

PUBLIC DISCLOSURE

April 13, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Fleet Bank-NH
013307110000
1155 Elm Street
Manchester, New Hampshire 03101**

**Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02106**

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.

TABLE OF CONTENTS

I	General Information	3
II	Examination Scope	3
III	Institution Rating	
	a Overall Rating	4
	b Lending, Investment, and Service Test Table	5
	c Description of Institution	5
	d Description of Assessment Areas	
	1 Northwestern	6
	2 South Central – including Manchester and Nashua PMSAs	8
IV	Conclusions with Respect to Performance Tests	10
	Lending Test	10
	Investment Test	32
	Service Test	34

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, 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 conclusion of such examination, 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 Bank-NH ("FBNH")** prepared by the **Federal Reserve Bank of Boston**, the institution's supervisory agency, as of **April 13, 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 228.*

EXAMINATION SCOPE

The CRA examination of FBNH commenced April 13, 1998, and is based on an evaluation of the institution's performance in lending, investments, and services for the period April 15, 1996 through March 31, 1998. Two of the bank's three markets, or assessment areas, in the state were selected for review using full scope examination procedures. These two assessment areas (AA) are the Northwestern AA and the South Central AA. Within the three assessment areas there are 248 census tracts that cover most of the state, which consists of a total of 266 census tracts. The AA not reviewed using the full scope procedures is the bank's Southeastern AA which includes portions of Strafford and Rockingham counties. Based on our statewide analysis, the institution's performance in this AA appeared to be consistent with the institution's lending, investment, and service performance overall.

Residential mortgage, small business, and consumer lending activity were reviewed to determine the institution's geographic and borrower distribution by number of loans and by dollar volume. The bank's residential lending activity consists of home purchase, refinancings, and home improvement loans. Loans to businesses with gross annual revenues of less than \$1 million, and loans originated for amounts of \$1 million or less were analyzed to determine the institution's small business loan activity. For the purposes of CRA, a small business loan is defined as a commercial loan originated for an amount of \$1 million or less. The bank was not able to provide accurate small business data for the 1996 reporting year. Therefore, the small business analysis includes lending for 1997 and for the first quarter of 1998 only. The mortgage and small business loans reviewed included affiliate activity at the institution's request. Among the affiliates included are Fleet National Bank, Fleet Bank of Maine, Fleet Bank, N A , Fleet Bank F S B , and Fleet Mortgage Corporation.

An analysis of the institution's consumer loan portfolio was also performed for the period of 1997 through the first quarter of 1998. For 1996 the analysis relies on bank-analyzed data.

The consumer loan portfolio was afforded less weight than the other lending categories in the overall analysis since there is little comparative data available for review. In addition, residential and small business lending were given greater weight in the lending analysis since they were identified by community contacts as the primary credit needs in the state. In addition to its retail lending activity, examiners also reviewed the bank's lending with respect to community development projects.

The bank's performance under the investment and service test was reviewed to assess the level of activity in these categories. The review of qualified investments included analysis of the institution's community development investments, grants, and donations. Under the service test examiners reviewed both the bank's retail and community development services.

INSTITUTION'S CRA RATING: This institution is rated **SATISFACTORY**

Overall, FBNH and its affiliates originated 29,524 residential mortgage, small business, and consumer loans totaling more than \$447 million within the state of New Hampshire during this examination period. Mortgage lending activity during the review period reflects good responsiveness to credit needs in the AAs and good borrower and geographic distributions. FBNH's small business lending activity analyzed by business revenue and loan size shows excellent performance in extending loans to smaller businesses. Analysis also showed that the geographic distribution of small business loans for the institution indicates good penetration of lending across all income levels of its geographies. In addition, the bank's consumer lending originations by volume exceeded the bank's other lending products. The bank's consumer lending data also displayed a good penetration among tracts and borrowers of different income levels.

The bank also demonstrated a high level of community development activity directed towards affordable housing in New Hampshire. In addition, the bank's investment portfolio showed a significant level of qualified investments and grants not routinely provided by private investors. The bank's services were deemed reasonable and accessible by their entire community.

A concurrent fair lending review did not identify any substantive violations of the various anti-discrimination laws or regulations. During the review, FBNH's fair lending policies, procedures, and training program were deemed appropriate and reasonable.

The following table indicates the performance level of FBNH with respect to the lending, investment, and service tests

Fleet Bank-NH Performance Table			
PERFORMANCE LEVELS	LENDING TEST	INVESTMENT TEST	SERVICE TEST
OUTSTANDING			
HIGH SATISFACTORY	X	X	X
LOW SATISFACTORY			
NEEDS TO IMPROVE			
SUBSTANTIAL NONCOMPLIANCE			

DESCRIPTION OF INSTITUTION

Fleet Bank-NH ("FBNH") is a full service retail bank serving the New Hampshire market. FBNH is headquartered in Manchester, New Hampshire and is a subsidiary of Fleet Financial Group ("FFG"), a \$98.0 billion bank holding company, headquartered in Boston, Massachusetts. As of March 31, 1998, FBNH had assets of approximately \$2.3 billion. FBNH is just one of a number of FFG subsidiaries located throughout the country. FBNH's asset size and financial condition indicate that it has the ability to meet the credit needs of its AAs. There are also no apparent legal or other impediments to the institution's ability to meet those needs.

FBNH operates 48 branches and 82 ATMs, 30 of which are stand-alone ATMs, throughout the state. These branches serve the bank's three AAs in that state. These areas are discussed in more detail in the "Description of Assessment Area" portion of this report.

DESCRIPTION OF ASSESSMENT AREA

The bank has three AAs comprising almost the entire state of New Hampshire. We reviewed two of the AAs areas, Northwestern and South Central, using full scope examination procedures. Since the bank's market is essentially the entire state, we also reviewed FBNH's statewide performance which includes all three of its AAs. In addition, demographic and economic data on the state is provided throughout this evaluation for comparison purposes along with data specific to the individual AAs reviewed. Housing related data provided below is based on 1990 U.S. census figures.

The state of New Hampshire consists of 266 census tracts, and is made up primarily of small towns and rural areas. The table below provides a break down of the state's census tracts by number and percentage within income categories.

Census Tracts ¹	Low-Income	Moderate-Income	Middle-Income	Upper-Income
Number	10	28	192	36
Percentage	3.8%	10.5%	72.2%	13.5%
Percentage of Population	0.4%	9.4%	74.4%	15.9%

¹ The four income categories are measured based on median income levels within each census tract compared to the median income levels of either the metropolitan or nonmetropolitan areas they encompass. The categories are defined as follows: Low-income—less than 50% of median, Moderate-income—50% to less than 80% of median, Middle-income—80% to less than 120% of median, and Upper-income—120% or more of median income.

The state contains six Primary Metropolitan Statistical Areas (PMSAs), two of which lie in their entirety within state borders. The remaining four PMSAs cover portions of the state sharing census tracts with the neighboring states of Massachusetts and Maine.

The median family income for the state is \$41,628. The most affluent county is Rockingham County with a median family income of \$46,943. The least affluent county is Coos County at a median family income of \$31,595. During the examination, community contacts indicated that the primary credit needs for low- and moderate-income borrowers in New Hampshire are small business loans, affordable housing, and housing rehabilitation/improvement loans. The descriptions of AAs provided below contain comparisons to statewide figures, thus additional statewide figures are not repeated in this section.

