range of financial services in a manner that is convenient to all portions of the assessment area, including low or moderate income geographies and individuals. After some branch consolidations and divestitures during the evaluation period, Fleet has 61 offices in this assessment area. These offices reflect a distribution pattern similar to that of the overall bank with 19 percent located in low or moderate income census tracts. The branch distribution differs slightly from the geography where 26 percent of the census tracts are designated low or moderate income and 22 percent of the population reside in these geographies. Branch hours in the low or moderate income areas mirror those of offices in the higher income census tracts with extended hours on Fridays and some Saturday operations.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. Over 60 of these seminars were held during the evaluation period. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the assessment area that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, a Fleet employee serves on the board of directors of the Oasis Community Development Credit Union, the first low income neighborhood credit union in Rhode Island.

State Rating

CRA Rating for State of Connecticut is : Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

- Volume of lending demonstrates responsiveness to credit needs
- Market share for home purchase lending in low and moderate geographies significantly exceeded the market share overall and the percentage of lending by the aggregate market.
- Mortgage lending to low and moderate borrowers was comparable to the aggregate of all lenders, however, the performance for home purchase loans was much better than the aggregate of all lenders.
- Fleet provided \$16 million in community development loans to support affordable housing initiatives and community services for low and moderate income individuals.
- Commitments for investments totaled \$7 million.
- Fleet's branch distribution is similar to the census tracts distribution of low and moderate income tracts and exceeds the percentage of population residing in such tracts.

Description of Institution's Operations in Connecticut

The evaluation of Fleet's performance in the State of Connecticut considers its performance in the Bridgeport, Danbury, Hartford, New Haven, Stamford and Waterbury MSAs. This evaluation also considers the town of Torrington Connecticut which is not within a MSA. Fleet has 159 branches within this area and 311 ATMs. Lending within this area comprises 20 percent of the total lending for the bank.

The population of this area is 2.9 million. The area encompasses 728 census tracts with 67 low income tracts (9 percent) and 115 moderate income tracts (16 percent). The 1997 HUD median income is \$62,507 and 18 percent of the families are considered to be low income and 19 percent moderate income. Seven percent of the households in this state live below the poverty level and 61 percent of the housing is owner occupied.

The State of Connecticut is still struggling to recover from the recession in the early 1990's. While the nation lost 2 percent of all jobs, Connecticut lost 9.5 percent of all of its jobs. By the end of 1997, 77 percent of these jobs have been recovered. Between 1992 and 1996, Hartford,

New Haven and Bridgeport continued to lose jobs after the national recession had ended.

While the State of Connecticut as a whole has the highest per capital income in the nation, affordable housing has remained a major need. Out migration in central Connecticut and job losses have resulted in declining home values, housing deterioration and abandonment. Corporate downsizing has created a great need for entrepreneurial development and the need for small business lending. The SBA stated that 97.7 percent of the businesses within Connecticut are small businesses.

Competition for banking products varies by region.

State of Connecticut						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	2,910,479		6	14	55	25
Family Distribution (% by income)	771,655		18	19	25	38
Census Tracts	728		9	16	51	23
Small Business	95,270		7	15	54	24
Owner Occupied Housing (#)	713,594		2	9	60	29
Median Housing Value (\$)		188,476				
Median Income(\$)		62,507				
Unemployment Rate - Dec. 31, 1997	4.9%					

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests in Connecticut

Scope of the Review

We performed full scope reviews of 3 of the 6 MSAs in Connecticut. The MSAs receiving full scope reviews include Hartford, Bridgeport and New Haven. The remaining MSAs received a limited scope review. The primary purpose of the limited review was to determine if the bank's performance in those MSAs differed significantly from their performance in the MSAs which we reviewed in-depth. In determining the CRA rating for the state of Connecticut we placed most of the weight on the findings from the full scope review. However, overall state lending, investment and service information was also reviewed. A detailed discussion of those the full scope MSAs can be found later in this report and data for limited scope reviews are shown at the end of this state discussion.

Lending Test

Lending Activity

Fleet's lending activity demonstrates good responsiveness to the credit needs of the area. During this evaluation period, the bank made 10,556 HMDA loans totaling \$1 billion and 5,752 small business loans totaling \$863 million. In addition, Fleet made 8 community development loans totaling \$17 million. Based on 1996 market share information, Fleet ranked 2nd in the number of HMDA loans made in its assessment area. The bank also ranked 3rd in the number of small business loans made behind two nationwide credit card companies. They ranked 1st for dollar amount of small business loans.

LENDING ACTIVITY: STATE OF Connecticut - 1996&1997					
Loan Type	CT	Low	Moderate	Middle	Upper
	B	% of #	% of #	% of #	% of #
Purchase Money REM	CT	2	13	57	28
	B	11	26	22	28
Home Improvement	CT	1	5	50	44
	B	9	16	22	43
Refinance REM	CT	1	4	50	45
	B	5	12	19	36
Multi-family REM	CT	0	0	50	50
	B	0	0	0	0
Consumer - all	CT	5	15	55	25
	B	29	23	16	19
Small Business	CT	8	15	50	26

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income was not reported for 13% of home purchase loans, 10% of home improvement loan, 28% of refinances, and 13% of consumer loans.

Geographic Distribution

Fleet's distribution of HMDA, small business and consumer loans reflect reasonable penetration throughout its assessment areas. There are no conspicuous gaps in the bank's lending patterns.

The bank's HMDA lending in low and moderate income geographies was reasonable. During this

assessment period, Fleet made 1 percent and 7 percent of their HMDA loans in low or moderate income census tracts. Aggregate market lending by all financial institutions reported that 2 percent and 8 percent of HMDA loans were made in low and moderate income geographies, respectively. However, these numbers are skewed due to the large volume of refinance loans (44 percent).

Fleet's performance for home purchase loans was excellent. Lending for both years exceeded the percentage of owner occupied housing in low and moderate income areas. In 1996, Fleet's market share of lending in low income geographies was 7.70 percent versus 3.69 percent overall. Market share for moderate income census tracts was 6.03 percent. For home improvement loans and refinance loans, lending was below the owner occupied demographic.

Fleet's penetration of small business loans in low and moderate census tract was satisfactory and comparable to the percentages of businesses located there. Eight percent of Fleet's small business loans were made in low income geographies and 15 percent were made in moderate income geographies. The bank's small business lending performance in low and moderate income census tracts was also slightly higher than aggregate of reporting lenders of 7 percent and 13 percent.

Fleet's geographic distribution of consumer loans was reasonable although slightly lower than demographic data. Approximately, 6 percent of the population reside in low income tracts and 14 percent reside in moderate income census tracts. Fleet originated 5 percent of the loans in low income geographies and 15 percent in moderate income geographies.

Distribution by Borrower Characteristics

The bank's distribution of HMDA, consumer and small business loans to borrowers of different income levels and to businesses of different sizes was good.

Fleet was the 2nd largest HMDA lender in the state based on the number of loans made with a 7 percent market share. The bank made 8 percent and 17 percent of its HMDA loans to low and moderate income borrowers, respectively. This was comparable to aggregate lending by all reporters. However, the performance by HMDA products was not equivalent.

In these markets, high housing costs impede the ability of low income families in purchasing a home. The median housing cost in the state is \$188 thousand and the upper limit of the low income family's income is \$31 thousand.

Fleet's record of originations and purchase of home purchase loans to low or moderate income borrowers was excellent. While lending did not exceed the percentage of low income families in either year, Fleet's level of lending was twice that of the aggregate market. Lending by the aggregate market to moderate borrowers was about equivalent to the percentage of families. Fleet's percentage of lending to moderate income borrowers was 29 percent in 1996 and 23

percent in 1997, while the percentage of families was 19 percent. Community contacts have stated that affordable mortgage products are a need within the community and Fleet's performance demonstrates its commitment to provide this product.

Home improvement lending to low and moderate income families was lower than the market for moderate income families in 1996 and about equal to the market for low income families. The percentage of lending to both of these categories increased in 1997, and moderate income lending was equivalent to the demographics. Lending for refinance loans exceeded the market for low income borrowers and was equivalent for moderate income borrowers in 1996. However, these numbers were lower in 1997.

Distribution of Small Business Loan Originations - 1996&1997 Within the State of: Connecticut By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	3,973	69	173,929	20	2,820	71	109,029	64
\$100,000 to \$250,00	828	14	154,773	18	209	25	35,396	23
\$250,000 to \$1,000,000	951	17	534,170	62	125	13	65,519	13
Totals	5,752	100	862,872	100	3,154	55	209,944	24
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business or Farm:				<1 Million 75 % >1 Million 9 % Unknown 16%	*As a percentage of loans of the size category			

Fleet helped meet the credit needs in their assessment areas by making loans to businesses of different sizes. As detailed in the above chart, a substantial portion of the bank's business loans were for amounts less than \$100 thousand. In addition, a majority of their loans were made to small businesses. Based on the number of loans made, Fleet had the 3rd largest volume of small business loans in the state in 1996, behind two credit card issuers. During this time frame, the bank made a larger portion of their loans to small businesses (businesses with revenues less than \$1 million) than the aggregate market. In 1996, Fleet made 55 percent of their loans to small businesses compared to 43 percent for the market.

Bank provided information showed that the level of consumer lending to low and moderate income borrowers was good when compared to demographic patterns. In 1997, Fleet made more than 52 percent of their consumer loans to low and moderate income borrowers. This compares favorably to demographic data.

Community Development Lending

Fleet National Bank made 8 community development loans totaling \$16 million in the state of Connecticut. The bank made 2 loans totaling \$5.5 million to support the provision of health and social services by organizations whose primary beneficiaries are low- or moderate-income persons and 6 loans totaling \$11 million to organizations to support of the provision of affordable housing for low- and moderate-income individuals. A more detailed description of community development lending by metropolitan statistical area follows.

Investment Test

Fleet's level of investment throughout the state of Connecticut was excellent. The investments made during the evaluation period were focused on addressing the identified credit needs throughout the area, and Fleet took a leadership role with many of the organizations.

In addition to investments made in specific locations, Fleet participates in two small business equity funds on a state-wide basis. During the evaluation period, Fleet committed \$2 million to a fund that will invest in new small companies that use emerging technologies to develop and manufacture non-defense related products. There have been no investments to date. In addition, prior to the evaluation period, Fleet invested in a program which provides financing and technical assistance for small businesses. Book value at December 31, 1997 was \$1.9 million.

The donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details the combined investments and donations made in the state of Connecticut by Fleet during the evaluation period.

Connecticut	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	6,350	5,524	9,923
Donations	979	979	974
Total	7,329	6,503	10,897

Service Test

In Connecticut, the bank operates 159 branches and 311 ATMs. The bank's distribution almost mirrors the percentage of geographies in the state based upon the census tract income distribution and provides good access for low and moderate income people. Eleven percent of the branches are located in low income areas and 15 percent in moderate income areas. This compares well with the 9 percent of the census tracts classified as low income and 16 percent as moderate income. In addition, the branch distribution is greater than the 20 percent of the population within the state that reside in low or moderate income geographies. During the evaluation period, Fleet consolidated and divested several branches; the result did not present a significant adverse impact upon access to bank services.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Performance in Limited Scope Areas of State of Connecticut

Performance in the limited scope MSA was generally consistent with the overall performance. Exceptions to this were residential Lending in the Stamford and Waterbury MSAs was slightly better than the overall performance. The performance in these MSAs was not significant enough to affect the state rating.

Connecticut Aggregate Tables

AGGREGATE RESIDENTIAL LENDING										
State: Connecticut	Demographics		Lending Distribution		Market Share*			#	\$ (000s)	Avg. Loan (000s)
	% Owner Occupied in LMI CTs	% LMI Families	in LMI CTs	to LMI Borrowers	Overall	LMI CTs	LMI Borrower			
Bridgeport	9%	38%	9%	31%	11.06	10.88	10.16	1,944	\$162,529	\$84
Danbury	11	35	7	24	4.74	3.97	5.11	854	89,494	105
Hartford	9	36	6	24	5.46	5.93	5.13	3,804	285,197	75
New Haven	11	37	8	19	5.17	3.23	4.21	1,541	139,768	91
Stamford	19	39	14	26	6.69	8.11	11.82	1,985	363,607	183
Waterbury	7	36	5	32	3.69	3.70	4.37	428	35,616	83
Total			8%	25%				10,556	\$1,076,211	\$102

(*) 1996 HMDA Reporter Market Share

FLEET AGGREGATE SMALL BUSINESS AND COMMUNITY DEVELOPMENT LENDING												
State: Connecticut	% of Small Businesses in LMI CTs	% of Reporters' Loans in LMI CTs*	Market Share		% of Bank's Loans in LMI CTs	% of Loans less than \$100,000	% of Loans to Small Businesses ◆	Bank Totals		Avg. Loan (000s)	Community Development Loans	
			Overall	LMI CTs				#	\$(000s)		#	\$(000s)
Bridgeport	19%	17%	10.41	12.68	21%	69%	52%	680	\$103,221	\$152	2	\$3,775
Danbury	24	20	5.44	7.64	24	67	57	246	42,543	173	0	0
Hartford	17	17	17.91	20.56	20	71	57	3,011	423,755	141	5	10,736
New Haven	21	18	10.90	10.46	21	62	51	922	149,492	162	1	2,000
Stamford	38	32	7.55	9.84	44	67	57	684	97,685	143	0	0
Waterbury	20	18	5.39	6.28	20	58	43	209	46,176	221	0	0
Total States					23	69	55	5,752	\$862,872	\$150	8	\$16,511

(*) 1996 CRA Small Business Reporters

◆ Percent of loans to businesses with revenues less than \$1 million when revenue was known.

AGGREGATE BRANCHES AND ATM'S										
State: Connecticut	#		% # of Offices				% # of ATMs			
	Branch Offices	ATMs	Low CT	Moderate CT	Middle CT	Upper CT	Low CT	Moderate CT	Middle CT	Upper CT
Bridgeport	23	38	9	13	48	30	3	16	55	26
Danbury	9	19	0	22	67	11	11	16	62	11
Hartford	76	154	12	12	54	22	14	10	54	22
New Haven	22	45	14	23	36	27	9	18	47	26
Stamford	22	44	9	23	45	23	16	27	36	21
Waterbury	7	11	14	0	72	14	18	9	64	9
Total State	159	311	11	15	51	23	12	14	52	22%
% of Total Bank	22%	25%								

Bridgeport MSA

Description of Institution's Operations in Bridgeport MSA:

This MSA has a population of 444 thousand with 20 percent of the families classified as low income and 20 percent classified as moderate income. Bridgeport is Connecticut's largest city. Employment was centered in defense manufacturing and as such lost 10 percent of its employment between 1992 and 1996 while the national economy was in recovery. The labor market is slowly gaining jobs and the current unemployment rate has dropped to 4.9 percent. This economic recession has resulted in stalled population growth and stagnant to declining home values. Especially in Bridgeport's low and moderate income areas, disinvestment has led to high residential vacancies, deterioration of properties and housing abandonment. Bridgeport's property taxes are extremely high despite lower median home values.

Fleet operates 23 branches and 38 ATMs in this MSA. It accounts for 11 percent of the lending within the State of Connecticut during this evaluation period. Three percent of the total assessment area's population reside in this MSA. Competition in this market stems primarily from People's Bank, headquartered in Bridgeport, which holds the largest share of deposits and originates the greatest number of loans in this market.

Conclusions with Respect to Performance Tests in Bridgeport MSA:

Lending Test

Fleet's lending activities are generally responsive to the identified credit needs within the Bridgeport assessment area. Fleet has adequately met those needs through mortgage and small business lending. During this evaluation period, the bank made 1,944 residential real estate loans for \$162 million and 680 small business loans for \$103 million. In addition, Fleet made 2 community development loans totaling \$4 million. Based on the number of loans made, the bank was the 2nd largest HMDA lender and 3rd largest small business lender in the Bridgeport MSA.

Geographic Distribution

Fleet's geographic distribution of HMDA, consumer, and small business loans reflect reasonable penetration throughout the Bridgeport MSA assessment area. There were no conspicuous lending gaps in the penetration of geographies within the bank's assessment areas.

Fleet's level of HMDA lending to low and moderate income areas relative to the number of owner-occupied homes in those areas was satisfactory. During this evaluation period, the bank's performance was comparable to demographic information which show that 2 percent and 8 percent of owner occupied units are located in low and moderate income geographies, respectively. The bank's performance during 1996 of 2 percent and 11 percent was higher than aggregate lending by all financial institutions. In 1996, 2 percent and 6 percent of loans made by

all financial institutions were made in low and moderate income geographies, respectively. Fleet's distribution of loans declined in low and moderate income areas to 1 percent and 5 percent in 1997.

By individual HMDA product, Fleet's distribution of home purchase loans in low and moderate income geographies significantly exceeded the aggregate market in 1996. Fleet originated 4 percent and 19 percent of its loans in these geographies, in 1996. The aggregate market originated 2 percent and 7 percent respectively.

LENDING ACTIVITY: Bridgeport MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase REM	25	CT	3	16	65	16
		B	15	32	23	18
Home Improvement	16	CT	0	2	50	48
		B	8	16	20	47
Refinance REM	15	CT	0	3	50	47
		B	5	12	21	39
Multi-family REM	50	CT	0	0	0	0
		B	0	0	0	0
Consumer - all	16	CT	4	12	59	25
		B	26	25	17	18
Small Business	12	CT	8	13	54	25

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income was not reported for 12% of the home purchase loans, 9% of home improvement loan, 23% of refinances, and 14% of consumer loans.

However, the bank's proportion of home improvement and refinance loans in these census tracts were below the aggregate market. Fleet did not originate any home improvement loans in low income tracts and only 7 in moderate income tracts during the evaluation period. Total home improvement lending by all lenders in low and moderate income tracts was nominal with 25 loans in low income census tracts and 97 loans in moderate income tracts. The number of refinance loans made in these geographies was also low.

Fleet's geographic distribution of small business loans in low and moderate census tracts was satisfactory. Approximately 8 percent and 13 percent of the bank's small business loans were made in low and moderate income geographies, respectively. This performance was comparable to demographic information which shows that 7 percent of all small businesses in the Bridgeport MSA are located in low income census tracts and 13 percent are located in moderate income census tracts. Fleet's lending performance in 1996 also compared favorably to aggregate market information. Aggregate market lending was 6 percent and 11 percent in low and moderate income geographies, respectively.

Fleet's 1997 consumer lending activity was adequate. However, the bank's consumer lending activity was slightly below demographic patterns which showed that 7 percent of the families reside in low income census tracts and 13 percent reside in moderate income census tracts. Fleet made 4 percent of their consumer loans in low income census tracts and 12 percent in moderate income census tracts.

Distribution by Borrower Characteristics

Fleet's distribution of HMDA, consumer, and small business loans to borrowers of different income levels and businesses of different sizes was reasonable.

The proportion of HMDA loans made to low and moderate income borrowers relative to demographic information was reasonable. Approximately, 20 percent of the families in the Bridgeport MSA are low income and 18 percent are moderate income. In total, Fleet originated 10 percent and 21 percent of their HMDA loans to low and moderate income individuals, respectively. The bank's performance exceeded aggregate lending by all financial institutions. With a median housing cost of \$181 thousand and the upper limit for low income families at \$30 thousand, there is little opportunity for low income families to purchase homes. In addition, the high property taxes also impede borrower's ability to purchase homes.

Particularly noteworthy in the bank's performance was the proportion of home purchase lending to low and moderate income borrowers. Fleet made 15 percent and 32 percent of their home purchase loans to low and moderate income borrowers, respectively. The bank's market share of home purchase loans to low and moderate income borrowers was significantly higher than its overall market share. However, Fleet's home improvement market share was lower than its overall market share. Fleet's market share to low and moderate income borrowers for refinances loans was slightly higher than its overall market share.

Fleet was adequately serving the credit needs of small businesses in the assessment area. Among all financial reporters, Fleet was ranked 2nd based on the number of loans made to small businesses in the Bridgeport assessment area in 1996. Fleet made 52 percent of their loans to small businesses compared to 42 percent for the aggregate market. Approximately 77 percent of the businesses in the assessment area have annual revenues less than \$1 million.

Fleet has effectively served the needs of consumer borrowers of different income levels. The bank's consumer lending compares favorably to demographic information.

Distribution of Small Business Loan Originations - 1996&1997 Within the Bridgeport MSA Assessment Area By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	468	69	19,782	19	318	68	12,078	61
\$100,000 to \$250,00	93	14	18,065	18	19	20	3,217	18
\$250,000 to \$1,000,000	119	17	65,374	63	15	13	9,999	15
Totals	680	100	103,221	100	352	52	25,294	25
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business :					*As a percentage of loans of the size category			
					<1 Million 77% >1 Million 9% Unknown 14%			

Community Development Lending

Fleet provided 2 community development loans in this area totaling \$3.8 million dollars. One line of credit provided loans to nonprofit and private developers for the rehabilitation and construction of affordable housing. The other line of credit provided loans to rebuild or construct affordable housing units in Bridgeport.

Investment Test

Fleet made no investments during the evaluation period in this MSA, however, community contacts indicate that there are limited opportunities available to invest in Fleet's traditional investment vehicles. However, Fleet participated in two LIHTC projects in the city prior to the evaluation period, with a book value at December 31, 1997 of \$610 thousand.

Contributions were made to a number of organizations that support affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people. Additionally, Fleet donated one parcel of Other Real Estate at no cost, to a nonprofit affordable housing corporation. The property had an appraised value of \$5 thousand.

The table below details Fleet's investments and donations during the evaluation period.

MSA 1160	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	0	0	610
Donations	118	118	113
Total	118	118	723

Service Test

Fleet has 22 percent of its branches and 19 percent of its ATMs in low or moderate income areas where about 29 percent of the market is designated as low or moderate and 22 percent of the population reside. Extended branch office and Saturday hours are offered in all geographies. Multilingual services are also offered to help meet the needs of specific communities.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, a Fleet employee serves on the loan advisory committee for the Bridgeport Neighborhood Fund.

Hartford MSA

Description of Institution's Operations in Hartford MSA:

This MSA has a population of 1.2 million with 18 percent of the families classified as low income and 18 percent classified as moderate income. Hartford is Connecticut's capital, with a reputation as a dominant insurance center. Significant downsizing by major companies in the insurance, banking and defense industries and the relocation of corporate headquarters to has had a major impact on this city. Hartford continued losing jobs between 1992 and 1996 and lost 14 percent of its jobs while the national economy was in recovery. Between 1989 and 1997, job losses totaled 25 percent in Hartford. Declining population was the main cause of improvement in the unemployment rate which has dropped to 4.3 percent. This economic recession has resulted in stalled population growth and stagnant to declining home values. Especially in Hartford's low and moderate income areas, low owner occupancy and disinvestment has led to high residential vacancies, deterioration of properties and housing abandonment.

Fleet operates 76 branches and 154 ATMs in this MSA. The Hartford MSA accounts for 52 percent of the small business lending and 32 percent of the home mortgage lending for the State of Connecticut. Seven percent of the total assessment area's population reside in this MSA. Competition in this market stems primarily from People's Bank which is headquartered in Bridgeport. However, Fleet was the largest originator of loans and holds the largest share of deposits in this market.

Conclusions with Respect to Performance Tests in Hartford MSA:

Lending Test

Fleet's lending activities are responsive to the identified credit needs within the Hartford assessment area. During this evaluation period, the bank originated 3,011 small business loans for \$424 million and 3,804 residential real estate loans for \$285 million. Based on the number of loans made during 1996, the bank was the 2nd largest HMDA lender and the 3rd largest small business lender in the assessment area. As illustrated in the table, approximately 50 percent of Fleet's mortgage lending during this evaluation period was concentrated in refinance loans.

LENDING ACTIVITY: Hartford MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase Money REM	28	CT	3	9	59	29
		B	9	26	23	30
Home Improvement	38	CT	1	4	56	39
		B	9	19	23	40
Refinance REM	40	CT	1	3	56	40
		B	5	12	19	33
Multi-family REM	50	CT	0	0	100	0
		B	0	0	0	0
Consumer - all	44	CT	6	12	58	24
		B	27	24	17	20
Small Business	53	CT	7	13	53	25

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not reported for 12% of home purchase loans, 9% of home improvement loans, 31% of refinances, and 12% of consumer loans.

Geographic Distribution

Fleet's geographic distribution of HMDA, consumer, and small business loans reflect good penetration throughout its assessment areas. There were no conspicuous gaps in the bank's lending pattern.

The bank's HMDA lending in low and moderate income geographies was reasonable. In 1996, 2 percent and 6 percent of HMDA loans were made in low and moderate income geographies, respectively. This penetration was reasonable given that 1 percent and 8 percent of owner occupied housing units are located in these geographies. Fleet's 1996 HMDA lending in low and moderate income geographies was consistent with aggregate HMDA lending by all financial institutions within the assessment area. Aggregate lending by all financial institutions was 1 percent in low income tracts and 6 percent in moderate income tracts. The bank's market share in low and moderate income census tracts was 1.09 times its overall market share. The bank's 1997 lending performance declined slightly from 1996 to 1 percent in low income areas and 4 percent in moderate income areas.

On an individual product basis, the bank's home purchase lending in low and moderate geographies was excellent and exceeded both the aggregate market and demographic data in 1996. During this time frame, Fleet made 3 percent and 9 percent of their home purchase loans in these geographies, respectively. The bank's market share to low income geographies was 3.32 times the overall market share and was in moderate income geographies was 1.41 times.

The bank's geographic distribution of small business loans was good. The bank's penetration approximated the 6 percent of businesses located in low income census tracts. The bank's percent of small business loans in moderate income geographies, at 13 percent, slightly exceeded the 11 percent of businesses located in moderate income tracts during the same time frame. In 1996, the aggregate lending activity by all financial institutions in low and moderate income census tracts in the Hartford MSA was 17 percent versus Fleet's 20 percent.

The bank's penetration of consumer lending during 1997 to low and moderate income areas satisfactory given that 6 percent and 11 percent of families in the Hartford MSA reside in low and moderate income geographies, respectively.

Distribution by Borrower Characteristics

Fleet's distribution of HMDA, consumer, and small business loans to borrowers of different income levels and businesses of different sizes was reasonable.

The bank's penetration of residential real estate loans to low and moderate income individuals was satisfactory. However, with a median housing cost of \$166 thousand and the upper limit for low income families at \$30 thousand, there is little opportunity for low income families to purchase homes. Fleet did particularly well in lending to low and moderate income borrowers for home purchase loans. Fleet made more than 35 percent of their home purchase loans to low and moderate income borrowers which was significantly higher than the aggregate of all lenders at 29 percent. However, the bank's proportion of home improvement and refinances was below the aggregate and the market share of home improvement and refinance loans made to low and moderate income borrowers was lower than its share of the overall market.

Fleet adequately served the credit needs of small businesses in the assessment area. During 1996, 58 percent of Fleet's loans were made to small businesses compared to 45 percent for the market. Approximately 74 percent of the businesses in the assessment area have revenues less than \$1 million.

Distribution of Small Business Loan Originations -1996 &1997 Within the Hartford MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	2,153	71	94,441	22	1,569	73	60,929	65
\$100,000 to \$250,00	414	14	75,480	18	101	24	17,137	23
\$250,000 to \$1,000,000	444	15	253,834	60	54	12	28,001	11
Totals	3,011	100	423,755	100	1,724	57	106,067	25
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:					<1 Million 74%	*As a percentage of loans of the size category		
					>1 Million 9%			
					Unknown 17%			

Fleet was successful in reaching low and moderate income borrowers in the Hartford MSA through their consumer lending activity. The bank's lending activity to low and moderate income borrowers was good when compared to demographic patterns. Approximately 51 percent of the bank's consumer loans were made to low and moderate income borrowers.

Community Development Lending

Fleet originated five community development loans during the evaluation period totaling \$10.7 million. Two of these loans were to provide community services to low and moderate income people. One line of credit was for the development of affordable housing. Two loans helped to stabilize low or moderate income areas.

Investment Test

Fleet's investment level in this MSA was consistent with the overall level of investments in the state. Fleet did not originate any new investments during the evaluation period, however, \$876 thousand was contributed to a LIHTC project in the city. The book value of all LIHTC projects as of December 31, 1997 was \$4.0 million. Fleet also became an equity participant in a nonprofit small business development corporation prior to the evaluation period.

Donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people. Of note was the leadership role Fleet played in the establishment of a health services facility targeted to low- and moderate-income children and families in Hartford's inner city. Fleet donated \$120 thousand during the evaluation period.

The table below details Fleet’s investments and donations during the evaluation period.

MSA 3280	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	0	876	4,234
Donations	469	469	469
Total	469	1,345	4,703

Service Test

The bank has a branch and ATM distribution that closely matches the census tract distribution of low and moderate income areas at 24 percent and the population that reside there at 20 percent. Extended branch office and Saturday hours are offered in all geographies. Multilingual services are also offered to help meet the needs of specific communities.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. During the evaluation period over 30 of these seminars were held. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank’s many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, a Fleet employee is a member of the operations committee for Capital Housing Finance Corporation which provides financing for the development and rehabilitation of housing in Hartford.

New Haven MSA

Description of Institution's Operations in New Haven MSA:

This MSA has a population of 525 thousand with 19 percent of the families classified as low income and 19 percent classified as moderate income. The City of New Haven is one of the three Connecticut cities that continued to lose jobs between 1992 and 1996 while the rest of the nation was in recovery. Yale University recently emerged as the city's largest employer due to declining employment in manufacturing. The labor market is slowly gaining jobs and the current unemployment rate has dropped to 4.0 percent. This economic recession has resulted in stalled population growth and stagnant to declining home values. Especially in New Haven's low and moderate income areas, disinvestment has led to high residential vacancies, deterioration of properties and housing abandonment. New Haven's property taxes are extremely high despite lower median home values and is the second highest in the state at \$30.29 per thousand. Low income levels are clearly a barrier to home ownership in New Haven.

Fleet operates 22 branches and 45 ATMs in this MSA. It accounts for 15 percent of the lending for the State of Connecticut during this evaluation period. Three percent of the total assessment area's population reside in this MSA. Competition for loans in this market stems primarily from People's Bank which is headquartered in Bridgeport. However, First Union and Webster Bank hold the largest shares of deposits in this market.

Conclusions with Respect to Performance Tests in New Haven MSA:

Lending Test

Fleet's lending activities are responsive to the identified credit needs within the New Haven assessment area. During this evaluation period, the bank 1,541 residential real estate for \$140 million and 922 small business loans for \$150 million. The bank also made 1 community development loan for \$2 million. Based on the number of loans made during 1996, the bank was the 4th largest HMDA and small business lender in the assessment area.

Geographic Distribution

Fleet's geographic distribution of HMDA, consumer, and small business loans reflect reasonable penetration throughout the New Haven assessment area. There were no conspicuous gaps in the bank's lending patterns within the New Haven assessment area.

The bank's HMDA lending in low and moderate income geographies was adequate. During 1996, Fleet made 1 percent and 7 percent of its HMDA loans in low and moderate income geographies. This performance was below the percentage of owner occupied units are in low and moderate income census tracts. In 1996, the bank's distribution of loans was below that of

aggregate lending by all reporters. However, it should be noted that the distribution of HMDA loans was skewed by the large volume of refinances made in middle and upper income geographies. The distribution of HMDA loans by all reporters was 2 percent in low income census tracts and 10 percent in moderate income tracts. In fact, the bank's distribution of loans was below that of aggregate lenders in all product types during 1996. This demonstrates that other lenders in the area are finding ways to penetrate these areas.

LENDING ACTIVITY: New Haven MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase REM	15	CT	1	10	49	40
		B	5	19	27	37
Home Improvement	13	CT	2	5	47	46
		B	11	12	23	40
Refinance REM	15	CT	1	5	46	48
		B	4	9	22	37
Multi-family REM	0	CT	0	0	0	0
		B	0	0	0	0
Consumer - all	189	CT	5	16	54	25
		B	27	25	16	19
Small Business	16	CT	6	15	50	29

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not reported for 12% of home purchase loans, 14% of home improvement loans, 28% of refinances, and 13% of consumer loans.