Northwestern AA

The Northwestern AA is comprised of the entire counties of Grafton, Carroll, Belknap, Cheshire, and Sullivan, all of Merrimack County with the exception of the towns of Allenstown and Hooksett, and all census tracts in Coos County with the exception of townships in the two northernmost tracts. This AA consists of 114 census tracts and a population of 405,478. The tract and population distribution by income level of census tract is as follows:

Tract Categories	Census Tracts	Total Population
Low-income	5	0
Moderate-income	5	22,179
Middle-income	92	330,307
Upper-income	12	51,922

Fleet operates 18 branches in this AA to serve its community Tables 3, 4 and 5 present relevant demographic data for this area Table 6 contains relevant economic and housing data on the area

TABLE 3	Population	Median Family Income	Families Below Poverty Level	
			#	%
Assessment Area	405,408	\$36,216	5,625	5.2
State of NH	1,109,252	\$41,628	12,842	4.4
Nonmetro NH	441,989	\$36,396	6,129	5.2

TABLE 4	Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families	
	#	%	#	%	#	%	#	%
Assessment Area	18,620	17.3	20,638	19.2	29,052	27.0	39,285	36.5
State of NH	46,908	15.9	56,071	19.0	82,958	28.2	108,601	36.9
Nonmetro NH	20,036	17.0	22,439	19.1	32,011	27.2	43,159	36.7

Since the Northwestern AA contains most of the counties in the state and 37.0% of the state's population, figures will be similar to those of the state. These two tables show that families in the AA have a lower median family income than in the state as a whole. Although the percentage of families below the poverty level is higher than the statewide figure, the largest percentage (36.5%) of the families in the area are upper-income.

TABLE 5 Tract Categories	Census Tracts		Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families	
	#	%	#	%	#	%	#	%	#	%
Low-Income	5	4.4	0	0	0	0	0	0	0	0
Moderate-Income	5	4.4	1,811	9.7	1,486	7.2	1,669	5.7	1,393	3.5
Middle-Income	92	80.7	15,798	84.8	17,596	85.3	24,635	84.8	29,960	76.3
Upper-Income	12	10.5	1,011	5.4	1,556	7.5	2,748	9.5	7,932	20.2
Assessment Area	114	100.0	18,620	100	20,638	100	29,052	100	39,285	100

Of the 114 census tracts in the AA, 92 are middle-income. Table 5 shows that the families in the AA live primarily in these tracts. All four income categories are represented by families in the AA. The families in the AA are fairly evenly distributed among the four income classes, with the number of upper-income families more than double the number of low-income families.

TABLE 6	Unemployment		Total Housing Units	Owner Occupied		Median Age of Housing Stock
	#	%		#	%	
Assessment Area	13,632	6.3	215,106	107,083	49.8	34 years
State of NH	38,108	6.2	503,904	280,415	55.6	35 years
Nonmetro NH	14,849	6.3	234,337	17,519	50.1	34 years

The primary sources of employment in the area are the services industry, retail trades, and a split between government and manufacturing positions. Most of the employers in the area are small establishments employing fewer than 50 persons.

Table 6 above shows that the AA contains 43.0% of the state's housing units and that nearly 50.0% of these units are owner-occupied. The majority of the housing units are single family units at 63.7%, followed by 2-4 family units at 15.5%. Multi-family units comprise 11.0% of the stock, leaving 8.2% as mobile homes. The number of rental units in the AA is 46,049—21.4% of the area's housing units. Median gross rents in the area are \$490, less than the state median of \$549. The remainder of the housing stock is vacant at 61,974 units, or 28.8%. These vacant units comprise 67.0% of such units in the entire state.

South Central AA

The South Central AA is not comprised of entire counties, but contains towns in parts of Hillsborough, Merrimack, and Rockingham Counties. The AA also contains portions of the Manchester and Nashua PMSAs. This AA consists of 69 census tracts and a population of 336,220. The tract and population distributions by income level of census tract are as follows:

Tract Categories	Census Tracts	Total Population
Low-income	2	3,838
Moderate-income	17	54,675
Middle-income	40	210,882
Upper-income	10	66,825

Within this AA the bank operates seventeen branches to serve the community. Tables 8, 9, and 10 present relevant demographic data for this area. Table 11 contains relevant economic and housing data on the area.

	Population	Median Family Income	Families Below Poverty Level	
			#	%
Assessment Area	336,220	\$46,826	3,471	3.9
Manchester PMSA	202,376	\$44,996	2,206	4.1
Nashua PMSA	171,107	\$49,889	1,514	3.3
State of NH	1,109,252	\$41,628	12,842	4.4
Nonmetro NH	441,989	\$36,396	6,129	5.2

	Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families	
	#	%	#	%	#	%	#	%
Assessment Area	13,783	15.4	16,920	18.9	26,287	29.4	32,551	36.4
Manchester PMSA	7,975	15.0	9,727	18.3	15,534	29.1	20,061	37.6
Nashua PMSA	6,933	15.0	8,908	19.2	13,724	29.6	16,745	36.2
State of NH	46,908	15.9	56,071	19.0	82,958	28.2	108,601	36.9
Nonmetro NH	20,036	17.0	22,439	19.1	32,011	27.2	43,159	36.7

Since this AA contains portions of two PMSAs and 30.0% of the state's population, some of the AA figures closely match those for the state. These two tables show that families in the AA

have a higher median family income than that of the state, at 112.0% of the state figure. The number of families below poverty level in this AA is slightly less than the statewide figure. The largest percentage of families in the area is upper-income (36.4%).

TABLE 10 Tract Categories	Census Tracts		Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families	
	#	%	#	%	#	%	#	%	#	%
Low-Income	2	2.9	406	2.9	108	0.6	84	0.3	73	0.2
Moderate-Income	17	24.6	4,670	33.9	3,790	22.4	3,055	11.6	1,886	5.8
Middle-Income	40	58.0	7,531	54.6	11,096	65.6	18,468	70.3	19,662	60.4
Upper-Income	10	14.5	1,176	8.5	1,926	11.4	4,680	17.8	10,930	33.6
Assessment Area	69	100.0	13,783	100	16,920	100	26,287	100	32,551	100

Of the 69 census tracts in the AA, the majority are middle-income. Table 10 shows that most of the families in the AA inhabit these middle-income tracts. Families in the AA represent all four income categories. The number of upper-income families is higher than the number of low- and moderate-income families combined.

TABLE 11	Unemployment		Total Housing Units	Owner Occupied		Median Age of Housing Stock
	#	%		#	%	
Assessment Area	11,849	6.1	134,169	79,862	59.5	19 years
Manchester PMSA	7,155	6.2	82,021	46,377	56.5	35 years
Nashua PMSA	5,790	5.8	66,566	42,715	64.2	20 years
State of NH	38,108	6.2	503,904	280,415	55.6	35 years
Nonmetro NH	14,849	6.3	234,337	117,519	50.1	34 years

The economy in this AA is stable, but there is a preponderance of lower wage employment opportunities, namely in the services and retail sectors. This makes it difficult for some of the population to purchase their own homes or find affordable housing. Most of the employers in the area are small establishments employing fewer than 50 employees.

Table 11 above shows that the AA contains 27.0% of the state's housing units and close to 60.0% of them are owner-occupied. The majority of the housing units in the whole AA are single family units at 51.47%, followed by 2-4 family units at 23.6%. Multi-family units comprise 21.3% of the stock, leaving 2.9% as mobile homes. The number of rental units in the AA is 44,749, 33.4% of the area's housing units. Median gross rents in the area are \$590, higher than the state median of \$549. The remainder of the housing stock is vacant at 9,558 units, or 7.1%. This vacancy rate is much lower than the state rate of 18.4% and the rental percentage of 33.4% is higher than the state rate of 26.0%.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The lending test is based on five performance criteria: level of lending activity, geographic distribution, borrower distribution, community development lending, and use of innovative or flexible lending practices. Affiliate lending has been included at the bank's request. Detailed analysis for the criteria can be found under the separate discussions of the bank's performance in each AA.

Lending Activity

Overall, FBNH and its affiliates originated 29,524 mortgage, small business, and consumer loans totaling more than \$447 million within the state during this examination period. Lending activity overall reflects good responsiveness to credit needs in the AAs and good borrower and geographic distributions. Where geographic analysis was limited, borrower distribution analysis provided a more accurate measure of the institution's performance.