The bank's geographic distribution of small business loans was reasonable. Demographic information indicates that 6 percent and 15 percent of small businesses are located in low and moderate income census tracts, respectively. Fleet's performance was equal to this. The volume of lending by all reporters was 5 percent in low income census tracts and 13 percent in moderate income census tracts.

Bank provided information showed that the bank's consumer lending activity in low and moderate income geographies was reasonable when compared to demographic patterns. Demographic patterns show that 8 percent of the population reside in low income geographies and 19 percent reside in moderate income census tracts.

Distribution by Borrower Characteristics

Fleet has reasonably met the needs of low and moderate income borrowers and businesses of different sizes.

Fleet’s proportion of lending to low and moderate income individuals was adequate. In 1996, HMDA lending by all reporters to low and moderate income individuals was 6 percent and 19 percent, respectively. Overall, the bank’s HMDA lending was consistent with this. In comparing the bank’s distribution of loans to aggregate market lending, the most significant variance was in home improvement loans. However, with a median housing cost of \$170 thousand and the upper limit for low income families at \$29 thousand, there is little opportunity for low income families to purchase homes.

Fleet has adequately served the credit needs of small businesses in the assessment area. In 1996, Fleet made 53 percent of their loans to small businesses compared to 40 percent for the aggregate market. However, other lenders in the market have a higher proportion of their loans for amounts less than \$100 thousand. Approximately 62 percent of Fleet’s small business loans were for amounts less than \$100 thousand compared to 79 percent for aggregate lenders in the market.

Distribution of Small Business Loan Originations in 1996 and 1997 Within the New Haven MSA Assessment Area By Loan Size and Business Revenues									
Loan Size					Annual Revenues < \$1 Million				
	#	%	\$(000)	%	#	%*	\$(000)	%*	
less than \$100,000	577	62	25,088	17	398	69	15,612	62	
\$100,000 to \$250,00	161	17	28,841	18	45	28	7,475	26	
\$250,000 to \$1,000,000	184	21	95,563	65	30	16	14,798	15	
Totals	922	100	149,492	100	473	51	69,176	46	
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business					<1 Million	77 %	*As a percentage of loans of the size category		
					>1 Million	9%			
					Unknown	14%			

Bank provided data show that the bank’s level of consumer lending to low and moderate income borrowers was strong when compared to demographic patterns. Fleet made 27 percent and 25 percent, respectively, of their consumer loans to low and moderate income borrowers.

Community Development Lending

Fleet originated one community development loan for \$2 million in the New Haven MSA. This line of credit was provided to a local loan fund which provides loans and technical assistance to community based not for profit and for profit developers who build or rehabilitate low- and moderate-income housing.

Investment Test

Fleet’s level of investment in this MSA was excellent. During the evaluation period, committed to participate in two phases of a LIHTC project for \$4.35 million, of which \$2.2 million was funding during the evaluation period. Additionally, Fleet funded \$500 thousand in another project that had been committed to prior to the evaluation period. Fleet also invested \$50 thousand in a nonprofit organization that promotes economic development by financing small businesses throughout greater New Haven. This investment was made prior to the evaluation period, however Fleet continues to maintain a leadership role with this organization.

The donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details Fleet’s investments and donations during the evaluation period.

MSA 5480	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	4,350	2,748	2,798
Donations	222	222	222
Total	4,572	2,970	3,020

Service Test

Fleet has a good distribution of branches in this MSA when compared to census tract and population distribution. Fleet operates 14 percent of its branches in low income census tracts and 23 percent in moderate income tracts. This compares well to the census tracts distribution where 9 percent and 21 percent of the tracts are low and moderate income, respectively. Population distribution is the same as the census tract distribution in this MSA. Extended branch office and Saturday hours are offered in all geographies. Multilingual services are also offered to help meet

the needs of specific communities.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. Fleet conducted 22 of these seminars during the evaluation period. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. Fleet is represented on the boards of the City of New Haven Revolving Loan Fund and the Greater New Haven Community Loan Funds.

State Rating

CRA Rating for Massachusetts is : Outstanding

The lending test is rated:	<u>Outstanding</u>
The investment test is rated:	<u>Outstanding</u>
The service test is rated:	<u>Low Satisfactory</u>

Highlights to support rating:

- Lending volumes that are responsive to the credit needs.
- Market share for mortgage loans to low and moderate borrowers and census tracts significantly exceed the overall market share.
- Geographic distribution of small business loans significantly exceeds the market of aggregate lenders.
- Substantial community development lending at \$157 million.
- Qualified investments committed during the period totaled \$240 million.

Description of Institution's Operations in the Commonwealth of Massachusetts

This evaluation of Fleet's performance in the Commonwealth of Massachusetts considers their performance in the Barnstable, Boston, Brockton, Fitchburg, Lawrence, Lowell, New Bedford, Pittsfield, Springfield, and Worcester MSA's and several towns that are adjacent to these MSA's and are included in the bank's assessment areas. Bristol County is part of the Providence - Fall River MSA and is not included in this rating.

Fleet maintains 236 branches in this area and 311 ATM's. Lending within the Commonwealth of Massachusetts comprises 37 percent of the total lending for the bank.

The population of this area is 5.7 million. The area encompasses 1,257 census tracts with 90 low income tracts (7 percent) and 261 moderate income census tracts (21 percent). The 1997 HUD median income is \$55,102 and 20 percent of the families are considered to be low income and 18 percent moderate income. Nine percent of the households in this state live below the poverty level and 54 percent of the housing is owner occupied.

The economy in Massachusetts is improving and by the end of 1997, the jobs lost during the recession have been recovered. Job growth for the past 2 years has averaged 2.5 percent. Large scale projects, such as the Central Artery/Third Harbor Tunnel and mild winters have led to construction being the fastest growing industry. Construction employment is at its highest level

since October 1990. While job opportunities are expanding, there has been little growth in the labor force, which has led to the low unemployment rate.

Affordable housing continues to be a key element in the revitalization of cities and towns in both urban and rural areas within the Commonwealth. For many properties, rehabilitation costs and acquisition expenses exceed current market values. Another need to further economic development is small business development.

The mortgage market within the state is fragmented with the top ten originators accounting for only 32 percent of the market. Competition arises from other large regional banks and nationwide mortgage companies. Competition for small business loans arises from the same regional banks and nationwide business credit card issuers. Statewide competitors are BankBoston and Citizens.

Commonwealth of Massachusetts						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	5,677,085		5	18	55	22
Family Distribution (% by income)	1,433,904		20	18	24	38
Census Tracts	1257		7	21	50	20
Small Business	163,700		7	15	52	26
Owner Occupied Housing (#)	1,251,658		1	11	61	27
Median Housing Value (\$)		170,809				
Median Income(\$)		55,102				
Unemployment Rate - Dec. 31, 1997	4.9%					

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests in the Commonwealth of Massachusetts

Scope of the Examination

We performed full scope reviews of three of the MSAs in Commonwealth of Massachusetts. The MSAs receiving full scope reviews included Boston, Springfield and Worcester. The remaining MSAs received a limited scope review. The primary purpose of the limited review was to determine if the bank's performance in those MSAs differed significantly from their performance in the MSAs which we reviewed in-depth. In determining the CRA rating for the state most of the weight was placed on the findings from the full scope review. However, overall state lending investment and service information was also reviewed. A detailed discussion of the full scope can

be found following the discussion of the statewide performance. The performance in the limited scope MSAs can be found in the aggregate tables for the Commonwealth of Massachusetts.

Lending Test

Lending Activity

Fleet's lending activities show a good responsiveness to the credit needs of its communities. The bank originated 19,852 HMDA loans for \$1,913 million and 10,414 small business loans for \$1,617 million during this evaluation period. In addition, they made 19 community development loans totaling \$157 million. During 1996, Fleet made more HMDA loans than any other lender throughout the assessment areas in the state. By product type, Fleet ranked 3rd in the number of home purchase loans made and 1st in the number of home improvement and refinance loans made in its assessment areas. The bank was also the 2nd largest small business lender in the area behind a nationwide credit card company. Fleet was the largest by dollar volume. By contrast, Fleet is 2nd in deposit market share with 15 percent behind BankBoston with 23 percent.

Geographic Distribution

Fleet's distribution of HMDA, small business and consumer loans was very good. No conspicuous gaps were noted in the bank's lending patterns.

The bank's HMDA lending in low and moderate income geographies was excellent. Statewide, approximately 1 percent and 11 percent, respectively, of owner occupied units are in low and moderate income geographies. During 1996, Fleet made 2 percent and 15 percent of their HMDA loans in these geographies, respectively. 1996 aggregate lending by all financial institutions in the market reported that 1 percent and 10 percent of HMDA loans were made in low and moderate income geographies, respectively.

Particularly noteworthy was the bank's distribution of home purchase loans throughout its assessment areas. Fleet made over 26 percent of its home purchase loans in low and moderate areas during the evaluation period. For 1996, Fleet's market share of loans to low and moderate income geographies was 1.76 times and 2.02 times that of its overall market share respectively and they were the leading lender in these areas.

LENDING ACTIVITY: STATE OF Massachusetts - 1996&1997					
Loan Type	CT	Low	Moderate	Middle	Upper
	B	% of #	% of #	% of #	% of #
Purchase Money REM	CT	3	23	54	20
	B	12	29	22	24
Home Improvement	CT	1	9	55	35
	B	8	16	23	42
Refinance REM	CT	1	9	55	35
	B	4	15	23	39
Multi-family REM	CT	100	0	0	0
	B	0	0	0	0
Consumer - all	CT	5	19	55	21
	B	24	24	17	18
Small Business	CT	8	16	50	26

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 13% home purchase, 11% home improvement, 19% refinances, and 17% of consumer loans.

In home improvement lending the performance was good. In this case, Fleet exceeded the percentage of owner occupied for low income tracts but was slightly below the percentage of owner occupied for moderate income tracts. Lending for refinance loans was better with lending to moderate income tracts exceeding the market and low income lending roughly equivalent to the market.

The bank's distribution of small business loans throughout its assessment areas was good when compared to demographic data and aggregate lending information. During 1996, aggregate lending by all lenders in the assessment area was 6 percent for low income areas and 14 percent for moderate income areas. During this same time frame, Fleet made 7 percent and 16 percent of their loans in these geographies, respectively. The bank's distribution of loans also compares favorably to demographic information. Approximately 7 percent of the businesses are located in low income areas and 15 percent are located in moderate income areas. Fleet's proportion of lending in these geographies in 1997 was comparable to 1996.

Fleet's distribution of consumer loans in low and moderate income areas was excellent. The bank made 24 percent of their consumer loans in these geographies compared to 23 percent of the families residing in these areas.

Distribution by Borrower Characteristics

The bank's distribution of HMDA, consumer and small business loans to borrowers of different income levels and to businesses of different sizes was good.

Fleet's proportion of lending to low and moderate income individuals was excellent. During this evaluation period, Fleet made 8 percent and 21 percent, respectively, of their HMDA loans to low and moderate income borrowers. Aggregate lenders originated 5 percent and 16 percent of their HMDA reportable loans to low and moderate borrowers during 1996.

The percentage of home purchase loans made to low and moderate income borrowers was particularly impressive. Approximately 41 percent of the home purchase loans made were made to these borrowers. This compares favorable to demographic information which reports that 20 percent and 18 percent of the families in the bank's assessment areas are low and moderate income. In addition, Fleet's market share for home purchase loans for low income borrowers was 2.39 times its market share overall. For moderate income borrowers, Fleet's market share was 1.66 times its market share overall.

Home improvement lending was lower than the percentage of families and lower than the percentage of lending by the aggregate market. Refinance loans were equivalent to the market for low income borrowers and higher than the market for moderate income borrowers.

Fleet has adequately helped to meet the credit needs in their assessment areas by making loans to businesses of different sizes. During 1996, Fleet was the 2nd largest lender of loans to small businesses (businesses with revenues less than \$1 million) based on the number of loans made. They were the largest based on dollar volume. However, the bank's lending performance was equivalent to the aggregate market lending but below the demographic information. In 1996, aggregate market lending to small businesses was 50 percent and Fleet originated 48 percent of its loans to small businesses. Demographic information reveal that 74 percent of the businesses in the bank's assessment areas have revenues less than \$1 million.

Distribution of Small Business Loan Originations - 1996 & 1997 Within All Assessment Areas in The Commonwealth of Massachusetts By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	6,827	66	292,741	18	4,403	64	162,454	55
\$100,000 to \$250,00	1,775	17	325,075	20	434	24	74,759	23
\$250,000 to \$1,000,000	1,812	17	999,728	62	212	12	107,340	11
Totals	10,414	100	1,617,544	100	5,049	48	344,553	21
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:		<1 Million	74%	*As a percentage of loans of the size category				
		>1 Million	10%					
		Unknown	16%					

When compared to demographic information, Fleet’s distribution of consumer loans to low and moderate income borrowers was excellent. Approximately 20 percent of the families throughout its assessment areas are low income and 18 percent are moderate income. Fleet originated 24 percent and 24 percent, respectively, of their consumer loans to these borrowers.

Community Development Lending

Fleet National Bank made 19 community development loans totaling \$156,991,625 in the state of Massachusetts. The bank made 1 loan totaling \$1,200,000 to support the provision of health and social services by organizations whose primary beneficiaries are low- or moderate-income persons; 11 loans totaling \$144,211,625 to support the provision of affordable housing for low- and moderate-income individuals; and 7 loans totaling \$11,580,000 to organizations that promote economic development by financing small businesses.

Investment Test

Fleet’s level of investment throughout the Commonwealth of Massachusetts was excellent. The investments made during the evaluation period were focused on addressing the identified credit needs throughout the area, and Fleet took a leadership role with many of the organizations.

In addition to the investments and donations made in specific locations, Fleet participates in two state-wide small business equity funds. During the evaluation period, Fleet committed \$875 thousand, along with a number of other Massachusetts banks, to an organization that will promote economic development by making subordinated loans to small low-technology companies in Middlesex, Worcester, and Norfolk counties. In addition, prior to the evaluation period, Fleet committed to participate in a \$1 million in a managed pool of institutional investors

who co-invest in early stage technology-based companies located throughout the state. Fleet has invested \$361 thousand at December 31, 1997.

The donations were contributed to a number of state-wide organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details the combined investments and donations made in Massachusetts by Fleet during the evaluation period.

Massachusetts	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	236,452	220,936	49,364
Donations	3,528	3,198	1,838
Total	239,980	224,134	51,202

Service Test

In Massachusetts, Fleet operates 236 branches and 460 ATMs. The 58 branches located in low or moderate income census tracts represent 26 percent of the bank's offices in the state. The 128 ATMs located in low or moderate income census tracts represent 24 percent of the total. This distribution is good compared to the census tracts distribution where 28 percent of the census tracts are low or moderate income. In addition, 22 percent of the population live in low or moderate income areas. Changes in the branch composition resulted from consolidations and divestitures.

Fleet provides substantially consistent products, services and business hours at all branches, with some extended evening and Saturday hours throughout the markets, including low or moderate income areas. The bank offers a traditional array of bank products and services to help meet the needs of consumer retail and business customers that cross geographic areas and income levels. Fleet also employs its alternative delivery and multilingual systems to help address the need for convenient and accessible services.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Performance in Limited Scope Areas of Massachusetts

Performance within the limited scope areas of Massachusetts were generally consistent with the performance overall. Exceptions to this were as follows:

Performance in residential lending in the Pittsfield MSA was lower than the performance overall. This is a smaller market for Fleet with only three branches. In addition, geographic distribution of small business lending in the Brockton and Fitchburg MSAs was slightly lower than the performance within the focus areas. This inconsistent performance was not significant enough to affect the overall state rating.