Table 1-A shows the number and dollar volume of Fleet's home mortgage, small business, small farm, and consumer loan activity within the state during the examination period.

Loan Type	#	%	\$ (000's)	%
Home Mortgage	2,654	8.99%	\$170,308	38.09%
Small Business	1,091	3.69%	\$123,303	27.58%
Small Farm	0	0	\$0	0
Consumer	25,780	87.32%	\$153,541	34.33%
Total	29,525	100.00%	\$447,152	100.00%

During the examination period the bank's consumer loan originations exceeded the bank's other lending products. The bank's consumer lending activity is attributable primarily to a high volume of credit cards and "other unsecured" products such as personal loans and credit lines. During the examination period, other unsecured products represented 56.0% of the total consumer lending volume, while credit cards represented 31.0%.

Table 1-B reflects the bank's consumer lending volume and dollar amounts by product category within the state during the review period

TABLE 1-B STATEWIDE CONSUMER LOAN PRODUCT DISTRIBUTION								
Product Type	1996		1997		1998*		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	574	\$2,896	1,499	\$17,039	51	\$389	2,214	\$20,324
Credit Card	4,405	\$26,973	3,210	\$15,732	265	\$1,069	7,880	\$43,774
Home Equity	197	\$7,533	221	\$10,150	42	\$2,199	460	\$19,882
Other Secured	327	\$2,106	510	\$3,306	99	\$763	936	\$6,175
Other Unsecured	7,455	\$32,776	5,687	\$24,985	1,238	\$5,625	14,380	\$63,386
Totals	12,958	\$72,284	11,127	\$71,212	1,695	\$10,045	25,780	\$153,541

* 1998 data reflects 1-1-98 through 3-31-98 data

Geographic Distribution

Home Mortgage Lending

Statewide

During the examination period, FBNH originated 2,654 mortgage loans for \$170 million in 229 of the 248 geographies within its three AAs. Outside of the state, the bank originated 221 mortgage loans totaling \$13.6 million.

Below, Table 1-C compares the percentage by number of mortgage loans originated with the percentage of census tracts by income and the percentage of population in these tracts. As reflected in Table 1-C, the bank's penetration in the different income geographies is consistent with the demographic characteristics of the geographies.

Table 1-C Statewide Percentage Distribution of Mortgage Loans by Geography				
Geographies	Low-income	Moderate-income	Middle-income	Upper-income
Percentage of originations	0.1%	7.1%	69.0%	23.8%
Percentage of tracts	3.8%	10.5%	72.2%	13.5%
Percentage of Population	0.4%	9.3%	74.4%	15.9%

Table 1-D shows the number and dollar volume of the bank's mortgage lending products in each income category statewide during the review period

TABLE 1-D DISTRIBUTION OF MORTGAGE LOANS BY GEOGRAPHY								
Type of Loan	Low-income		Moderate- income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	2	\$118	42	\$3,542	382	\$39,203	146	\$26,895
Refinance	1	\$18	73	\$3,102	770	43,640	280	\$28,344
Home Improvement	0	0	73	1,386	680	\$17,325	205	\$6,735
Owner-Occupied Units	180	-	17,368	-	214,656	-	48,211	-
Multi-Family Loans	0	0	0	0	0	0	0	0
Multi-Family Units	1,774	-	11,636	-	55,697	-	4,409	-

As evidenced by this table, the bank's lending activity closely matches the percentage of population across geographies. Although FBNH has a low level of mortgage loan penetration in low-income tracts, the percentage of tracts is also low compared to the percentage of tracts in the state. Additionally, these tracts are sparsely populated and have little mortgage loan demand. Within the state's low-income census tracts the bank has originated three loans since the last examination. The majority of the bank's lending occurred in the middle- and upper-income census tracts which comprise a substantial majority (210 out of 248) of the geographies in the bank's AAs. These geographies also contain the bulk of the population. The bank's percentage of originations in moderate- and middle-income tracts is consistent with the population and the percentage of tracts in the state. Originations in upper-income tracts exceeded the percentage of both upper-income census tracts and upper-income population, indicating that the bank lends heavily in this geographic area.

South Central AA

Within the bank's South Central AA, FBNH originated 852 mortgage loans, or 32.1% of the bank's mortgage lending activity for the state. Table 1-E shows the bank's distribution by income level of census tracts within the county by number and dollar volume. Table 1-E reflects that the bank has a reasonable penetration in all of its income geographies.

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	(\$000)	#	(\$000)	#	(\$000)	#	(\$000)
Home Purchase	3	\$118	23	\$1,684	111	\$10,154	69	\$11,978
Refinance	1	\$18	23	\$1,005	201	\$11,267	133	\$13,463
Home Improvement	0	0	19	\$330	182	\$3,870	88	\$2,282
Owner-Occupied Units	180	-	6,971	-	53,173	-	19,538	-

The bank extends construction financing to developers of multifamily housing, but has not provided any permanent financing during this examination period. Therefore, no multifamily loans have been reported.

Northwestern AA

In the Northwestern AA, with zero population in the low-income census tracts, the bank's lending falls in the moderate, middle, and upper-income geographies. Within the AA, FBNH originated 809 mortgage loans, or 30.5% of the bank's mortgage lending activity for the state. Table 1-F shows the bank's distribution of mortgage loans by income level of the census tracts within AA.

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	0	\$0	9	\$507	88	\$8,014	25	\$4,261
Refinance	0	\$0	37	\$1,284	265	\$13,362	65	\$4,411
Home Improvement	0	0	38	\$759	239	\$6,240	43	866
Owner-Occupied Units	0	-	5,931	-	87,512	-	13,640	-

The majority (73.2%) of the bank's lending occurred in the middle-income census tracts where nearly 82.0% of the population resides. Since these tracts comprise 81.0% of all the tracts in the AA, the geographic distribution analysis is limited. An analysis by borrower income is a more accurate indicator of the bank's performance.

Small Business Lending

Statewide

On a statewide level FBNH originated loans across all income categories of census tracts Table 1-G below shows the geographic distribution of the bank's small business loans across the state

TABLE 1-G DISTRIBUTION OF SMALL BUSINESS LOANS BY GEOGRAPHY								
Loan Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	11	\$1,733	97	\$7,277	743	\$84,212	178	\$21,041

For 1997 and first quarter 1998 the bank originated a total of 1,091 small business loans in the amount of \$123.2 million. Of these, 1,029 or 94.0%, were made within the state of New Hampshire. The bank made no loans to small farms during this examination period.

The majority of the bank's small business loans, by number and by dollar volume were originated to businesses located in middle-income census tracts. By number, this percentage is 72.2%, followed by 17.3% of in upper-income tracts, 9.4% in moderate-income tracts, and 1.1% in low-income tracts. By dollar volume the percentage for middle-income census tracts is 73.3%, followed by 18.4% for upper-income tracts, 6.4% for moderate-income tracts, and 1.5% for low-income tracts.

The bank's geographic distribution of small business loans exceeds the percentage of upper-income tracts, but across all four tract categories the bank's lending distribution is a good match to the percentage of population in each tract.

South Central AA

Within the bank's South Central AA the bank originated 431 small business loans for a total amount of \$56 million during the review period. This represents 41.8% and 49.0% respectively of the totals for the state. Table 1-H shows the geographic distribution of the bank's small business loans within this AA.

TABLE 1-H DISTRIBUTION OF SMALL BUSINESS LOANS BY GEOGRAPHY								
Loan Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	11	\$1,733	69	\$5,168	246	\$33,468	106	\$15,647

FBNH's percentage of loans to small businesses shows a good record of serving the credit needs of small businesses in all census tracts. Most of the tracts in the AA are middle-income, 57.0%, followed by moderate-income, 25.0%, upper-income, 15.0%, and low-income, 3.0%. As Table 1-H indicates that the majority of the bank's small business loans, by number and by dollar volume, were originated to businesses located in middle-income census tracts. By number, this percentage is 57.0%, followed by 24.6% in upper-income tracts, 16.0% in moderate-income tracts, and 2.6% in low-income tracts. By dollar volume the percentage for middle-income census tracts is 60.0%, followed by 27.9% for upper-income tracts, 9.2% for moderate-income tracts, and 2.6% for low-income tracts.

Northwestern AA

During the review, the bank originated 156 small business loans in a total amount of \$19.2 million in the AA. Table 1-I below shows the geographic distribution of the bank's small business loans within this AA.

Loan Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	0	\$0	11	\$658	118	\$15,607	27	\$2,936

FBNH's percentage of loans to small businesses in the Northwestern AA shows a reasonable record of serving the credit needs of small businesses. Most of the tracts in the AA are middle-income, 81.0%, followed by upper-income, 11.0%, moderate-income, 4.0%, and low-income, 4.0%. The majority of the bank's small business loans, by number and by dollar volume were originated to businesses located in middle-income census tracts. By number, this percentage is 75.6%, followed by 17.3% in upper-income tracts, and 7.1% in moderate-income tracts. The low-income census tracts in the Northwestern AA are not populated. By dollar volume the percentage for middle-income census tracts is 81.3%, followed by 15.3% for upper-income tracts, and 3.4% for moderate-income tracts.

Consumer Lending

Statewide

The bank's three designated AAs encompass the majority of the 266 census tracts in the state. Within the 248 tracts in the bank's designated AAs, the bank originated 25,780 consumer loans for \$154 million during the review period. Outside of the state, the bank originated 652 consumer loans totaling \$3 million.

On a statewide level, Tables 1-J and 1-K show the number and dollar volume of the bank's consumer lending products in each income category. The first table shows distribution by year and the second shows aggregated distribution by product type.

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	29	\$93	28	\$118	7	\$25
Moderate-Income	1,005	\$4,587	1,010	\$5,435	161	\$727
Middle-Income	10,005	\$54,392	8,293	\$51,745	1,189	\$6,978
Upper-Income	1,919	\$13,212	1,796	\$13,914	338	\$2,315
Total	12,958	\$72,284	11,127	\$71,212	1,695	\$10,045

• 1998 data reflects 1-1-98 through 3 31 98 data, outside of review period

In Table 1-K, for comparison purposes, the home equity lines of credit are compared to the number of owner-occupied units in the geographies, while the other products are compared to the number of tracts in each income category

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	2	\$9	185	\$1,685	1,607	\$15,214	330	\$3,506
Credit Card	24	\$109	632	\$2,886	5,894	\$32,843	1,330	\$7,936
Other Secured	8	\$20	99	\$578	683	\$4,432	146	\$1,145
Other Unsecured	29	\$88	1,232	\$4,815	10,995	\$48,576	2,124	\$9,907
Tracts*	10	-	28	-	192	-	36	-
Home Equity	1	\$10	28	\$785	308	\$12,140	123	\$6,954
Owner-Occupied Units	180	-	17,368	-	214,656	-	48,211	-

* Number of tracts within the income category

Most of the census tracts in the state are middle-income and this is where the bank originates most (76 0% by number and 74 0% by dollar volume) of its consumer loans. By product type, the "other unsecured" category was the most common product across all income categories, 56 0% by number and 41 0% by dollar volume. Although FBNH's geographic distribution of consumer lending is lowest in the low-income census tracts, less than 1.0% of the population lives in these tracts which comprise only 3 8% of the tracts in the state.

Table 1-L below shows on a statewide level the percentage of consumer loans originated compared to the percentage of census tracts by income level and the percentage of population inhabiting these tracts.

Geographies	Low-income	Moderate-income	Middle-income	Upper-income
Percentage of originations	0 2%	8 4%	76 0%	16 0%
Percentage of tracts	3 8%	10 5%	72 2%	13 5%
Percentage of Population	0 4%	9 3%	74 4%	15 9%

As evidenced by Table 1-L, FBNH's geographic distribution of consumer loans approximates the geographic distribution of the population and percentage of tracts. The bank's lending in middle- and upper-income geographies exceeds the percentage of those tracts in the AA but is consistent with the population in those tracts.

South Central AA

During the review period, the bank originated 8,203 consumer loans for \$51.0 million in the AA. Similar to the statewide figures, the bank's "other unsecured" product was the most popular at 52.0% by number and 38.0% by dollar volume. Table 1-M reflects the bank's consumer lending volume and dollar amounts by product category within the AA.

Product Type	1996		1997		1998*		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	212	\$1,014	530	\$6,021	20	\$154	762	\$7,189
Credit Card	1,593	\$9,952	980	\$4,973	79	\$323	2,652	\$15,248
Home Equity	67	\$2,684	72	\$3,505	13	\$667	152	\$6,856
Other Secured	115	\$827	179	\$1,060	37	\$226	331	\$2,113
Other Unsecured	2,348	\$10,696	1,552	\$6,969	406	\$1,968	4,306	\$19,633
Totals	4,335	\$25,173	3,313	\$22,528	555	\$3,338	8,203	\$51,039

* 1998 data reflects 1-1-98 through 3-31-98 data

Tables 1-N and 1-O below show the number and dollar volume of the bank's consumer lending products in each census tract income category. The first table shows distribution by year and the second shows aggregated distribution by product type.

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	29	\$93	228	\$118	7	\$25
Moderate-Income	465	\$1,954	462	\$2,416	80	\$383
Middle-Income	2,987	\$16,882	2,101	\$13,900	317	\$1,855
Upper-Income	854	\$6,244	722	\$6,094	151	\$1,075
Total	4,335	\$25,173	3,313	\$22,528	555	\$3,338

In Table 1-O the home equity lines of credit are compared to the number of owner-occupied units in the geographies, while the other products are compared to the number of tracts in each income category.

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	2	\$9	107	\$894	486	\$4,494	167	\$1,792
Credit Card	24	\$109	313	\$1,382	1,775	\$10,426	540	\$3,331
Other Secured	8	\$20	44	\$181	204	\$1,443	75	\$469
Other Unsecured	29	\$88	532	\$2,031	2,857	\$13,224	888	\$4,290
Tracts*	2	-	17	-	40	-	10	-
Home Equity	1	\$10	11	\$265	83	\$3,050	57	\$3,531
Owner-Occupied Units	180	-	6,971	-	53,173	-	19,538	-

* Number of tracts within the income category

Population in the low-income census tracts is reported at 3,838 persons. The more populated census tracts in the AA are middle- and upper-income at 210,882 and 66,825 people. This is where the bank originates most of its consumer loans.

Table 1-P below shows on an AA level the percentage of consumer loan originations compared to the percentage of census tracts by income level and the percentage of population inhabiting these tracts. Table 1-P displays that FBNH's geographic distribution of consumer loans in this AA approximates the geographic distribution of the population.

Geographies	Low-income	Moderate-income	Middle-income	Upper-income
Percentage of originations	1 0%	12 0%	66 0%	21 0%
Percentage of tracts	2 9%	24 6%	58 0%	14 5%
Percentage of Population	1 1%	16 3%	62 7%	19 9%

Northwestern AA

The bank originated 8,311 consumer loans for \$46 0 million in the AA. Similar to the statewide figures, the bank's "other unsecured" products were the most popular at 61 0% by number and 47 0% by dollar volume. Table 1-Q reflects the bank's consumer lending volume and dollar amounts by product category within the AA.

Product Type	1996		1997		1998*		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	151	\$753	378	\$4,173	11	\$85	540	\$5,011
Credit Card	1,291	\$7,561	1,021	\$4,692	69	\$293	2,381	\$12,546
Home Equity	65	\$2,143	66	\$3,051	7	\$308	138	\$5,502
Other Secured	79	\$484	122	\$751	18	\$96	219	\$1,331
Other Unsecured	2,475	\$10,472	2,196	\$9,346	362	\$1,588	5,033	\$21,406
Totals	4,061	\$21,413	3,783	\$22,013	467	\$2,370	8,311	\$45,796

* 1998 data reflects 1-1-98 through 3-31-98 data

Tables 1-R and 1-S below show the number and dollar volume of the bank's consumer lending products in each census tract income category. The first table shows distribution by year and the second shows aggregated distribution by product type.