COMMONWEALTH OF MASSACHUSETTS AGGREGATE TABLES

AGGREGATE RESIDENTIAL LENDING										
State: MASSACHUSETTS	Demographics		Lending Distribution		Market Share*			#	\$ (000s)	Avg. Loan (000s)
	% Owner Occupied in LMI CTs	% LMI Families	in LMI CTs	to LMI Borrowers	Overall	LMI CTs	LMI Borrower			
Barnstable	4%	37%	7%	19%	7.41	9.07	10.19	740	\$64,189	\$87
Boston	13	37	21	29	5.83	8.46	9.94	11,596	1,303,617	112
Brockton	11	26	15	32	4.25	5.28	4.93	614	44,503	72
Fitchburg	13	27	15	27	3.94	5.28	4.84	279	18,842	68
Lawrence	16	41	22	32	5.54	7.49	7.68	827	75,110	91
Lowell	12	36	16	35	6.59	9.88	8.85	1,363	104,791	77
New Bedford	12	39	14	25	9.26	14.52	14.94	712	44,210	62
Pittsfield	14	40	11	32	2.17	1.99	2.91	105	7,078	67
Springfield	8	38	11	35	6.00	8.05	9.90	1,465	81,855	56
Worcester	9	36	5	23	8.08	6.21	9.48	2,151	168,859	79
Total								19,852	1,913,054	

(*) 1996 HMDA Reporter Market Share

FLEET AGGREGATE SMALL BUSINESS AND COMMUNITY DEVELOPMENT LENDING												
State: Massachusetts	% of Small Businesses in LMI CTs	% of Reporters' Loans in LMI CTs*	Market Share		% of Bank's Loans in LMI CTs	% of Loans less than \$100,000	% of Loans to Small Businesses ◆	Bank Totals		Avg. Loan (000s)	Community Development Loans	
			Overall	LMI CTs				#	\$(000s)		#	\$(000s)
Barnstable	16%	11%	6.14	12.39	20%	84%	74%	249	\$16,624	\$67	3	\$550
Boston	21	21	9.77	11.21	24	62	45	6,325	1,065,390	168	10	\$98,499
Brockton	20	11	10.84	7.21	14	57	39	398	76,973	194	0	\$0
Fitchburg	27	24	13.69	12.44	26	69	45	241	28,969	120	0	\$0
Lawrence	32	27	13.70	17.61	31	62	48	437	75,905	174	0	\$0
Lowell	22	16	13.62	15.59	16	68	52	491	66,518	135	0	0
New Bedford	27	25	13.35	16.23	26	72	70	360	45,556	126	1	650
Pittsfield	39	16	4.65	5.87	19	75	58	190	18,494	97	0	
Springfield	25	18	8.45	10.84	24	74	52	1,033	131,363	127	3	\$3,293
Worcester	23	21	11.79	12.10	20	70	50	690	91,752	132	0	0
Total State+					24	66	40	10,414	\$1,617,544		19	\$156,992

(*) 1996 CRA Small Business Reporters

◆ Percent of loans to businesses with revenues less than \$1 million when revenue was known.

|+| Two loans for \$54 million were originated to statewide organizations.

AGGREGATE BRANCHES & ATM'S										
State: Massachusetts	#		% # of Offices				% # of ATMs			
	Branch Offices	ATMs	Low CT	Moderate CT	Middle CT	Upper CT	Low CT	Moderate CT	Middle CT	Upper CT
Barnstable	15	16	0	13	67	20	0	13	81	6
Boston	123	255	9	19	40	32	16	15	32	37
Brockton	7	7	14	14	58	14	14	14	58	14
Fitchburg	3	8	33	33	33	0	13	12	50	25
Lawrence	10	14	20	10	60	10	21	7	72	0
Lowell	11	17	18	10	36	36	29	13	29	29
New Bedford	10	12	10	10	70	10	17	25	50	8
Pittsfield	3	3	67	0	33	0	67	0	33	0
Springfield	30	48	3	10	70	17	6	13	65	16
Worcester	24	80	4	13	67	16	10	14	46	14
Total State	236	460	9	15	51	25	14	15	43	28
% of Total Bank	33%	36%								

Boston MSA

Description of Institution's Operations in Boston MSA:

This MSA has a population of 3.2 million with 19 percent of the families classified as low income and 18 percent classified as moderate income. Boston is the state capital and largest city. Suffolk County has maintained steady economic growth despite a slowdown in the state's economy overall. Boston benefits from its strategic location, diversified industry structure, research resources and well educated workforce. Several clusters of interrelated industries dominate the market these include: education, financial services, information technology, and health care.

Affordable housing remains the number one credit need in this MSA. More than 30 percent of the city's new housing units were developed with public assistance. The owner occupied rate for the MSA is 52 percent, however within the city it drops to 30 percent.

Fleet operates 123 branches and 255 ATMs in this MSA. Lending in this MSA accounts for 58 percent of the mortgage lending and 61 percent of the small business lending in the Commonwealth of Massachusetts during this evaluation period. Twenty percent of the total population of the bank's assessment area reside here and 57 percent of the state's population. Competition in this market stems from BankBoston, Citizen's, State Street Bank & Trust, PNC, US Trust, and Mellon. Competition is high due to the number of large and small banks which serve these communities. BankBoston holds the largest deposit share in this MSA.

Conclusions with Respect to Performance Tests in Boston MSA:

Lending Test

Fleet has effectively helped to meet the small business and affordable housing needs in the Boston MSA. The bank made 11,596 residential real estate loans and 6,325 small business loans during this evaluation period. In addition, the bank made 10 community development loans totaling \$98 million. During 1996, Fleet was the 2nd largest HMDA lender and the 3rd largest small business lender in the Boston MSA. By individual HMDA products, Fleet ranked 2nd in the number of home purchase and improvement loans made and 1st in refinances.

LENDING ACTIVITY: Boston MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase REM	60	CT	3	29	46	22
		B	12	30	21	23
Home Improvement	54	CT	1	10	47	42
		B	8	14	21	45
Refinance REM	57	CT	1	12	48	39
		B	4	14	23	40
Multi-family REM	0	CT	0	0	0	0
		B	0	0	0	0
Consumer - all	63	CT	4	21	51	24
		B	23	25	17	18
Small Business	61	CT	8	16	45	30

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 14% of home purchase, 12% home improvement, 19% refinance and 17% of consumer loans.

Geographic Distribution

Fleet's penetration of HMDA, small business and consumer loans in low and moderate income geographies was good. No conspicuous gaps were noted in the bank's lending patterns.

Fleet's distribution of HMDA loans in the Boston MSA was strong. In total, 2 percent and 19 percent of the bank's HMDA loans were made in low and moderate income geographies, respectively. This compares favorable to demographic data which indicate that 1 percent and 12 percent of the owner occupied units are located in these geographies, respectively. By product type, the bank's home purchase lending in low and moderate income geographies was particularly noteworthy. Fleet has a much larger market share in low and moderate income census tracts than in middle and upper income tracts. It should also be noted that in 1996, the bank's performance in moderate income geographies of 20 percent was well above aggregate lending by all reporters. 1996 aggregate lending for all reporters mirror the demographic data.

Performance in originating home purchase loans was especially strong. Fleet's market share for low income geographies was 2.01 times the overall market share and for moderate income geographies it was 4.00 times the overall market share. Fleet's percentage of lending in 1997 was essentially the same as 1996 with 29 percent of all loans originated in low or moderate income census tracts.

The bank's distribution of small business loans in low and moderate income geographies was good. Approximately 7 percent of the businesses are located in low income census tracts and 15 percent are located in moderate income census tracts. Fleet's lending performance was slightly above this. In 1996, the bank's distribution of loans in low and moderate income geographies was also higher than aggregate lending by all reporters.

The bank's distribution of consumer loans in low and moderate income geographies was satisfactory. Approximately 4 percent and 20 percent of the population reside in low and moderate income census tracts, respectively. In low income and moderate income geographies Fleet's performance was slightly above this.

Distribution by Borrower Characteristics

Fleet has effectively met the credit needs of low and moderate income borrowers and businesses of different sizes.

Fleet has effectively served the residential real estate needs of the assessment area including low and moderate income individuals. In fact, Fleet originated more HMDA related loans to low and moderate income borrowers during 1996 than any other lender in the market. For home improvement and refinances, the bank consistently ranked in the top 3 based on the number of loans made to low and moderate income borrowers. In 1996, Fleet made 9 percent and 22 percent of their HMDA loans to low and moderate income borrowers, respectively. This significantly exceeds the aggregate lending by all reporters of 5 percent and 16 percent, respectively. Although the bank's performance during 1997 declined slightly from 1996, it remained strong. With a median housing cost of \$196 thousand and the upper limit for low income families at \$30 thousand, there is little opportunity for low income families to purchase homes.

Of particular note was the bank's performance in originating home purchase loans to low and moderate income borrowers. Fleet originated 42 percent of its home purchase loans to low or moderate income borrowers during the evaluation period. In 1996, Fleet market share to low income borrowers was 2.68 times its overall market share and to moderate income borrowers it was 1.82 times the overall market share.

Distribution of Small Business Loan Originations - 1996&1997 Within All Assessment Areas Located in Boston MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	3,947	62	175,071	16	2,447	62	94,559	54
\$100,000 to \$250,00	1,156	18	214,083	20	283	24	49,274	23
\$250,000 to \$1,000,000	1,222	20	679,236	64	128	10	65,065	10
Totals	6,325	100	1,065,390	100	2,858	45	211,878	20
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:			<1 Million	72%	*As a percentage of loans of the size category			
			>1 Million	13%				
			Unknown	15%				

Fleet has satisfactorily served the credit needs of small businesses. In 1996, 88 percent of the market's loans were for amounts less than \$100 thousand. Fleet made 55 percent of their loans for this amount. Fleet originated 35 percent of its loans to businesses with revenues less than \$1 million while the aggregate of all lenders originated 40 percent to this group. Approximately 72 percent of the businesses in the Boston MSA have revenues less than \$1 million.

The bank's consumer lending to low and moderate income individuals was strong. Approximately 19 percent and 18 percent of the families are low and moderate income. The bank's lending to low and moderate income individuals during this evaluation period was 23 percent and 25 percent, respectively.

Community Development Lending

Fleet originated ten community development loans in the Boston MSA for \$98.5 million. Four of these loans totaling \$79 million were used for bridge financing for low income housing tax credit projects. The majority of the other monies were used to fund loan pools formed to provide loans to small businesses.

Investment Test

Fleet's investment level in this MSA is consistent with the overall level of investments in the state. Fleet committed to and extended a BAN in an economically distressed city. Fleet did not participate in any new LIHTC during the evaluation period, however, \$580 thousand was contributed to a LIHTC project in the city. The book value of all LIHTC projects as of December 31, 1997 was \$20.2 million.

In addition to these investments and prior to the evaluation period, Fleet purchased a total of

27,000 shares of common and preferred stock in a local minority-owned community development financial institution.

In 1996, Fleet committed to making a \$250 thousand grant to a nonprofit affordable housing organization to support a resident resource initiative. Of that amount, \$50 thousand was funded during the evaluation period. Additionally, Fleet has committed to provide two grants of \$40 thousand each to an organization that will revitalize two very distressed neighborhoods in Boston. A total of \$20 thousand was disbursed for each neighborhood during the evaluation period.

The remaining donations were contributions to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details Fleet’s investments and donations during the evaluation period.

MSA 1120	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	635	1,215	20,166
Donations	1,209	969	969
Total	1,844	2,184	21,135

Service Test

Fleet operates 123 branches (52 percent of the state total) in this MSA. Twenty-eight percent of the bank’s branches in this market are located in low or moderate income geographies. This distribution compares reasonably well to the market where 30 percent of the census tracts are designated low or moderate income and 29 percent of the population reside in these census tracts.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank’s this assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, employees serve on the Massachusetts Community & Banking Council and its basic banking, affordable housing and small business committees.

Springfield MSA

Description of Institution's Operations in Springfield MSA:

This MSA has a population of 618 thousand with 21 percent of the families classified as low income and 17 percent classified as moderate income. Unemployment and poverty are high in this area, particularly in the cities of Springfield and Holyoke. Employment was centered in manufacturing with 33 percent of the jobs in 1980. This had dropped to 21 percent by 1990. Major employers in the area include the University of Massachusetts, Amherst, Baystate Medical Center, Mass Mutual, Big Y Supermarkets, US Postal Service and Milton Bradley.

Fleet operates 30 branches and 48 ATMs in this MSA. It accounts for 7 percent of the mortgage lending and 10 percent of the small business lending in the state during this evaluation period. Competition in this market stems primarily from Springfield Institute for Savings headquartered in Springfield. It holds the largest share of deposits and originates the greatest number of residential real estate loans in this market. Competition for small business loans also arises from BankBoston and Bank of Western Massachusetts.

Conclusions with Respect to Performance Test in Springfield MSA:

Lending Test

Fleet has reasonably assisted in meeting the affordable housing and community development needs in the assessment area. Fleet made 3 community development loans totaling \$3 million. In addition, the bank made 1,465 HMDA loans and 1,033 small business loans. Fleet was the 3rd largest HMDA and small business lender in the assessment area based on the number of loans made.

Geographic Distribution

Fleet's penetration of HMDA, small business and consumer loans in low and moderate income geographies was very good. No conspicuous gaps were noted in the bank's lending patterns.

The bank's distribution of HMDA loans throughout its assessment area was excellent. During this evaluation period, the bank made 3 percent of their HMDA loans in low income census tracts and 8 percent in moderate income census tracts. The bank's share of HMDA loans in low and moderate income areas exceeds its market share of loans in the overall market. This performance exceeds both the aggregate lending by all reporters and demographic data. Demographic information shows that 2 percent and 7 percent of the owner occupied units are located in low and moderate income census tracts, respectively. During this assessment period, the bank's distribution of home purchase and improvement loans in low and moderate income areas is particularly noteworthy. Fleet made 13 percent of home purchase and 15 percent of home improvement loans in low and moderate income geographies. Fleet's market share for home purchase loans in low income areas was 2.46 times its overall market share and in moderate

income areas was 1.36 times the overall market share. For home improvement loans in low income geographies the market share was 1.42 times and 1.55 time for moderate income geographies.

LENDING ACTIVITY: Springfield MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase REM	6	CT	5	8	73	14
		B	15	37	20	13
Home Improvement	9	CT	4	11	60	25
		B	12	19	27	31
Refinance REM	6	CT	1	5	63	31
		B	5	16	22	37
Multi-family REM	100	CT	0	0	0	0
		B	0	0	0	0
Consumer - all	11	CT	7	10	64	19
		B	23	24	18	18
Small Business/Farm	10	CT	9	15	57	19

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 15% of home purchase, 11% of home improvement, 20% of refinance loans and 17% of consumer loans.

Fleet's distribution of small business loans throughout its assessment area was reasonable when compared to demographic data and other lenders. Approximately 8 percent of the businesses are located in low income areas and 17 percent are located in moderate income areas. During 1996, the bank made 9 percent and 15 percent of its small business loans in these geographies, respectively. The bank's lending performance was higher than both aggregate lending and demographics in low income tracts. In moderate income tracts though, the bank's performance was comparable to aggregate lending. Lending in 1997 decreased in low income tracts to 7 percent but increased to 16 percent in moderate income census tracts.

Fleet's consumer loans are reasonable distributed throughout its assessment areas when compared reasonably well to demographic data. Approximately 9 percent and 12 percent of the families in the Springfield MSA reside in low and moderate income census tracts. Fleet made 7 percent and 10 percent, respectively, of their consumer loans in these geographies.

Distribution by Borrower Characteristics

Fleet has helped to meet the credit needs of low and moderate income borrowers through residential real estate, small business and consumer loan products.

Fleet's distribution of HMDA loans to low and moderate income borrowers was excellent. This is especially noteworthy since the median housing cost of \$122 thousand and the upper limit for low income families at \$22 thousand, allowing little opportunity for low income families to purchase homes. The most impressive fact was that during this evaluation period the bank originated 54 percent of their bank's home purchase loans to these borrowers. The bank's lending performance during 1996 was above aggregate lending in the market. For 1996, aggregate lending to low income borrowers was 5 percent and 18 percent for moderate borrowers for all HMDA products. Fleet's percentage of originations for all HMDA products to low and moderate borrowers was 35 percent of the total. Fleet's proportion of lending to low and moderate income borrowers was above aggregate lending in all products. In addition, the bank's share of loans to low and moderate income individuals significantly exceeds its share of HMDA loans to the overall market. In 1997, the bank's distribution of loans to low and moderate income borrowers increased from the 1996 performance. Fleet made 10 percent and 21 percent, respectively, of their HMDA loans to these borrowers.