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	0	0	0	0	0	0
Moderate-Income	261	\$1,338	315	\$1,539	42	\$185
Middle-Income	3,194	\$16,399	2,956	\$16,965	349	\$1,710
Upper-Income	606	\$3,676	512	\$3,509	76	\$475
Total	4,061	\$21,413	3,783	\$22,013	467	\$2,370

In Table 1-S the home equity lines of credit are compared to the number of owner-occupied units in the geographies, while the other products are compared to the number of tracts in each income category

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	0	0	27	\$271	452	\$4,225	61	\$515
Credit Card	0	0	161	\$738	1,796	\$9,404	424	\$2,404
Other Secured	0	0	28	\$164	164	\$957	27	\$210
Other Unsecured	0	0	387	\$1,444	3,996	\$17,069	650	\$2,893
Tracts*	5	-	5	-	92	-	12	-
Home Equity	0	0	15	445	91	\$3,419	32	\$1,638
Owner-Occupied Units	0	-	5,931	-	87,512	-	13,640	-

* Number of tracts within the income category

Table 1-T below shows on an AA level the percentage of consumer loan originations compared to the percentage of census tracts by income level and the percentage of population inhabiting these tracts. FBNH's geographic distribution of consumer loans in this AA approximates the geographic distribution of the population and percentage of tracts

Geographies	Low-income	Moderate-income	Middle-income	Upper-income
Percentage of originations	0.0%	7.4%	78.3%	14.3%
Percentage of tracts	4.4%	4.4%	80.7%	10.5%
Percentage of Population	0.0%	5.7%	81.5%	12.8%

Borrower Distribution

Borrower distribution analysis of FBNH's lending activity during the review period reflects good distributions for all product lines. FBNH's lending activity by business revenue and loan size shows excellent performance in extending loans to smaller businesses. FBNH also showed good penetration among borrowers of different income levels in the mortgage and consumer loan portfolios.

Home Mortgage Lending

Statewide

Table 2-A below illustrates the bank's mortgage lending across borrower income categories, with respect to number and dollar volume. Table 2-A shows that the bank had good penetration among borrowers of different income level in its mortgage loans. Approximately 49.0% of the bank's mortgage loans went to upper-income borrowers, followed by middle-income (28.0%), moderate-income (17.0%), and low-income (6.0%) borrowers. Similarly, upper-income borrowers received a majority of the loan dollars (63.0%), followed by middle-income (22.0%), moderate-income (11.0%), and low-income (3.0%) borrowers.

TABLE 2-A DISTRIBUTION OF MORTGAGE LOANS BY BORROWER INCOME*								
Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	23	\$1,091	79	\$4,993	125	\$10,674	197	\$27,697
Refinance	52	\$1,517	128	\$5,295	223	\$10,080	436	\$33,493
Home Improvement	54	\$960	156	\$2,987	250	\$5,336	416	\$13,273
Multi-Family Loans	0	\$0	0	\$0	0	\$0	0	\$0
Total	129	\$3,568	363	\$13,275	598	\$26,090	1,049	\$74,463

*Analysis excludes borrowers for whom income was not available

Table 2-B provides population data expressed as the number and percentage of families in the state by income category. The correlation between percentage of families by income category and the bank's lending activity is one measure of the bank's success in meeting the credit needs of borrowers across the four income categories.

TABLE 2-B DISTRIBUTION OF FAMILIES								
Population	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	%	#	%	#	%	#	%
		46,908	15.9%	56,071	19.0%	82,958	28.2%	108,601

During the examination period the bank originated 2,139 residential loans in the state to borrowers for whom income was available. The number of low-income families in the state constitutes 15.9% of the total number of families and the bank extended 6.0% of its loans there. In the moderate-income category, the bank extended 17.0% of its loans while the percentage of families in this category is 19.0%. The bank's lending to middle- and upper-income borrowers is 28.0% and 49.0% respectively. The percentage of families in these two categories is 28.2% and 36.9% respectively.

South Central AA

Table 2-C illustrates that the bank had a reasonable penetration of mortgage loans to borrowers of different income levels in the AA.

**TABLE 2-C
DISTRIBUTION OF MORTGAGE LOANS BY BORROWER INCOME***

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	12	\$601	36	\$2,506	49	\$4,394	47	\$7,334
Refinance	17	\$433	39	\$1,640	70	\$3,134	133	\$10,927
Home Improvement	20	\$372	57	\$910	84	\$1,708	105	\$2,846
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	49	\$1,406	132	\$5,056	203	\$9,236	285	\$21,107

* Analysis excludes borrowers for whom income was not available

By number on a percentage basis, the bank originated 7.3% of loans to low-income borrowers, 19.7% to moderate-income borrowers, 30.3% to middle-income borrowers, and 42.6% upper-income borrowers. By dollar volume the order is similar with 3.8% to low-income borrowers, 13.7% to moderate-income borrowers, 25.1% middle-income borrowers, and 57.3% to upper-income borrowers.

For comparison, within this AA the percentages of families by income category are fairly evenly distributed. The percentage of upper-income families is highest at 36.4%, followed closely by middle-income at 29.4%, moderate-income at 18.9%, and low-income at 15.4%.

Category	Percentage
Low-income families	15.4%
Moderate-income families	18.9%
Middle-income families	29.4%
Upper-income families	36.4%
Families Below Poverty	3.9%

Northwestern AA

Table 2-D illustrates that the bank had a reasonable penetration of mortgage loans to borrowers of different income levels in the AA

**TABLE 2-D
DISTRIBUTION OF MORTGAGE LOANS BY BORROWER INCOME***

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	1	\$54	15	\$697	21	\$1,240	60	\$6,446
Refinance	13	\$293	38	\$1,286	73	\$2,834	158	\$9,816
Home Improvement	18	\$251	51	\$856	76	\$1,660	151	\$4,498
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	32	\$598	104	\$2,839	170	\$5,734	369	\$20,760

* Borrowers for whom income was not available are not included in these figures

By number the bank originated 4 7% of loans to low-income borrowers, 15 4% to moderate-income borrowers, 25 2% to middle-income borrowers, and 54 7% upper-income borrowers. By dollar volume, the percentages are 2 0% to low-income borrowers, 9 5% to moderate-income borrowers, 19 2% to middle-income borrowers, and 69 4% to upper-income borrowers.

For comparison, within this AA the percentages of families by income category are distributed as follows in the table below. The percentage of upper-income families is highest at 36 5%. FBNH's lending to upper-income borrowers exceeds the percent of families in that income category.

Category	Percentage
Low-income families	17 3%
Moderate-income families	19 2%
Middle-income families	27 0%
Upper-income families	36 5%
Families Below Poverty	5 2%

Small Business Lending

Statewide

Statewide, the bank's small business lending showed excellent distribution to smaller businesses. All of the bank's 1,029 small business loans for \$114,263,000 were originated to businesses with less than \$1 million in revenues.