Distribution of Small Business Loan Originations -1996 & 1997 Within All Assessment Areas Located in the Springfield MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	759	74	31,340	24	498	66	16,474	53
\$100,000 to \$250,00	139	13	25,279	19	25	18	4,186	17
\$250,000 to \$1,000,000	135	13	74,744	57	18	13	8,283	11
Totals	1,033	100	131,363	100	541	52	28,943	22
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:		<1 Million	79%	>1 Million	10%	*As a percentage of loans of the size category		
		Unknown	11%					

Fleet has adequately helped to meet the credit needs of small businesses. In 1996, Fleet had the 3rd largest volume of small loans (less than \$100 thousand) to businesses. However, other lenders in the market have a higher proportion of their loans for amounts less than \$100 thousand. However, the top two small business lenders are credit card companies. In 1996, 68 percent of Fleet's small business loans were for amounts less than \$100 thousand compared to 87 percent for aggregate lenders in the market. In 1996, Fleet made 48 percent of their small business loans to businesses with revenues less than \$1 million compared to 51 percent for the aggregate market.

Approximately 79 percent of the businesses in the assessment area have revenues less than \$1 million.

Community Development Lending

Fleet originated three community development loans in this MSA totaling \$3.3 million. A construction loan was used to convert an apartment complex into 33 affordable family rental units for low-and moderate income individuals. A line of credit was originated for a small business assistance loan fund. A line of credit was provided to an enterprise fund to provide micro loans and technical assistance to small businesses.

Investment Test

Fleet’s investment level in this MSA was consistent with the overall level of investments in the state. The majority of the investments committed to and extended during the evaluation period were BAN’s in economically distressed areas of the city. Fleet did not participate in any new LIHTC during the evaluation period, however, \$102 thousand was contributed to a LIHTC project in the city. The book value of all LIHTC projects as of December 31, 1997 was \$4 million.

In addition to the BAN’s and LIHTC’s, Fleet has committed \$2 million to a small business equity fund which will provide venture capital and technical assistance for small businesses located in Springfield.

The donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people. Included in the donations was one parcel of real estate, given at no cost, to a community development organization. The property had an appraised value of \$300 thousand.

Fleet has taken a leadership role in developing a community center in a very low-income Springfield neighborhood. A total of \$27 thousand was donated during the evaluation period to the center to upgrade the facility and to partially fund social workers from a nearby college to provide counseling services to troubled youths.

The table below details Fleet’s investments and donations during the evaluation period.

MSA 8000	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	196,763	194,865	4,144
Donations	651	586	286
Total	197,414	195,451	4,430

Service Test

The bank's branch distribution in the Springfield MSA includes a majority of offices in the middle-income census tracts (70 percent). Fleet operates one (3 percent) branch in a low-income census tract in this assessment area and three (10 percent) branches in moderate income census tracts. This distribution is lower than the 30 percent of the census tracts which are designated as low or moderate income, where 21 percent of the population reside. In total, the bank operates 30 branches and 48 ATMs in this market.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

WORCESTER MSA

Description of Institution's Operations in Worcester MSA:

This MSA has a population of 468 thousand with 19 percent of the families classified as low income and 18 percent classified as moderate income. Manufacturing remains the main employment sector for this area despite the decline of approximately 1300 jobs since 1984. The area has a heavy concentration of mature industries such as plastics and industrial machinery and equipment. Housing stock in the region's urban and rural towns was built largely around the turn of the century. A fair amount of housing abandonment occurred during the recession, most acutely in the city of Worcester.

Fleet operates 24 branches and 80 ATMs in this MSA. It accounts for 11 percent of the home mortgage lending and 7 percent of the small business lending in the Commonwealth during this evaluation period. Competition in this market stems primarily from mortgage companies and BankBoston, though several small local institutions are also active. Fleet was the lead local lender for mortgages and small business in the area.

Conclusions with Respect to Performance Tests in Worcester MSA:

Lending Test

Fleet was responsive to the identified credit needs in the Worcester assessment area. Fleet made 690 small business loans and 2,151 HMDA loans totaling \$169 million. During 1996, Fleet made more HMDA loans than any other lender in the market. The bank ranked 1st in the number of home purchase, home improvement and refinance loans made. In addition, Fleet was the 3rd largest small business lender in the Worcester assessment area.

Geographic Distribution

Fleet's geographic distribution of HMDA, consumer, and small business loans reflect reasonable penetration throughout the Worcester assessment area. There were no conspicuous lending gaps in the penetration of geographies within the bank's assessment areas.

The bank's distribution of HMDA loans throughout its assessment area was reasonable. Fleet made 1 percent and 5 percent of its HMDA loans in low and moderate income geographies, respectively. Approximately 1 percent and 8 percent of the owner occupied units in the area are located in these geographies, respectively. During 1996, the bank's share of loans in low and moderate income areas was somewhat lower than their overall share of the market. Also, the bank's proportion of lending in these geographies was slightly lower than aggregate lending by all reporters.

LENDING ACTIVITY: Worcester MSA -1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase REM	10	CT	1	7	62	30
		B	6	24	29	31
Home Improvement	11	CT	1	5	64	30
		B	7	13	30	42
Refinance REM	11	CT	1	3	62	34
		B	3	15	24	40
Multi-family REM	0	CT	0	0	0	0
		B	0	0	0	0
Consumer - all	10	CT	4	13	61	22
		B	24	25	18	19
Small Business	7	CT	10	10	56	24

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 10% of home purchase, 8% of home improvement, 18% of refinance and 14% of consumer loans.

Fleet's distribution of home improvement and refinances was lower than the aggregate market in 1996. However, the bank's distribution of home purchase loans was consistent with the market's distribution. The bank's market share of home purchase loans in low and moderate income areas was consistent with its overall market share.

Fleet's distribution of small business loans in low and moderate income geographies was reasonable. The bank's distribution of small business loans during this assessment period was slightly above demographics in low income census tracts but below demographics in moderate income census tracts. 1996 aggregate lending by all reporters revealed that 10 percent and 11 percent of all small business loans were made in low and moderate income geographies, respectively. Fleet's lending performance during 1996 was consistent with this.

For 1997, the bank's distribution of consumer loans was reasonable compared to demographic data. Demographic data shows that 4 percent and 14 percent of the families in the Worcester MSA reside in low and moderate income census tracts, respectively. The bank's lending performance in low and moderate income geographies was consistent with these demographics.

Distribution by Borrower Characteristics

Fleet was effective in helping to meet the credit needs of low and moderate income borrowers and businesses of different sizes.

The bank’s HMDA lending to low and moderate income borrowers was excellent . This is especially noteworthy since the median housing cost of \$137 thousand and the upper limit for low income families at \$25 thousand, allowing little opportunity for low income families to purchase homes. Five percent of the bank’s HMDA loans were made to low income borrowers and 18 percent were made to moderate income borrowers. 1996 aggregate lending by all institutions report that 4 percent and 16 percent of all HMDA loans were made to low and moderate income borrowers. Fleet’s market share to low or moderate income borrowers for all HMDA products was 9.48 percent versus its overall market share of 8.08 percent.

Fleet originated 31 percent of all home purchase loans to low or moderate income borrowers. This compares favorably to that of the aggregate of all lenders which was only 20 percent. Lending was also higher than the aggregate of all lenders for refinance loans at 21 percent. Home improvement loans comprised only 16 percent of the lending for 1996 but improved in 1997 to 24 percent which would match the aggregate of all lending in 1996.

Distribution of Small Business Loan Originations - 1996 & 1997 Within All Assessment Areas Located in the Worcester MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$(000)	%	#	%*	\$(000)	%*
less than \$100,000	485	70	20,464	22	320	66	11,204	55
\$100,000 to \$250,00	115	17	20,145	22	23	20	3,762	19
\$250,000 to \$1,000,000	90	13	51,143	56	5	6	33,275	6
Totals	690	100	91,752	100	348	50	18,241	20
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:			<1 Million	71%	*As a percentage of loans of the size category			
			>1 Million	12%				
			Unknown	17%				

Fleet has adequately served the credit needs of small businesses in the assessment area. During this evaluation period, a significant portion of the bank’s loans were in amounts less than \$100 thousand. In addition, a large portion of these small dollar loans were made to small businesses.

1996 aggregate market information show that 90 percent of all business loans made in the assessment area were for amounts less than \$100 thousand. During 1996, 64 percent of Fleet's business loans were for amounts less than \$100 thousand. Of the total number of business loans originated in 1996, 42 percent were to businesses with revenues less than \$1 million.

Approximately 44 percent of Fleet's loans were to businesses with revenues less than \$1 million. The bank's consumer lending to low and moderate income individuals was strong. Approximately 19 percent and 18 percent of the families are low and moderate income. The bank's lending to low and moderate income individuals during this evaluation period was 24 percent and 25 percent, respectively.

Community Development Loans

No community development loans were originated in the Worcester MSA.

Investment Test

Fleet made no investments in this MSA during the evaluation, however, community contacts indicate that there are limited investment opportunities available. However, Fleet participated in one LIHTC project in the city prior to the evaluation period.

The donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

Fleet has had a leadership role in the establishment of a nonprofit economic development organization. During the evaluation period, Fleet committed to a three-year \$75 thousand grant for ongoing operations, of which \$50 thousand has been funded.

The table below details Fleet's investments and donations during the evaluation period.

MSA 9240	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	0	0	552
Donations	184	159	184
Total	184	159	736

Service Test

Similar to Springfield, the bank's branch distribution in this market reflects a majority of offices in the middle-income census tracts (67 percent). The bank operates one branch (4 percent) in a low-income census tract and 3 branches (13 percent) in moderate income census tracts. This was lower than the 23 percent of census tracts within this MSA or the 20 percent of the population which reside there. Total branches within this MSA are 24 branches and 84 ATMs in this assessment area.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. Fleet conducted over 30 home buyers seminars during the evaluation period. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public. For example, a senior executive of Fleet serves as chair for the Worcester Community Banking Council, a consortia of banks that works with the city's community development corporations and other nonprofits housing agencies to increase affordable housing and economic development in Worcester.

State Rating

CRA Rating for New York: Satisfactory

The lending test is rated:	<u>Low Satisfactory</u>
The investment test is rated:	<u>Outstanding</u>
The service test is rated:	<u>Low Satisfactory</u>

Highlights to support Ratings

- The volume of lending in of lending in low- and moderate-income geographies was commensurate with available opportunities and population demographics.
- The bank's market share of HMDA reportable loans was lower to low and moderate borrowers and census tract than its overall market share
- Distribution of small business loans matches the distribution of small businesses within low and moderate income geographies.
- Good distribution of home purchase and home improvement loans to moderate income borrowers when compared to the percentage of these families within the population.
- Fleet committed through qualified investment and donations \$11 million throughout the state.
- Branches and services are reasonable accessible to low and moderate income individuals within the state.

Description of Institution's Operations in New York

The evaluation of Fleet's performance in New York considers its performance in the Albany, Buffalo, Dutchess County, Elmira, Glens Falls, Jamestown, Newburgh, Rochester, Syracuse and Utica MSAs. In addition, there is a large Non-MSA portion of the assessment areas which includes Allegany, Cattaraugus, Clinton, Columbia, Cortland, Essex, Franklin, Fulton, Greene, Jefferson, Lewis, Otsego, Seneca, Schuyler, Steuben, Sullivan, St. Lawrence, Tompkins, Ulster, Wyoming and Yates counties. Fleet operates 241 branches in these areas and 298 ATMs. Lending within this area comprises 32 percent of the mortgage lending and 28 percent of the small business lending for Fleet.

The population of this area is 6.4 million. The area encompasses 1,664 census tracts and BNAs with 101 low income geographies (6 percent) and 286 moderate income geographies (17 percent). The 1997 HUD median income is \$43,160 and 19 percent of the families area considered to be low income and 18 percent moderate income. Ten percent of the households in

this state live below the poverty level and 59 percent of the housing is owner occupied. Unlike other assessment areas where Fleet operates, housing is more affordable for lower income families.

Upstate New York has only 38 percent of the state’s non-agricultural jobs, but has 52 percent of the manufacturing jobs. Manufacturing jobs have witnessed a 21 percent decline in the past decade. Unemployment remains above the nationwide average for the state.

There are distinct and disparate housing needs in New York State, but overall there is a shortage of affordable housing both rental and for sale. Small business development is crucial in order to promote economic development and job opportunities.

Competition in this state is localized within markets and while Fleet is one of the largest banks statewide in Upstate New York it has a dominant presence in few markets. There are 612 active lenders in this marketplace. Major mortgage lenders in the area are Marine Midland, Key Bank, and Manufacturers and Traders. In addition, locally regional lenders are also active. These same lenders are also the major small business lenders.

State of New York						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	6,406,298		4	15	59	22
Family Distribution (% by income)	1,651,089		19	18	25	38
Census Tracts	1664		6	17	57	18
Small Business	156,060		5	16	56	23
Owner Occupied Housing (#)	1,582,368		1	11	63	24
Median Housing Value (\$)		80,478				
Median Income(\$)		43,160				
Unemployment Rate - Dec. 31, 1997	5.1%					

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests in New York

Scope of Review

The rating was based on a review of 10 MSA and 7 non-MSA assessment areas in the state of New York. The Albany, Buffalo, and Rochester MSA's received an in-depth analysis which included data verification and contacts with community groups. The remaining MSAs lending information was reviewed to determine consistency with findings of the full-scope reviews. Additionally, lending information for the non-MSA assessment areas was aggregated and received an in-depth review as a group.

Lending Test

The volume of loans originated in New York was generally consistent with the bank's size and scope of operations in the assessment areas. During the evaluation period, Fleet originated 17,117 HMDA reportable loans for \$953 million and 8,207 small business loans for \$1,244 million. In 1996, Fleet was ranked 5th in the origination of home purchase loans and 3rd in home improvement loans. The bank originated a reasonable volume of small business loans and was 4th in number of small business loans and 2nd in dollar volume. In 1997, HMDA and small business lending decreased from 1996 levels. This decline was attributed to a 39 percent reduction in home purchase loans during this period and a 15 percent decline in small business lending.

Due to structural changes at the mortgage company, many loan originators within the New York markets left the company. This loss of originators contributed greatly to the reduction in mortgage lending during 1997.

Distribution by Geography

Fleet's distribution of HMDA, small business and consumer loans was reasonable. No conspicuous gaps were noted in the bank's lending patterns.

The origination of HMDA loans reflects good distribution in all geographies when considering the opportunities presented by owner-occupied housing units in the various census tracts. Fleet had less success originating home improvement and refinance loans in low and moderate income census tracts than it does its home purchase loans. Distribution of home purchase loans was considered good. The proportion of Fleet's loans originated in low and moderate income census tracts exceeded the percentage of owner-occupied housing units.

The distribution of small business loans was good and generally mirrors the distribution of businesses throughout the assessment areas. Fleet originated 6 percent of their small business loans in low income census tracts and 15 percent in moderate income tracts. Aggregate lenders originated 5 percent of their loans in low income census tracts and 14 percent in moderate income census tracts. Additionally, there was a good distribution of small business loans to very small

businesses located in low and moderate income geographies.

LENDING ACTIVITY: STATE OF New York - 1996&1997					
Loan Type	CT	Low	Moderate	Middle	Upper
	B	% of #	% of #	% of #	% of #
Home Purchase REM	CT	2	11	60	27
	B	5	20	26	29
Home Improvement	CT	1	10	66	23
	B	6	18	27	40
Refinance REM	CT	1	8	62	29
	B	3	12	22	39
Multi-family REM	CT	0	0	7	4
	B	N/A	N/A	N/A	N/A
Consumer - (Specify type; add additional lines as needed)	CT	2	13	63	22
	B	17	21	20	20
Small Business	CT	6	15	55	24

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 20% Home Purchase REM, 9% Home Improvement, 24% Refinance REM, 100% Multi-family REM and 22% Consumer.