Table 2-E shows the number and dollar volume of small businesses loans by loan size ranging from less than \$100,000 to \$1 million

TABLE 2-E SMALL BUSINESS LOANS BY LOAN AMOUNT AT ORIGATION						
Loan Type	Loan Amount ≤\$100,000		Loan Amount >\$100,000 ≤\$250,000		Loan Amount >\$250,000 ≤\$1,000,000	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	784	\$35,866	149	\$26,681	96	\$51,716

Analysis of small business lending by loan size is also an indicator of a bank's performance in lending to businesses of different sizes Table 2-E also shows that a substantial majority of the small business loans originated by FBNH were for amounts of \$100,000 or less This is consistent with the state's small business profile, and with the information received from community contacts who spoke of the need for small loans to businesses in the state

South Central AA

In the bank's South Central AA all of the bank's 431 loans totaling \$56,016,000 were originated to businesses with less than \$1 million in revenues

Table 2-F shows the number of small business loans by loan size ranging from less than \$100,000 up to \$1,000,000 The table shows that a substantial majority of the small business loans originated by Fleet were in the amounts of \$100,000 or less This is consistent with the state's small business profile, and with the information received from community contacts who discussed the need for small loans to businesses in the area

TABLE 2-F SMALL BUSINESS LOANS BY LOAN AMOUNT AT ORIGATION						
Loan Type	Loan Amount ≤\$100,000		Loan Amount >\$100,000 ≤\$250,000		Loan Amount >\$250,000 ≤\$1,000,000	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	313	\$14,781	67	\$11,881	51	\$29,284

Similarly, in the bank's Northwestern AA all of the bank's loans were originated to businesses with less than \$1 million in revenues The loans numbered 156 with a dollar volume of \$19,201,000 This reflects excellent penetration of small business borrowers in the area

Table 2-G shows the number and dollar amount of small business loans by loan size ranging from less than \$100,000 up to \$1 million The table shows that a substantial majority of the small business loans originated by Fleet were in the amounts of \$100,000 or less This is consistent with the state's small business profile, and with the information received from community contacts who discussed the need for small loans to businesses in the area

Loan Type	Loan Amount ≤\$100,000		Loan Amount >\$100,000 ≤\$250,000		Loan Amount >\$250,000 ≤\$1,000,000	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	117	\$5,244	22	\$4,205	17	\$9,752

Consumer Lending

Statewide

Tables 2-H and 2-I illustrate the bank's consumer lending across borrower income categories, in terms of number and dollar volume by year and product type

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	1,452	\$6,290	1,885	\$8,094	255	\$934
Moderate-Income	3,184	\$16,675	2,705	\$15,452	527	\$2,445
Middle-Income	2,949	\$17,913	2,463	\$16,000	466	\$2,510
Upper-Income	2,262	\$19,597	2,250	\$22,832	364	\$3,710
Total	9,847	\$60,475	9,303	\$62,378	1,612	\$9,599

* Analysis excludes borrowers for whom income was not available

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	315	\$2,707	423	\$4,518	405	\$4,608	386	\$5,215
Credit Card	730	\$2,357	869	\$3,884	848	\$3,860	920	\$5,544
Other Secured	214	\$987	173	\$1,063	108	\$806	90	\$1,060
Other Unsecured	874	\$2,786	1,735	\$7,637	1,516	\$7,080	1,051	\$5,041
Home Equity	7	\$191	32	\$795	52	\$1,657	167	\$9,682
Population **	46,908	16 0%	56,071	19 0%	82,958	28 2%	108,601	37 0%
Bank Percentage ***	20 0%	13 0%	30 0%	25 0%	26 0%	25 0%	24 0%	37 0%

* Bank did not provide 1996 data on product distribution by borrower income for inclusion in this analysis. Therefore, table reflects 1997 and 1st quarter 1998 data only

** Expressed as number and percentage of families in the income category

*** Expressed as percentage by number and dollar volume of total consumer loans for which borrower income available

Table 2-I shows that FBNH's borrower income distribution of consumer lending is consistent with the income distributions of the population. The 1997 and 1998 consumer lending to low- and moderate-income borrowers exceeds the percentage of families in those income categories. FBNH's distribution of borrowers reflects good penetration among retail customers of different income levels.

South Central AA

FBNH's consumer loans were extended fairly evenly across all four income categories in the AA. Tables 2-J and 2-K below illustrate the bank's consumer lending across borrower income categories, in terms of number and dollar volume by year and product type.

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	570	\$2,638	676	\$3,140	99	\$365
Moderate-Income	910	\$5,166	803	\$4,832	173	\$828
Middle-Income	1,089	\$6,692	701	\$4,951	139	\$781
Upper-Income	752	\$6,833	665	\$7,343	116	\$1,234
Total	3,321	\$21,329	2,845	\$20,266	527	\$3,208

* Analysis excludes borrowers for whom income was not available

**TABLE 2-K
1997 AND 1998 PRODUCT DISTRIBUTION OF CONSUMER LOANS BY
BORROWER ***

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	133	\$1,139	146	\$1,572	131	\$1,530	135	\$1,850
Credit Card	243	\$771	276	\$1,349	235	\$1,293	270	\$1,713
Other Secured	82	\$422	65	\$290	37	\$315	22	\$219
Other Unsecured	313	\$1,078	477	\$2,136	419	\$2,045	305	\$1,588
Home Equity	4	\$95	12	\$313	18	\$549	49	\$3,207
Population **	13,783	15 4%	16,920	18 9%	26,287	29 4%	32,551	36 4%
Bank *** Percentage	23 0%	15 0%	29 0%	24 0%	25 0%	24 0%	23 0%	37 0%

* Bank did not provide 1996 data on product distribution by borrower income for inclusion in this analysis, therefore, table reflects 1997 and 1st quarter 1998 data only

** Expressed as number and percentage of families in the income category

*** Expressed as percentage by number and dollar volume of total consumer loans for which borrower income available

Table 2-K reflects that FBNH's borrower income distribution of consumer lending in the South Central AA is consistent with the income distributions of families in the area

Northwestern AA

Tables 2-L and 2-M below illustrate the bank's consumer lending in the AA across borrower income categories, in terms of number and dollar volume

TABLE 2-L ANNUAL DISTRIBUTION OF CONSUMER LOANS BY BORROWER*						
Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	329	\$1,371	500	\$1,824	45	\$118
Moderate-Income	1,167	\$5,583	941	\$4,748	181	\$825
Middle-Income	781	\$4,756	869	\$4,955	141	\$723
Upper-Income	719	\$5,603	703	\$6,917	85	\$626
Total	2,996	\$17,313	3,013	\$18,444	452	\$2,292

• Analysis excludes borrowers for whom income was not available

TABLE 2-M 1997 AND 1998 PRODUCT DISTRIBUTION OF CONSUMER LOANS BY BORROWER *								
Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	60	\$498	106	\$1,107	110	\$1,180	110	\$1,415
Credit Card	190	\$581	273	\$1,143	304	\$1,405	300	\$1,723
Other Secured	51	\$224	34	\$191	34	\$182	17	\$227
Other Unsecured	243	\$634	703	\$2,993	548	\$2,445	312	\$1,445
Home Equity	1	\$5	6	\$139	14	\$466	49	\$2,733
Population **	18,620	17 3%	20,638	19 2%	29,052	27 0%	39,285	36 5%
Bank *** Percentage	16 0%	9 3%	32 0%	27 0%	29 0%	27 0%	23 0%	36 0%

* Bank did not provide 1996 data on product distribution by borrower income for inclusion in this analysis. Therefore, table reflects 1997 and 1st quarter 1998 data only.

** Expressed as number and percentage of families in the income category.

*** Expressed as percentage by number and dollar volume of total consumer loans for which borrower income available.

Table 2-M reflects that FBNH's borrower income distribution of consumer lending in the Northwestern AA is consistent with the income distributions of the population.

Community Development Lending

Statewide

The institution is active in community development and has made a high number of community development loans. During the current examination period total qualified community development loans and lending commitments amounted to \$11.98 million. The major portion of FBNH's community development activities are directed towards housing needs within the state, and are accomplished by participation in a statewide loan pool and through community partnerships. For example, the bank has a \$6.0 million loan commitment to the New Hampshire Community Reinvestment Corporation (NHCRC). The NHCRC is a \$30.0 million loan pool comprised of a statewide consortium of banks. The NHCRC was established in 1994 to create capacity for meeting New Hampshire's affordable housing needs by financing for-profit and not-for-profit developers of multifamily properties. This organization is an important engine for driving the state's expansion of affordable housing, an area singled out by community agencies as a primary need in the state. To date the NHCRC has provided financing in the amount of approximately \$12.0 million for 11 affordable housing projects, with the bank contributing close to \$3.0 million of the total. Nearly all of the projects have received tax credit allocations from the state. Tax credits are made available to developers of multi-family rental housing that is targeted to low and moderate income individuals. As a result of these efforts, 342 affordable housing units have been developed around the state.