Distribution of consumer loans throughout the various income census tracts generally mirrors the population's distribution except in low income census tracts. Approximately, 1.5 percent of the bank's consumer loans were made to persons located in low income census tracts. This was below the demographics which reflect that 4 percent of the assessment areas' population in located in low income census tracts.

Distribution by Borrower Characteristic

The bank's distribution of HMDA, small business and consumer loans to borrowers of different income levels and to businesses of different sizes represents a reasonable level of performance.

Distribution of HMDA loans to borrowers of different incomes was reasonable. In several MSA's and the non-MSA's the bank's market share of HMDA loans to low and moderate income borrowers was less than its overall HMDA market share. This was due to the bank's large volume of refinances which originated to middle and upper income borrowers. Also, in several communities there was little affordable housing construction activity and financial assistance

programs are limited. It should be noted that Fleet’s distribution of home purchase loans to low and to moderate income borrowers exceeds the market percentage of loans to these groups.

Distribution of Small Business Loan Originations - 1996&1997 Within Assessment Areas in the State of New York By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	5,431	66%	\$236,182	19%	3,454	64%	\$127,951	55%
\$100,000 to \$250,000	1,421	17%	\$262,202	21%	387	27%	\$66,272	25%
\$250,000 to \$1,000,000	1,356	17%	\$745,977	60%	151	11%	\$73,619	10%
Totals	8,207	100%	\$1,244,360	100%	3,992	49%	\$267,842	22%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	76 %	*As a percentage of loans of the size category		
				> 1 Million	8 %			
				Unknown	16 %			

Fleet’s record of lending to very small businesses (annual revenues less than \$1 million) was reasonable. This performance was consistent throughout the bank’s assessment areas. In general, demographic data reflect that approximately 75 percent of the businesses in each assessment area are categorized as very small. On average, about one-half of Fleet’s small business loans went to very small businesses. Based on 1996 aggregate small business data, about one-half of all small business lending in New York went to very small businesses. Also, approximately two-thirds of Fleet’s small business loans were in amounts less than \$100,000. This does not compare favorably to the overall market performance which shows that over three-quarters of all small business loans were in amounts less than \$100,000. However, the largest small business lender was a nationwide credit card company and their average loans size of \$7 thousand skews these numbers.

The distribution of consumer loans to individuals generally represents the population mix. This distribution holds true for all assessment areas.

Investment Test

Fleet's level of investment throughout the upstate New York assessment area was excellent. Community contacts have described Fleet's efforts in positive terms. The investments made during the evaluation period were focused on addressing the identified credit needs throughout the area, and Fleet took a leadership role with many of the organizations.

In addition to the investments and donations made in specific locations, Fleet participates, through the purchase of stock currently valued at \$310 thousand, in a state-wide business development corporation that assists diverse small businesses expand in New York state. Fleet participates in this organization with a number of New York commercial and savings bank, as well as the New York state common retirement fund.

The table below details the combined investments and donations made in upstate New York by Fleet during the evaluation period.

New York state	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	9,499	9,399	3,582
Donations	1,254	1,104	1,104
Total	10,753	10,503	4,686

Service Test

Fleet uses its full complement of delivery systems to make retail and other banking services reasonably accessible in its New York markets where it operates 241 branches and 298 ATMs. Bank records indicate that 22 offices were closed or consolidated during the evaluation period while 16 were acquired through a merger and 96 were sold to other financial institutions, of which 81 percent were sold to an affiliate (Fleet Bank, N.A.). Fleet opened three offices. The bank's consolidation and divestiture of offices has not resulted in a significant adverse effect upon access to bank services.

The 52 branches located in low or moderate income areas represent about 22 percent of the bank's total branches in the state. This distribution compares well to the 23 percent distribution of low or moderate income census tracts. It also compares well to the 19 percent of the population which reside in low or moderate income geographies. H

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Performance in the Limited Scope Areas of New York

Overall performance in the limited scope MSAs was generally consistent with the performance in the State of New York. Exceptions are as follows:

Lending performance in Glens Falls MSA was better than that of the full scope MSAs in geographic distribution. In addition, the geographic distribution in the Newburgh MSA was no as good as the performance in the full scope areas. The performance for geographic distribution of small business lending in the Jamestown MSA was not as good as the state-wide performance. None of these inconsistencies were significant enough to affect the overall state rating.

New York Aggregate Tables

AGGREGATE RESIDENTIAL LENDING										
State: NEW YORK	Demographics		Lending Distribution		Market Share*			#	\$ (000s)	Avg. Loan (000s)
	% percent Owner Occupied in LMI CTs	% LMI Families	in LMI CTs	to LMI Borrowers	Overall	LMI CTs	LMI Borrower			
Albany	17%	37%	13%	26%	6.12	6.08	4.93	2,530	\$169,490	\$67
Buffalo	16	38	11	25	6.53	5.46	5.78	3,207	174,540	54
Dutchess County	10	36	7	25	3.55	2.68	3.63	324	32,682	100
Elmira	7	38	1	19	3.55	3.27	2.61	134	15,574	186
Glens Falls	7	34	8	17	9.41	13.82	8.29	301	19,126	63
Jamestown	9	38	6	22	11.48	8.86	11.29	617	19,225	31
Newburgh	10	35	6	22	6.15	3.74	6.30	718	63,508	88
Rochester	15	37	15	29	4.92	5.27	4.25	2,715	176,274	65
Syracuse	11	37	10	22	5.37	4.65	4.68	1,845	89,143	48
Utica	11	37	8	21	10.53	9.72	9.23	1,287	50,252	39
Non MSA Areas	8	37	8	18	10.66	11.46	8.60	3,439	143,405	42
Total			11%	21%				17,117	\$953,219	

(*) 1996 HMDA Reporter Market Share

FLEET AGGREGATE SMALL BUSINESS AND COMMUNITY DEVELOPMENT LENDING												
State: New York	% of Small Businesses in LMI CTs	% of Reporters' Loans in LMI CTs*	Market Share		% of Bank's Loans in LMI CTs	% of Loans less than \$100,000	% of Loans to Small Businesses ♦	Bank Totals		Avg. Loan (000s)	Community Development Loans	
			Overall	LMI CTs				#	\$(000s)		#	\$(000s)
Albany	25%	25%	8.78	9.54	25%	65%	47%	1,377	\$214,246	\$156	8	\$31,385
Buffalo	20	23	10.08	9.97	23	63	45	1,842	296,287	160	2	\$5,325
Duchess County	24	21	2.55	2.59	21	56	51	107	18,353	171	0	\$0
Elmira	32	30	1.51	0.42	8	63	23	22	2,978	135	0	\$0
Glens Falls	9	4	3.69	3.77	4	72	61	67	7,155	107	0	\$0
Jamestown	24	24	5.73	2.97	13	81	72	161	12,897	80	0	\$0
Newburgh	21	16	6.20	7.11	19	70	56	283	37,413	132	0	0
Rochester	22	21	8.46	11.38	28	66	49	1,531	244,612	160	1	150
Syracuse	23	24	6.43	6.20	23	60	39	760	129,768	171	0	0
Utica	29	21	13.61	12.52	21	68	43	631	89,022	141	0	0
Non MSA Areas	13	11	6.59	7.00	12	72	53	1,426	191,629	134	0	0
Total States					21	66	49%	8,207	\$1,244,360	\$152	11	\$36,860

(*) 1996 CRA Small Business Reporters

♦ Percent of loans to businesses with revenues less than \$1 million when revenue was known.

AGGREGATE BRANCHES AND ATM'S										
State: New York	#		% # of Offices				% # of ATMs			
	Branch Offices	ATMs	Low CT	Moderate CT	Middle CT	Upper CT	Low CT	Moderate CT	Middle CT	Upper CT
Albany*	43	73	9	19	44	28	8	18	49	25
Buffalo	37	42	8	24	48	20	5	10	55	30
Duchess County	3	10	33	33	33	0	0	25	50	25
Elmira	1	1	0	0	0	100	0	0	0	100
Glens Falls	2	9	0	0	50	50	0	0	67	22
Jamestown	8	6	25	0	75	0	17	0	83	0
Newburgh	14	29	0	14	57	29	0	7	55	38
Rochester	44	43	2	23	55	20	2	16	58	23
Syracuse	23	25	4	17	44	35	0	12	44	44
Utica	21	17	5	14	71	10	6	29	47	18
Non MSA Areas	45	45	0	4	80	16	0	4	73	22
Total State	241	300	6	16	57	21	4	14	55	27
% of Total Bank	33%	24%								

Albany MSA

Description of Institution's Operations in Albany MSA:

This MSA has a population of 468 thousand with 19 percent of the families classified as low income and 18 percent classified as moderate income. The regional economy within the Capital district has recovered more quickly than the remainder of Upstate New York from the 1990-91 recession. However, in 1995 it entered a local recession and lost 3,100 jobs. In 1997, a modest recovery began and employment increased by 1.2 percent. Unfortunately, the largest gains occurred in low-paying Service and Trade sectors. Higher paying State Government and Manufacturing sectors both showed declines. Affordable housing, both for purchase and rental housing, are the greatest need. However, with the losses of businesses, economic development and small business development are becoming important.

Fleet operates 43 branches and 73 ATMs in this MSA. It accounts for 14 percent of the mortgage lending and 17 percent of the small business lending for the State of New York during this evaluation period. Competition in this market stems primarily from KeyBank, Trustco and Marine Midland, though several small local institutions are also active.

Conclusions with Respect to Performance Tests in Albany MSA:

Lending Test

Fleet's record of loan originations was reasonable. Total loans considered in this evaluation was 2,530 HMDA reportable loans, 1,377 small business loans and 11 community development loans originated during the evaluation period. In addition, the bank requested that the 5,017 consumer loans originated in 1997 also be considered.

In 1996, Fleet originated the 3rd largest number of HMDA loans in the MSA. By individual HMDA product, Fleet ranked 5th in home purchase and home improvement and 2nd in refinances. The bank's 1997 HMDA loan originations indicate that lending volume declined approximately 19 percent from 1996 levels.

In 1996, Fleet also reported the 5th largest volume of small business loans. In 1997 Fleet's volume of small business loans declined 19 percent from the previous year.

Flexible and Innovative Loan Products

In addition to products offered in all markets, Fleet also provides affordable home mortgage loans through its support of the Capital Affordable Housing Funding Corporation (CAHFC). CAHFC is the funding operation of the Affordable Housing Partnership, which is a partnership formed among banks, community groups, and municipal government to help facilitate the financing of affordable housing for low- and moderate-income families. Fleet has provided more funds to this

consortium than any other bank.

LENDING ACTIVITY: - Albany MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Home Purchase REM	17	CT	1	16	58	25
		B	5	21	25	28
Home Improvement	11	CT	0	15	61	24
		B	7	19	27	37
Refinance REM	16	CT	0	10	57	33
		B	3	13	22	41
Multi-family REM	9	CT	0	0	0	0
		B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	17	CT	1	16	59	23
		B	20	23	19	21
Small Business	17	CT	8	17	47	28

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 21% of Home Purchase REM, 10% of Home Improvement, 21% of Refinance REM and 17% of Consumer.

Distribution by Geography

The distribution of loans throughout the MSA was considered reasonable compared to the percentage of owner-occupied housing and small business located in the various geographies. We did not identify any conspicuous gaps of lending within the assessment area. Owner-occupied housing in low income and moderate income census tracts accounts for 1 percent and 16 percent of all owner-occupied housing, respectively.

Aggregate HMDA data for 1996 reflects that Fleet has a smaller market share of HMDA loans in low income census tracts when compared to its market share in overall HMDA loans. Fleet's number of HMDA loans in the moderate income census tracts was very good and similar to the 16 percent of housing units in these tracts that are owner-occupied. In 1996, Fleet was ranked as the 2nd largest lender of HMDA loans in moderate income census tracts. In particular, Fleet's performance in originating home purchase loans was stronger than other products, with 18

percent of total home purchase loans originated in low or moderate income census tracts.

The bank's distribution of small business loans was good and mirrors the distribution of businesses throughout the assessment area. In 1996, Fleet ranked 5th among all small business loan reporters. Comparing the market share of small business loans by the various census tracts reflects that the bank has an approximate 9 percent market share in each category. Further the bank's percentage of penetration in the various tract income categories was similar to the aggregate of all reporters. Fleet's distribution of small business loans in 1997 was similar to that reported in 1996.

Consumer loan distribution in low income and moderate income census tracts was 1 percent and 16 percent, respectively. This distribution was lower than the percentage of households located within both low income and moderate income census tracts.

Distribution by Borrower Characteristics

The overall distribution of loans to borrowers of different incomes and businesses of different sizes was reasonable. Area demographics indicate that low income and moderate income families account for 18 percent and 19 percent of all families within the MSA, respectively.

The distribution of HMDA loans exceeds the proportion of families within the market with the exception of loans to low income borrowers. HMDA loans to low income borrowers account for 5 percent of all HMDA loans while low income families account for 18 percent of total families. The bank's large volume of refinances in 1996 and 1997 was originated to middle and upper income borrowers and skews the overall HMDA lending data. It should be noted that, in 1997, the percentage of HMDA loans to low income borrowers increased slightly to 5 percent and loans to moderate income borrowers decreased to 15 percent.

In 1996, HMDA loans to low income borrowers accounted for 4 percent of the bank's total HMDA lending. This was less than the 6 percent of HMDA loans made to low income borrowers by all reporters in the assessment area. Fleet's HMDA loans to borrowers in other income categories was similar to the aggregate of all reporters.

Using 1996 aggregate market data, market share of home purchase loans to low income and moderate income borrowers was approximately 5.34 percent. This was much better than its overall market share of home purchase loans at 4.31 percent. However, Fleet's market share to low and moderate income borrowers for both home improvement loans and refinance loans was lower than its overall market

Distribution of Small Business Loan Originations - 1996 & 1997 Within Albany MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	887	65%	\$39,485	18%	553	62%	\$20,613	52%
\$100,000 to \$250,000	250	18%	\$45,990	21%	72	29%	\$12,212	27%
\$250,000 to \$1,000,000	240	17%	\$128,711	60%	24	10%	\$11,654	9%
Totals	1,377	100%	\$214,246	100%	649	47%	\$44,479	21%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	75 %	*As a percentage of loans of the size category		
				> 1 Million	8 %			
				Unknown	17 %			

Approximately 47 percent of Fleet’s small business loans were made to businesses with revenues less than \$1 million. Aggregate data for 1996 indicated that lenders originated 29 percent of their loans to small businesses. Approximately 75 percent of the businesses in the Albany MSA have annual revenues less than \$1 million. In addition, 65 percent of the number of Fleet’s small business loans originated are for amounts less than \$100,000. Aggregate small business lending data for 1996 shows that 83 percent of all small business loans originated in this MSA were in amounts of less than \$100,000.

Consumer lending in 1997 resulted in good penetration in all income levels.

Investment Test

Fleet’s investment level in this MSA is consistent with the overall level of investments in the state. Fleet has invested in or donated to a number of local economic development organizations in the Albany MSA. Fleet invested in two funds that provide technical assistance to small businesses, one of which was committed to and extended during the evaluation period. Fleet committed to grant \$100 thousand to a nonprofit organization that provides financial services education, including micro enterprise training and vocational training, to low- and moderate-income persons. Fleet has had a leadership role with this organization. During the evaluation period, \$50 thousand was extended and the remainder will be extended in 1998. Fleet also donated \$75 thousand in 1997 to a nonprofit organization to support the foundation of a micro enterprise development center. The center will provide entrepreneurs with counseling and assistance in business plan development, small business management, financial analysis, cost control, etc. Small donations were also made to an affordable housing organization. The table below details Fleet’s investments and donations during the evaluation period.