The following projects were completed as of the date of the examination: Queensbury Mill in Somersworth, Atlantic Heights in Portsmouth, Mill Knoll in Tilton, Eagles Bluff Phase 1 and Phase 2 in Concord, Granite Brook Mobile Home Park in Hooksett, Meetinghouse at Goffstown, New Hope in Rollingsford, Summercrest in Newport, and Mill House in Boscawen. Other projects are currently being evaluated for future development. Additionally, an affiliate of FBNH has provided the construction loans on three of the projects for which the NHCRC is providing permanent financing: Eagle's Bluff, Phases I and 2, and Addison Place.

FBNH has established partnerships with two non-profit agencies, Manchester Neighborhood Housing Services (NHS) and French Hill Neighborhood Housing Services (NHS), to provide affordable housing and homeowners' assistance to low- and moderate-income individuals and families in the Southern New Hampshire area. The bank has extended lines of credit to each of these organizations under programs that directly assist low- and moderate-income individuals to purchase homes under special program guidelines. FBNH also extended an additional \$500,000 line of credit to Manchester NHS which the agency uses to purchase and rehabilitate one-to-four family homes.

The bank also refinanced the debt to a nursing home for elderly patients, where 70% of the beds are occupied by Medicaid patients. The nursing home is located in Exeter, New Hampshire, and provides health care services 24 hours a day.

South Central AA

Within the bank's South Central AA, the bank's participation in the New Hampshire Community Reinvestment Corporation (NHCRC) has had a positive impact on helping to meet the housing needs of the South Central AA. To date the NHCRC has provided financing in the amount of approximately \$1.6 million for two affordable housing projects located in the South Central AA, with the bank contributing approximately \$225,000 of the total. The projects are Granite Brook Mobile Home Park located in Hooksett, and the Meetinghouse at Goffstown. Granite Brook is a cooperative mobile home park that includes 43 sites for mobile homes, three single-family homes, and a commercial garage. The Meetinghouse at Goffstown is a former elementary school that has been converted into 39 units of elderly housing, plus a 6500 square foot supportive service facility as a benefit to the residents.

FBNH's partnerships with two non-profit agencies in the AA also help to provide affordable housing and homeowners' assistance to low- and moderate-income individuals and families. The bank participates in a loan pool established by Manchester Neighborhood Housing Services (NHS), and has extended lines of credit to the organization for the purpose of funding mortgage loans, primarily to low-income individuals in the Manchester area. In total, the bank has extended more than \$1.0 million to the Manchester NHS for the development of affordable housing in the area. FBNH also provides French Hill Neighborhood Housing Services with a \$100,000 line of credit to be used for an affordable housing second mortgage program targeted to low- and moderate-income individuals. As a result of these programs, more than 30 mortgage loans have been originated to low- and moderate-income individuals.

Northwestern AA

In the Northwestern AA, the bank's participation in the New Hampshire Community Reinvestment Corporation (NHCRC) has had a positive impact on helping to meet the housing needs. To date the NHCRC has provided permanent and short-term financing of approximately \$5.7 million for five affordable housing projects located in the Northwestern AA, with the bank contributing approximately \$1.8 million of the total. Combined, these projects provided 148 units of housing in the state. The projects are Eagle's Bluff, Phase 1 and Phase 2, the Mill House project, Mill Knoll Village, and Summercrest. All of the projects except Summercrest were developed using tax credits allocated by the state to developers of housing that is targeted specifically to low- and moderate-income families and individuals.

Eagle's Bluff, Phase 1 and Phase 2, consists of 80 units of low- and moderate-income housing located in Concord. The Mill House project is a 15 unit development in Boscawen which was built to house elderly persons. Mill Knoll Village is a 17 unit rehabilitation and new construction family rental development in Tilton. In Newport, the NHCRC recently provided the permanent financing for Summercrest, a 36 unit assisted living development for the elderly.

Innovative or Flexible Lending Practices

FBNH offers flexible mortgage and small business loan products, which benefit low- and moderate-income borrowers and small business owners. These include government-sponsored loan programs, such as FHA and VA loans, and programs developed internally as part of FBNH's "INCITY" program. The INCITY program, which began in February 1994, is offered through all FFG banking subsidiaries and is designed to help the banks meet their CRA responsibilities.

Various mortgage, consumer, and small business products are classified as INCITY products. Although targeted at low- and moderate-income individuals, many of FBNH's products are available to individuals who earn up to 140 percent of the median income. Because FBNH could not provide specific loan numbers, dollar amounts and borrower income information for specific products, examiners were unable to measure the success of all of the INCITY programs to serve the credit needs of low- and moderate-income individuals.

FBNH did, however, provide specific information on the following INCITY programs. These programs are flexible in their terms and are available throughout FBNH's AAs.

Fleet Bank LMI Program

FFG's proprietary product, the LMI program, was introduced in 1993. It features flexible underwriting and low down payment requirements for mortgage products. The down payment must consist of 2.5 percent of the borrower's funds. (The remaining 2.5 percent may come from grants or gifts.) Mortgage insurance is not required. Since 1996, FBNH originated 60 loans totaling \$4.9 million.

Neighborhood Housing Services of America (NHSA)

Fleet Mortgage formed a partnership program with Neighborhood Housing Services of America (NHSA) and Neighborhood Reinvestment (NR). NR supports 171 local Neighborworks Organizations (NWOs) that are part of a national network of nonprofit organizations turning distressed communities into healthy communities. Two New Hampshire NWOs, French Hill and Manchester, participate in FBNH's program. FBNH committed \$10 million to be used to provide NHSA first mortgages through Fleet Mortgage at favorable rates and terms to ensure affordability to new homeowners. For loans of up to \$50,000, the program requires a 2 percent down payment from the borrower. (The remaining 3 percent may come from grants or gifts.) Since 1996, FBNH originated 30 loans totaling \$2.3 million.

Investment Test

Statewide

The institution has a significant level of qualified community development investments and grants, particularly those that are not routinely provided by private investors. FBNH makes investments and grants directly as well as through a corporate foundation, Fleet Charitable Trust. Total qualified investment commitments and qualified investment balances outstanding amounted to \$6.02 million. During this examination period the bank contributed a total dollar amount of \$3.60 million.

Most of the bank's investments consisted of equity contributions directed into low-income housing tax credit partnerships and small business venture capital equity funds. According to community contacts visited in the area, affordable housing and small business credit remain primary needs in the area. Accordingly, FBNH's investments were responsive to community development needs of New Hampshire. A portion of the investment dollars contributed were also in the form of grants and donations. These were made to organizations that provide assistance in the areas of affordable housing and small business development, in community services, youth counseling, job skills training, and business incubator services.

During the current examination period FBNH made a commitment to invest \$2.0 million over the next two years in the New Hampshire Housing Equity Fund (NHHEF) Limited Partnership, established in 1997. The NHHEF is a wholly owned subsidiary of the New Hampshire Housing Investment Fund, Inc., a non-profit New Hampshire corporation. To date, the six investors have made commitments to contribute approximately \$11.0 million to the partnership. The projects will involve the rehabilitation as well as new construction of multi-family rental housing in an effort to provide decent, safe, and sanitary housing that is affordable to low-income individuals and families. As of the date of the examination the NHHEF had issued commitments for four projects in Laconia, Boscawen, Dover, and Rollinsford, representing 90 units of affordable housing. The Addison-Dover project located in Dover, and New Hope Housing in Rollingsford, are both more than 80% complete.