MSA 0160	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	20	20	70
Donations	363	313	313
Total	383	333	383

Service Test

Fleet operates branches in low-income census tracts at a higher level (9 percent) than the percentage of census tracts designated as low-income (4 percent) in the market. Nineteen percent of the bank’s branches are located in moderate income census tracts which was lower than the percentage of tracts designated as moderate (23 percent). The bank’s branches provide reasonable banking hours and services designed to promote convenient access throughout the assessment area. Fleet’s mobile branch also serves this area.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank’s many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Buffalo MSA

Description of Institution's Operations in Buffalo MSA:

This MSA has a population of 1.2 million with 20 percent of the families classified as low income and 18 percent classified as moderate income. The 1997 HUD median family income for the Buffalo MSA was \$42,600. Nationally jobs have increased at a pace 9 times that of Buffalo from 1995 to 1997. Job growth here also lags the statewide average. Community based organizations have identified the need for affordable home mortgage products for low and moderate income borrowers. Owner occupied housing accounts for 60 percent of the housing units, however, within the City of Buffalo only 43 percent of the units are owner occupied.

Fleet operates 37 branches and 40 ATMs in this MSA. It accounts for 19 percent of the mortgage lending and 22 percent of the small business lending within New York State during this evaluation period. Competition in this market stems primarily from Marine Midland, KeyBank and Manufacturers and Traders. However, in the home purchase and refinance loan market, mortgage companies are also strong competitors.

Conclusions with Respect to Performance Tests in Buffalo MSA:

Lending Test

Fleet's record of loan originations was reasonable. Total loans considered in this evaluation were 3,207 HMDA reportable loans; 1,842 small business loans; and, 2 community development loans. In addition, the bank requested that the 5,090 consumer loans originated in 1997 also be considered.

In 1996, Fleet originated 6.5 percent of all HMDA loans and was the 3rd largest HMDA lender among 227 reporters in the MSA. Among HMDA reporters Fleet ranked 9th in home purchase and 2nd in home improvement and refinance loans. The bank's 1997 HMDA loan originations indicate that lending volume declined approximately 21 percent from 1996 levels.

In 1996, Fleet reported the 4th largest volume of small business loans which accounted for 10 percent of all reported small business loans. In 1997 Fleet's volume of small business loans declined 29 percent from the volume originated in 1996.

LENDING ACTIVITY: Buffalo MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Purchase Money REM	16	CT	6	13	49	32
		B	6	21	24	29
Home Improvement	19	CT	2	9	54	35
		B	6	16	27	39
Refinance REM	20	CT	1	8	53	38
		B	3	13	23	36
Multi-family REM	9	CT	0	0	0	100
		B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	18	CT	3	14	54	29
		B	18	21	21	21
Small Business	23	CT	8	15	47	30

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 20% of Purchase Money REM, 12% Home Improvement, 25% Refinance REM and 19% Consumer.

Distribution by Geography

The distribution of lending by geography was reasonable when considering the volume of owner-occupied housing units and number of businesses located within the geographies. We did not identify any conspicuous gaps in the bank's lending. Approximately 3 percent of owner-occupied housing units are located in low income census tracts and 13 percent are in moderate income census tracts.

The distribution of HMDA loans in low income and moderate income census tracts was approximately 2 percent and 9 percent, respectively. In 1996, Fleet's percentage of HMDA loans in low income and moderate income census tracts was less than the aggregate percentage of all HMDA loans reported. Fleet's overall HMDA performance was the result of lower market shares in low and moderate income census tracts for home improvement and refinance loans. Fleet's performance in home purchase loans was excellent. In 1996, the bank ranked 9th with a market share of 3.4 percent in total home purchase originations but ranked 2nd with 11.5 percent market share in low income census tracts. Similar performance was recorded in home purchase loans in moderate income census tracts as it ranked 6th with a 4.9 percent market share.

Fleet's was a significant originator of home improvement loans in this assessment area. In 1996, the bank's market share of home improvement loans was 10.8 percent which ranked it 2nd among all reporters. Despite its success in originating home improvement loans, Fleet was not able to have similar success in originating these loans in low income and moderate income census tracts. Market share for home improvement loans in low income census tracts and moderate income census tracts was 2.6 percent and 5.4 percent, respectively, for that same period.

Fleet's volume of small business lending displays good distribution throughout the assessment area. The percentage of the number of small business loans in low income census tracts was almost 2 times greater than the percentage of businesses located in low income census tracts. The 1996 aggregate small business data reflects that the bank ranks 4th in the number of small business loans. The bank was ranked 3rd for the number of small business loans in low income and moderate income census tracts. Fleet's overall market share and market share in low and moderate income tracts was consistent.

The distribution of consumer loans was lower than the population distribution in low and moderate income census tracts.

Distribution by Borrower Characteristics

The overall distribution of loans to borrowers of different incomes and businesses of different sizes was reasonable. Low income families and moderate income families comprised 20 percent and 18 percent of total families within the area, respectively. Approximately 71 percent of the businesses in the Buffalo MSA have annual revenues less than \$1 million.

In 1996, HMDA loans to low income borrowers accounted for 5 percent of the bank's total HMDA lending. This was less than the 6 percent of HMDA loans originated to low income borrowers by all reporters. Fleet's HMDA loans to borrowers in other income categories was similar to the aggregate of all reporters. It should be noted that, in 1997, the percentage of HMDA loans to low income borrowers increased slightly.

Fleet did however, demonstrate good performance in the area of home purchase loans. In 1996, Fleet's market share of home purchase loans was 3.4 percent but its market share to low- and moderate-income borrowers was 4.7 percent. This indicates that Fleet has been successful in delivering affordable home purchase loans to lower income individuals.

Fleet's market share of home improvement and refinance loans to both low income and moderate income borrowers was significantly below its market share to middle income and upper income borrowers.

Distribution of Small Business Loan Originations - 1996 & 1997 Within Assessment Areas Located in Buffalo MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	1,161	63%	\$52,608	18%	710	61%	\$27,372	52%
\$100,000 to \$250,000	347	19%	\$64,028	22%	91	26%	\$15,520	24%
\$250,000 to \$1,000,000	334	18%	\$179,651	60%	36	11%	\$15,048	8%
Totals	1,842	100%	\$296,287	100%	837	46%	\$57,940	20%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:					< 1 Million	71%	*As a percentage of loans of the size category	
					> 1 Million	12%		
					Unknown	17%		

Fleet has a reasonable record of lending to very small businesses and originating business loans less than \$100,000. The previous table illustrates that 46 percent of Fleet's small business loans are originated to very small businesses. Approximately 45 percent of all reported small business loans in the Buffalo MSA were made to businesses with total revenues less than \$1 million. Also, 63 percent of the bank's small business loans are in amounts less than \$100,000. Aggregate small business data for 1996 indicates that loans less than \$100,000 accounted for 77 percent of all small business loans.

Consumer lending in 1997 resulted in good penetration in all income levels.

Community Development Lending

Fleet originated two loans totaling \$5.3 million in the Buffalo MSA. One loan provided partial funding for the construction of a 104 unit apartment complex for low income senior citizens. The other loan was provided a non profit for acquisition of housing units for rehabilitation.

Investment Test

Fleet's investment level in this MSA was consistent with the overall level of investments in the state. Fleet committed to and extended an investment during the evaluation period to a community development organization. The donations were contributed to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details Fleet’s investments and donations during the evaluation period.

MSA 1280	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	50	50	50
Donations	259	259	259
Total	309	309	309

Service Test

In this assessment area, Fleet operates branches in low-income census tracts at an almost equal level (8 percent) to the percentage of census tracts designated as low-income (9 percent) in the market. Twenty-four percent of the branches are located in moderate income tracts as compared to 19 percent of the census tracts. Fleet branches provide reasonable banking hours and services designed to promote convenient access.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank’s many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Rochester MSA

Description of Institution's Operations in Rochester MSA:

This MSA has a population of 1 million with 19 percent of the families classified as low income and 18 percent classified as moderate income. The 1997 HUD median family income was \$47,200 as compared to median housing price of \$83,357. Since 1995, job growth has been barely one third of the national average. The largest employer, Kodak, announced last year a devastating layoff of 6,300 employees. Manufacturing remains the largest sector of employment and continues to show losses of jobs. Affordable housing loans and small business lending were both listed as credit needs within this MSA.

Fleet operates 44 branches and 43 ATMs in this MSA. It accounts for 16 percent of the mortgage lending and 19 percent of the small business lending in New York State during this evaluation period. Competition in this market stems primarily from Chase Manhattan, Manufacturers and Traders, and Marine Midland mortgage companies and BankBoston, though several small local institutions are also active.

Conclusions with Respect to Performance Tests in Rochester MSA:

Lending Test

Fleet's volume of lending was considered to be reasonable. Loans considered in this evaluation included 2,715 HMDA loans; 1,531 small business loans and one community development loan. In addition, the bank requested that the evaluation include 4,581 consumer loans originated in 1997.

In 1996, Fleet was the leading originator of HMDA reportable loans in the Rochester MSA and originated 5 percent of all HMDA loans. This leading position was due to Fleet's significant volume of refinances. Among all HMDA reporters in 1996 Fleet ranked 12th in home purchase and 6th in home improvement loans. The bank's 1997 HMDA loan originations indicate that lending volume has declined 16 percent from 1996 levels. The most notable was a 22 percent decline in home purchase loans.

In 1996, Fleet reported the 5th largest volume of small business loans which accounted for 8 percent of all reported small business loans. In 1997 Fleet's volume of small business loans declined 25 percent from 1996.

LENDING ACTIVITY: Rochester MSA - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Home Purchase REM	16	CT	4	16	52	28
		B	7	25	26	28
Home Improvement	13	CT	0	15	62	23
		B	6	18	25	38
Refinance REM	18	CT	1	11	59	29
		B	4	14	20	33
Multi-family REM	9	CT	0	0	100	0
		B	*	*	*	*
Consumer - (Specify type; add additional lines as needed)	16	CT	1	16	60	23
		B	17	21	20	23
Small Business	19	CT	8	20	52	20

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 14% Home Purchase REM, 13% of Home Improvement, 29% of Refinance REM , 100% of Multi-family and 19% of consumer.

Distribution by Geography

The distribution of lending by geography was reasonable when considering the household characteristics, volume of owner-occupied housing units and number of businesses located within the geographies. We did not identify any conspicuous gaps in the bank's lending. Census data reflects that 2 percent and 13 percent of owner-occupied housing units in the MSA are located in low income and moderate income census tracts, respectively. Distribution of the bank's HMDA loans was good and essentially reflects the opportunities as expressed by the percentage of owner-occupied units in the various census tracts.

Based on 1996 aggregate HMDA data, distribution of HMDA loans by all reporters was similar to that of Fleet. Fleet was ranked 7th in market share of HMDA loans in low income census tracts which was less than its market share in the other income census tracts where it ranks at or near the top. Fleet ranked 9th in market share for home purchase loans in low or moderate income census tracts which was much better than its overall ranking. Fleet's overall market share for home purchase loans was 2.57 percent, however for low and moderate census tracts its

market share rose to 4.32 percent. Fleet's overall market share for home improvement and refinance lending was similar to that for loans in moderate income census tracts and but significantly lower in low income census tracts.

The distribution of businesses by census tract throughout the Rochester MSA was 5 percent in low income, 17 percent in moderate income, 52 percent in middle income and 23 percent in upper income. Fleet's volume of small business lending displays good distribution throughout the MSA. Proportionally, the percentage of small business loans in low income and moderate income census tracts was greater than the demographics pattern. When compared to other lenders, 1996 aggregate small business data shows that Fleet also has a greater share of small business loans in low income and moderate income census tracts than its overall market share.

The distribution of consumer loans reflects lower percentage of lending to individuals living in low or moderate income tracts than the percentage of people residing in such tracts.

Distribution by Borrower Characteristics

The overall distribution of loans to borrowers of different incomes and businesses of different sizes was reasonable. Approximately 77 percent of the businesses in the MSA have total revenues of less than \$1 million.

Fleet's borrower distribution for home purchase loans was excellent. Overall market share for this product was 2.57 percent, but was 4.74 percent and 2.82 percent for low and moderate income borrowers, respectively. However, the bank's market share for home improvement loans and refinance loans to low income borrowers was about half of its overall market share. Market share in other borrower income categories generally equals the bank's market share for home improvement loans.

Loans to small businesses with annual revenues less than \$1 million equaled 49 percent of total small business loans. Aggregate 1996 small business data reflects that approximately 40 percent of all reported small business loans in the Rochester MSA were made to businesses with annual revenues less than \$1 million. Fleet ranked 3rd in the number of small business loans to businesses with annual revenues less than \$1 million. Fleet also ranked 1st in dollar volume to these same businesses with an average loan amount of \$76,000. Approximately, 66 percent of the number of Fleet's small business loans are centered in loans less than \$100,000. This indicates that small loans to businesses are an important part of the bank's business lending portfolio.

Distribution of Small Business Loan Originations - 1996 - 1997 Within All Assessment Areas Located in Rochester MSA By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	1,006	66%	\$43,328	18%	649	64%	\$23,554	54%
\$100,000 to \$250,000	246	16%	\$44,295	18%	68	28%	\$11,221	25%
\$250,000 to \$1,000,000	279	18%	\$156,989	64%	35	13%	\$21,718	14%
Totals	1,531	100%	\$244,612	100%	752	49%	\$56,493	23%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	77 %	*As a percentage of loans of the size category		
				> 1 Million	9 %			
				Unknown	14%			

Consumer lending in 1997 resulted in good penetration in all income levels.

Community Development Lending

Fleet originated one community development loan for \$150 thousand. The loan was provided to a revolving loan fund to help generate economic growth in the city of Rochester.

Investment Test

Fleet’s investment level in this MSA was consistent with the overall level of investments in the state. Fleet invested \$200 thousand in a specialized small business investment company (SSBIC) prior to the evaluation period, and committed to funding an additional \$100 thousand investment during the evaluation period. The SSBIC provides start up or expansion financing, as well as management and technical services, for minority- and women-owned businesses. Fleet also purchased \$52 thousand of 15 year bonds issued by a religious organization to renovate a building in a low-income census tract and convert it into a day care facility.

During the third quarter of 1997, Fleet committed to a \$100 thousand donation to be disbursed over three years to support a new homeownership initiative sponsored by a nonprofit organization. Fleet has had a leadership role with this organization.

The donations made during the evaluation period were made to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people. Of note was a \$75 thousand grant made to assist a nonprofit organization in the development of 21 affordable single family homes and a senior

citizen living center that will anchor a low- and moderate-income community. Fleet's has had a leadership role with this organization.

The table below details Fleet's investments and donations during the evaluation period.

MSA 6840	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	152	52	252
Donations	486	386	386
Total	638	438	638

Service Test

This assessment area reflects a branch distribution pattern that was quite similar to that of the overall bank where a majority of the branch offices are located in middle-income census tracts. Twenty-five percent of the branches are located in low or moderate income census tracts as compared to 32 percent of the census tracts and 32 percent of the residents reside. Extended branch office and Saturday hours are offered in all geographies. Multilingual services are also offered to help meet the needs of specific communities.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of many organizations located throughout the bank's many assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Non Metropolitan Areas in New York

Description of Institution's Operations in Rural New York:

This area consists of the counties in the Upstate New York assessment areas which are not part of MSAs. These counties include: Allegany, Cattaraugus, Clinton, Columbia, Cortland, Essex, Franklin, Fulton, Greene, Jefferson, Lewis, Otsego, Seneca, Schuyler, Steuben, Sullivan, St. Lawrence, Tompkins, Ulster, Wyoming and Yates. Unemployment in these counties ranges from 3.2 percent to 10.7 percent, however, most of the counties have rates which are higher than the state average.

This MSA has a population of 1.4 million with 19 percent of the families classified as low income and 18 percent classified as moderate income. The 1997 HUD median family income was \$37,100 as compared to median housing price of \$70,429.

Fleet maintains 45 branches and 45 ATMs within these assessment areas. The total NonMSA portion of Fleet's Upstate New York assessment areas account for 20 percent of the mortgage lending and 17 percent of the small business lending. Competition was varied but significant from small local institution within these areas and other large bank and mortgage companies.

Conclusions with Respect to Performance Tests in Rural New York:

Lending Test

Loans considered in this evaluation were 3,439 HMDA loans and 1,426 small business loans. In addition, the bank requested that the evaluation also include 5,250 consumer loans originated in 1997.

The volume of loans was reasonable. In 1996, Fleet was the leading lender in total HMDA loans. This performance was fueled by strong performance in originations of home improvement and refinances. Fleet's 1997 HMDA lending reflects a 28 percent decrease from 1996. This was due to a 35 percent decline in home purchase loans, 30 percent decline in home improvement loans and a 19 percent decline in refinances.