Other affordable housing projects in which the bank has invested include Merrimack Place, located in Manchester, where 16 affordable housing units were developed, and Mariners Village, in Portsmouth, which created 66 units of affordable housing.

FBNH contributed to a \$12.0 million small business venture capital fund that has invested in 26 start-up, early stage, and on-going companies located in the New England market. Seven of the companies are in New Hampshire: three in Manchester, two in Merrimack, one in Portsmouth, and one in Nashua.

Through its investments and contributions Fleet exhibits good responsiveness to credit and community economic development needs, and makes occasional use of complex investments to support community development initiatives.

South Central AA

FBNH supports economic development in the AA by providing funds to small businesses through equity investments in venture capital partnerships. Fleet contributed to a \$12.0 million small business venture capital fund that has invested in 26 start-up, early stage, and on-going companies located in the New England market. Seven of the companies are in New Hampshire, and four of them are located in the South Central AA.

In 1994 the bank became a partner in the development of Merrimack Place, located in Manchester, where 16 affordable housing units were developed.

Northwestern AA

In the Northwestern AA, the institution has provided funding for affordable housing projects and to small businesses through equity investments in the New Hampshire Housing Equity Fund (NHHEF) and Zero Stage V Capital. As of the date of the examination the NHHEF had issued commitments for projects in Laconia and Boscawen, representing 32 units of affordable housing. Two of the businesses supported by Zero Stage V Capital are located in the Northwestern AA.

Through its investments and contributions Fleet exhibits good responsiveness to credit and community economic development needs, and makes occasional use of complex investments to support community development initiatives.

Service Test

Statewide

FBNH's retail banking and alternative delivery systems are accessible to essentially all portions of the institution's assessment areas. FBNH operates 48 branches throughout New Hampshire. Table 3-A shows the distribution of branches throughout the state by income geographies. More than 20% of the bank's branches are located in low- and moderate- income geographies.

<u>Census Tract Income</u>	<u># of Branches</u>	<u>% Total</u>
<u>Low</u>	2	4.17%
<u>Moderate</u>	8	16.7%
<u>Middle</u>	33	68.75%
<u>Upper</u>	5	10.42%
<u>Total</u>	48	100%

To the extent that changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies. Statewide, 17 branches have been closed since the previous examination.

There are 82 ATMs, including 30 Fleet stand-alone ATMs, throughout New Hampshire. For added convenience, FBNH has installed 22 off-premise ATMs since the last examination in Cumberland Farms stores, Mobil Oil stations and K-Mart locations throughout the state.

Overall, business hours and services are reasonable and do not vary in ways that inconvenience certain portions of the assessment areas, particularly low- and moderate- income geographies. Statewide all branches offer business hours Monday through Friday. Some offer extended hours on Thursdays and Fridays and are open for business on Saturdays.

In addition to regular branch hours, FBNH operates a 24-hour, seven days a week Fleet Answer Center through which customers can get detailed account information, transfer funds, or speak to a customer service representative at no extra charge. Customers also have the ability to open checking or savings accounts, apply for loans, or apply for credit cards by telephone. In addition, FBNH offers its business customers business telephone banking 24 hours a day, seven days a week, to check accounts, transfer funds, or make business loan payments. FBNH also offers a 24-hour business ATM card and PC banking, which includes free telephone banking and Fleet business credit express.

FBNH offers a number of traditional retail products to its customers, including checking and savings, direct deposit, various loan products, and investments. Other services include safe deposit boxes and free municipal government check cashing services. In addition to the services FBNH delivers through the network of branches and ATMs, consumers and small business

customers are provided with electronic access to their accounts on a 24 hour per day basis via a variety of alternative delivery products including the following

- Fleet ATM/Select
- PC Banking
- AM Fax (small business)
- Telephone Banking
- Bill Payer Service
- Select Card Purchases

FBNH also offers non-financial products to its customers for educational purposes. Seven videos are available to the public, one of which is available on the internet via Fleet's web site, about obtaining and managing credit, starting a business, and saving money. The videos are mostly targeted at teenagers, and some are available in Spanish as well as English.

On February 28, 1998, FBNH introduced a new in-branch initiative called Business Solutions Centers. A specially trained branch manager and a small business specialist who processes loan applications, opens new accounts, and answers general inquiries from small business customers manage each center. Each center also provides product information targeting small businesses and entrepreneurs. There are sixteen centers in New Hampshire.

Assessment Areas

As indicated below in Table 3-B, in the Northwestern AA, which includes most of the counties in the state, FBNH operates 18 branches. In the South Central AA, FBNH operates 17 branches.

TABLE 3-B GEOGRAPHIC DISTRIBUTION OF BRANCHES BY ASSESSMENT AREA				
Assessment Area	# of Branches	% Total	% Total Population	% L & MI Families
Northwestern	18	37.5%	38.5%	39.9%
South Central	17	35.4%	31.9%	31.3%

Table 3-C illustrates the number of branches within the two assessment areas by census tract

TABLE 3-C BRANCH LOCATIONS BY CENSUS TRACT INCOME GEOGRAPHY			
	<u>Assessment Area</u>	<u># of Branches</u>	<u>% Total Branches</u>
<u>Low</u>	<u>South Central</u>	2	4 17%
<u>Moderate</u>	<u>Northwestern</u>	3	6 25%
	<u>South Central</u>	2	4 17%
<u>Middle</u>	<u>Northwestern</u>	13	27 08%
	<u>South Central</u>	11	22 92%
<u>Upper</u>	<u>Northwestern</u>	2	4 17%
	<u>South Central</u>	2	4 17%

Northwestern AA

In the Northwestern AA, eleven branches (65 percent) have Saturday hours. Two of these branches are located in moderate-income census tracts. Fourteen branches (82 percent) have extended Friday hours, and nine branches (52 percent) have extended Thursday hours. All branches in the moderate-income census tracts have extended Friday hours. Five branches have bilingual staff (four offer French and one offers Arabic, Albanian, German, Serbian, Vietnamese, Hindu, and French).

Four branches were closed in 1996 in the AA. One was located in a moderate-income census tract, two were located in middle-income census tracts, and one was located in an upper-income census tract.

Twenty-nine ATMs are located in the Northwestern AA, and twenty-six ATMs are located in the South Central AA. In the Northwestern AA, three branches (18 percent) offer bilingual ATM service. Two ATMs are located in moderate-income census tracts and one is in a middle-income census tract. (All three offer French and one offers Spanish).

There are three Business Solutions Centers in the AA.

South Central AA

In the South Central AA, twelve branches (75 percent), two of which are located in moderate-income census tracts, are open for business on Saturday. Six branches (31 percent), one of which is in a moderate-income census tract, have extended hours on Friday. Seven branches (44 percent), located in middle- and upper-income geographies have extended hours on Thursday. Four branches in the South Central AA have bilingual staff. One branch is located in a low-income census tract, one is in a moderate-income census tract, and two are located in middle-income census tracts.

In the AA, six branches were closed in 1996. Two were located in moderate-income census tracts, three were in middle-income census tracts, and one was in an upper-income census tract.

In AA, eight branches offer bilingual ATM service (Spanish or French). One branch is in a low-income census tract, two are in moderate-income census tracts, four are in middle-income census tracts and one is in an upper-income census tract.

There are seven Business Solution Centers in AA.

The institution provides a limited level of community development services. The following is a list of FBNH's community development services:

Twin Pines Housing Trust: FBNH provided technical assistance in order to help the Trust reorganize its financial situation.

NH Community Reinvestment Corporation. FBNH is a member of the New Hampshire Community Reinvestment Corporation (NHCRC, a banking consortium designed to provide financing for affordable housing projects in NH). FBNH has committed staff to the Loan and Operations Committee and Board of Directors.

Fleet Mortgage employees are also involved with New Hampshire Housing Authority and Consumer Credit Council of Portsmouth.