In 1996, Fleet ranked 4th in total number of small business lender and was well behind leading lenders American Express, Key Bank and Community Bank, N.A. In dollar volume, Fleet ranked 2nd. Fleet's 1997 small business lending reflects a 36 percent decrease from 1996.

LENDING ACTIVITY: NonMSAs in State of New York - 1996&1997						
Loan Type	% of State	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
		B				
Home Purchase REM	19	CT	0	9	74	17
		B	3	19	28	35
Home Improvement	24	CT	0	9	78	13
		B	5	17	26	45
Refinance REM	18	CT	0	7	75	18
		B	3	11	21	44
Multi-family REM	0	CT	0	0	0	0
		B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	18	CT	0	5	73	22
		B	13	20	22	21
Small Business	18	CT	1	11	69	19

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 15% of Home Purchase REM, 7% of Home Improvement and 21% Refinance REM and 24% consumer.

Distribution by Geography

The distribution of loans throughout the assessment areas was considered reasonable given the opportunities for lending. We did not identify any conspicuous gaps in the bank's geographic lending. The proportion of owner-occupied housing units within low income census tracts comprise less than 1 percent of owner-occupied units in all areas. Owner-occupied units in moderate income census tracts represent 8 percent of all owner-occupied housing units in the assessment area.

Fleet's HMDA lending in moderate income census tracts accounted for 8 percent of the total. This performance was similar to that represented by 1996 aggregate HMDA lending by all reporters in the assessment areas. Although Fleet made no home purchase loans in low income census tracts during the evaluation period, home purchase loans in moderate income census tracts slightly exceeded the percentage of owner-occupied housing units in these census tracts. Based on 1996 aggregate HMDA data, Fleet ranked 1st in home purchase loans. Fleet's ranked 2nd in market share of home purchase in moderate income census tracts and exceeded its market share of total home purchase loans. This reflects that the bank has been responsive to housing needs in

lower income areas.

The bank's performance for home improvement loans in moderate income census tracts was again equal to the percentage of owner-occupied housing units located in these census tracts. However, the bank's market share of home improvement loans in moderate income areas was somewhat lower than its overall market share in this product.

The distribution of small business loans throughout the assessment area mirrors the distribution of businesses by geography. Fleet's distribution of small business loans in low- and moderate-income census tracts was similar to the aggregate for all reporting lenders.

Distribution of consumer loans was not commensurate with the assessment area demographics. Consumer loans to borrowers in moderate income census tracts represented only 5 percent of total consumer lending. This lending level was not representative of the population in these census tracts which approximates 11 percent of the areas total population.

Distribution by Borrower Characteristics

The distribution of loans was reasonable in light of the demographics within the assessment area. Census data reflects that families in the assessment area was comprised of 19 percent low income, 18 percent moderate income, 24 percent middle income and 39 percent upper income.

The bank's volume of HMDA loans to low income borrowers approximates 4 percent of total HMDA loans and was not commensurate to the demographic characteristics of the market. Much better performance is reflected in the 16 percent total HMDA loans to moderate income borrowers.

Aggregate HMDA for 1996 reflects that the market has performed slightly better than Fleet in both the low income and moderate income category. Although Fleet was the number one HMDA lender in the assessment area it ranks 3rd and 4th in loans to low income and moderate income people, respectively. Aggregate market data also reflects that Fleet's market share of home improvement and refinances to low- and moderate-income people are low when compared to its overall market share in these products. The bank faces stiff competition from non-bank lenders such as the Money Store, Green Tree Financial and Ford Consumer Finance Company in refinances to low- and moderate income market.

Distribution of Small Business Loan Originations - 1996 & 1997 Within Assessment Areas Located in the Nonmetropolitan statistical areas in State of New York By Loan Size and Business Revenues								
Loan Size					Annual Revenues < \$1 Million			
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	1,024	72%	\$41,028	21%	671	66%	\$24,259	59%
\$100,000 to \$250,000	214	15%	\$40,504	21%	62	29%	\$11,391	28%
\$250,000 to \$1,000,000	188	13%	\$110,097	58%	27	14%	\$12,886	12%
Totals	1,426	100%	\$191,629	100%	760	53%	\$48,536	25%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	77 %	*As a percentage of loans of the size category		
				> 1 Million	7 %			
				Unknown	16%			

Source: Dun and Bradstreet

Loans to business with annual revenues less than \$1 million represented 53 percent of all small business loans. This was below the opportunities when compared to the fact that 77 percent of businesses in the assessment area have annual revenues less than \$1 million. Using 1996 aggregate small business lending, the bank's lending to these small businesses was also below the 66 percent volume by all reporters. When comparing business loans less than \$100,000, the bank also has a smaller percentage of loans than the aggregate market.

Consumer lending in 1997 resulted in good penetration in all income levels with the exception of loans to low income borrowers. Consumer loans to low income borrowers represented 13 percent of all consumer loans while low income families represent 19 percent of all families in the assessment area.

Community Development Lending

No community development loans were originated in these areas.

Investment Test

Fleet has made a number of investments in BAN's in the non full scope areas in the state. During the evaluation period, Fleet committed to and extended four BAN's in economically distressed areas totaling \$9.3 million. Book value of the BAN's was \$2.9 million at December 31, 1997.

The donations made during the evaluation period were made to a number of organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details Fleet’s investments and donations during the evaluation period.

New York - non full scope	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	9,277	9,277	2,900
Donations	146	146	146
Total	9,423	9,423	3,046

Service Test

Fleet maintains 4 percent of its branches in moderate income census tracts which was lower than the 13 percent of branches in low or moderate income census tracts where 11 percent of the residents reside. Extended branch office and Saturday hours are offered in all geographies. Multilingual services are also offered to help meet the needs of specific communities.

State Rating

CRA Rating for Rhode Island: Satisfactory

The lending test is rated:	<u>Low Satisfactory</u>
The investment test is rated:	<u>Low Satisfactory</u>
The service test is rated:	<u>Low Satisfactory</u>

Highlights to support rating:

- The percentage of HMDA lending for products other than home purchase was less than the aggregate market.
- Geographic distribution of lending was generally consistent with owner occupied housing and numbers of small businesses.
- No specific investments were made within this assessment area but were made within a larger statewide area.
- Fleet maintains two branches within this area in middle income census tracts.

Description of Institution's Operations in Rhode Island

Fleet's operations within this assessment area are limited with only two branches. Due to requirements of the revised CRA regulation, this Non-MSA portion of Rhode Island was the basis for the state rating. The remainder of the state is included in two multistate MSAs. This area is comprised of three towns, Newport, Middletown and Portsmouth. Less than 1 percent of the bank's overall lending occurred within this small area.

The population of this assessment area is 64 thousand. The assessment area encompasses 18 census tracts with no low income and three moderate income tracts (17 percent). The 1997 HUD median family income is \$46,400 and 18 percent of the families are considered low income and 19 percent moderate income. Eight percent of the households located in this area are below the poverty level and only 45 percent of the housing is owner occupied.

Newport County has suffered the same defense and manufacturing cutbacks as the remainder of the State of Rhode Island. This area has benefited recently from the relocation of the Naval Undersea Warfare Center from New London Connecticut which produced 3000 jobs.

Fleet was ranked 4th in deposit market share in this area. The main banking competitors are Bank of Newport, Citizen Savings Bank and Bank of Boston.

State of Rhode Island						
Demographic Characteristics	#	\$	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population (% by census tract)	64,544		0	14	67	17
Family Distribution (% by income)	16,135		18	19	25	38
Census Tracts	18		0	17	61	11
Small Business	2225		0	6	84	10
Owner Occupied Housing (#)	24,096		0	5	75	20
Median Housing Value (\$)		156,050				
Median Income(\$)		46,400				
Unemployment Rate - Dec. 31, 1997	5.0%					

Percentages may not add to 100 due to census tracts classified as NA

Conclusions about Performance Tests in Rhode Island

Lending Test

Overall lending volume in this assessment area represents adequate responsiveness to credit needs in the assessment area. Loan volume included 162 HMDA, 80 small business loans, 370 consumer loans and one community development loan.

Based on 1996 aggregate HMDA data, Fleet ranks 4th in total loans. In 1997, Fleet's HMDA loans decreased by 22 percent from 1996 volume. In 1996, Fleet ranked 5th in the number of small business loans originated in the assessment area. Fleet originated the 3rd largest dollar volume of small business loans.

Distribution by Geography

The bank's geographic distribution of loans was generally consistent with the owner-occupied units and businesses located within the various census tracts. Owner-occupied units in moderate income census tracts approximate 5 percent of total owner-occupied units and small businesses located in moderate income census tracts approximate 6 percent of total businesses.

Based on 1996 aggregate HMDA data, the bank's market share in moderate income census tracts exceeds its overall market share. This was based on the strength of its home purchase lending in moderate income census tracts. However, in 1996, there were only 28 home purchase loans originated in moderate income census tracts for this market and Fleet originated four of them.

As stated above, the distribution of Fleet’s small business loans in consistent with the distribution of businesses throughout the assessment area. In addition, Fleet’s distribution of small business loans to businesses with annual revenues less than \$1 million also mirrors the distribution of these businesses throughout the assessment area. Further, Fleet has a very good record of lending to very small businesses located in moderate income census tracts.

The distribution of consumer loans was not consistent with the areas demographics. Consumer loans in moderate income approximates 9 percent of all consumer loans. This distribution was not consistent with demographics which reflect that 14 percent of the population resides in moderate income census tracts.

LENDING ACTIVITY: STATE OF Rhode Island - 1996&1997					
Loan Type	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
	B				
Purchase Money REM	CT	N/A	7	79	14
	B	3	17	30	42
Home Improvement	CT	N/A	4	71	25
	B	0	17	25	46
Refinance REM	CT	N/A	2	55	43
	B	2	8	15	66
Multi-family REM	CT	N/A	0	0	0
	B	0	0	0	0
Consumer - (Specify type; add additional lines as needed)	CT	N/A	9	67	24
	B	14	21	20	27
Small Business	CT	N/A	8	84	8

(CT) Income Level of Census Tracts

(B) Income Level of Borrower - Borrower income information was not available for 8% of Home Purchase REM, 12% of Home Improvement, 9% of Refinances and 18% of Consumer.

Distribution by Borrower Characteristics

Fleet has an adequate record of lending to borrowers of different incomes and businesses of different sizes.

HMDA lending for products other than home purchase loans was below the market. For home purchase loans, Fleet's market share was 8 percent overall and was 9 percent to low income and 12 percent to moderate income borrowers for 1996. The bank's percentage of lending to low and moderate income borrowers increased in 1997. No home improvement loans were originated to low income borrowers in either year. Loans to moderate income borrowers was consistent with the market in 1996, but this percentage has fallen off in 1997. Refinance loans were below the market to both low and moderate income borrowers.

Distribution of Small Business Loan Originations - 1996 & 1997 Within Assessment Areas Located in the State of Rhode Island By Loan Size and Business Revenues								
Loan Size				Annual Revenues < \$1 Million				
	#	%	\$ (000)	%	#	%*	\$ (000)	%*
less than \$100,000	56	70%	\$2,492	28%	41	73%	\$1,850	74%
\$100,000 to \$250,000	16	20%	\$2,901	32%	9	56%	\$1,638	57%
\$250,000 to \$1,000,000	8	10%	\$3,610	40%	4	50%	\$2,070	57%
Totals	80	100%	\$9,003	100%	54	65%	\$5,558	62%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				< 1 Million	79%	*As a percentage of loans of the size category		
				> 1 Million	7%			
				Unknown	14%			

In 1996, Fleet originated 62 percent of its small business loans to businesses with annual revenues of less than \$1 million. This percentage was lower than the 79 percent of businesses in the assessment area that report annual revenues of less than \$1 million. However, 1996 aggregate small business data reflects that 60 percent of all small business loans originated by reporting lenders went to these very small businesses. Fleet's small business loans are generally larger than that reported by other lenders in the assessment area. Fleet's small business loans with original amounts less than \$100,000 comprise 70 percent of all business loans. Aggregate 1996 small business data indicates that small business loans less than \$100,000 approximated 87 percent of the number of small business loans reported by all institutions.

Consumer loan distribution reflects an adequate distribution among all income borrowers.

Community Development Lending

Fleet National Bank made one community development loan for \$350,000 in a non-MSA area of the state of Rhode Island. The loan was made to a community housing development corporation to construct or rehabilitate five single family homes for purchase by low- and moderate-income families.

Investment Test

While the level of investment in the state of Rhode Island was concentrated primarily in the multistate MSA 6480 which includes the capital city of Providence, as well as multistate MSA 5520, Fleet also participates in statewide projects. Fleet did not participate in any new LIHTC during the evaluation period, however, \$197 thousand was contributed to a statewide, multistage LIHTC project. The book value of the LIHTC projects as of December 31, 1997 was \$790 thousand.

Fleet also had a leadership role in the establishment of a minority economic development corporation. Fleet provided a \$700 thousand equity investment prior to the evaluation period and has given the organization donations during the evaluation period.

The donations were contributed to a number of state-wide organizations that support economic development, affordable housing, and the revitalization and stabilization of low- and moderate-income areas and people.

The table below details the combined investments and donations made in Rhode Island by Fleet during the evaluation period.

State Wide	Commitments during evaluation period	Extended during evaluation period	Book Value at 12/31/97
Investments	9,800	10,197 *	11,490
Donations	1,049	982	730
Total	10,849	11,179	12,220

Note: includes the Rhode Island portion of multistate MSA's 6480 and 5520.

* One commitment made prior to this evaluation period was extended during this period.

Service Test

Fleet has continued to maintain two branches in the Rhode Island non-metropolitan area along with five ATMs, all located in middle-income census tracts. For this geographic area, a majority 61 percent of the census tracts are designated middle-income. While some extended hours and Saturday banking services are provided, Fleet also offers its alternative delivery systems and multilingual services. These efforts help customers in all areas access bank services.

Community development services are formally provided through home buyer seminars at which bank personnel discuss the loan application and home purchase process for low- and moderate-income first time home buyers. The bank also conducts seminars for small business owners which focus on the financial needs of small business and available bank credit products and services to meet those needs.

Bank employees are also officers, directors, and advisors of organizations located throughout the assessment areas that have as their primary purpose community development. In these positions, bank employees use their financial expertise to inform community members about how to get or use credit and otherwise provide credit services or information to the public.

Appendix

Summary of State and Multistate MSA Ratings

State or multistate MSA name	Lending test rating	Investment test rating	Service test rating	Overall rating state/ multistate
New London - Norwich, CT-RI	LS	LS	HS	S
Providence - Fall River, RI-MA	HS	O	LS	S
Connecticut	HS	O	HS	S
Massachusetts	O	O	LS	O
New York	LS	O	LS	S
Rhode Island	LS	LS	LS	S

**Significant* Fleet National Bank Affiliates
As of December 31, 1997**

Subsidiary	Asset Size (000's)	Net Income (000,s)
Fleet Bank of NY	9,915,124	36,210
Fleet Mortgage Corp. (Legal Consolidation)	4,899,624	8,579
Fleet Capital Corporation	3,882,757	42,912
Fleet Mortgage Asset Management Corp.	3,449,360	70,284
FFG Asset Holding Company A, Inc	2,794,301	72,778
Fleet Bank, (RI), N.A.	2,716,979	6,510
Fleet Funding, Inc	2,456,272	110,668
Fleet Capital Leasing	2,296,356	28,495
FFG Asset Holding Company XI, Inc	2,020,062	13,002
FFG Asset Holding Company III, Inc	1,663,636	72,044
FFG Asset Holding Company VIII, Inc	779,112	30,608
FFG Asset Holing Company VII, Inc	708,824	29,197
FFG Asset Holidng Company IX, Inc	516,451	15,535
AFSA Data Corporation	38,252	19,959
Fleet National Bank - Connecticut	0	139,300

* - Significant here means that the subsidiary's assets or net income at December 31, 1997 accounted for 1% or more of Fleet National Bank's assets or net income.