

PUBLIC DISCLOSURE

April 13, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Fleet Bank of Maine
01-2301200000
One City Center
Portland, Maine 04104**

**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.

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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 Community Reinvestment Act (CRA) performance of Fleet Bank of Maine ("FBMe") 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 examination of Fleet Bank of Maine ("FBMe") commenced April 13, 1998, and is based on an evaluation of the institution's CRA performance for the period of April 15, 1996 through March 31, 1998. Three of the bank's seven markets, or assessment areas in the state were selected for review using the full scope examination procedures. These three assessment areas (AA) are the Southern AA, containing the Lewiston and Portland MSAs, the Washington County AA, and the Western AA. Within the seven AAs there are 354 census tracts that cover most of the state, which consists of a total of 383 census tracts. The only portion of the state outside of the seven AAs is Aroostook County. The AAs not reviewed under the full scope procedures are the Penobscot County AA, the Piscataquis County AA, the Coastal AA, and the York County AA. Based on our statewide analysis, FBMe's performance in these areas was 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, refinancing, 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 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

these affiliates are Fleet National Bank, Fleet Bank-NH, Fleet Bank, N A , Fleet Bank, F S B , and Fleet Mortgage Corporation

An analysis of the bank'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 limited comparative data available. The bank's residential and small business loan activity received greater weight in the lending analysis since they are identified by community contacts as the primary credit needs in the state. In addition to evaluating retail lending activity, the bank's community development lending was assessed.

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

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

Overall, FBME and its affiliates originated 35,776 residential mortgage, small business, and consumer loans totaling more than \$489.0 million within the state of Maine 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. FBME's small business lending activity analyzed by business revenue and loan size shows excellent performance in the extension of loans to smaller businesses. An analysis of the geographic distribution of small business loans for the institution indicates good penetration of lending across all income levels of geographies, approximating either the percentage of tracts or the percentage of population inhabiting those tracts. During the examination period the bank's consumer lending originations by volume exceeded the bank's other lending products. The bank's data shows 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 Maine and New Hampshire. The bank's investment portfolio showed a significant level of qualified investments and grants not routinely provided by private investors. Services were deemed reasonable and accessible by the entire community.

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

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

Fleet Bank of Maine 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.

FBMe is a full service retail bank serving the Maine market. FBMe is headquartered in Portland, Maine 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, FBMe had assets of \$2.1 billion. FBMe is one of many FFG subsidiaries located throughout the country. FBMe's asset size and financial condition indicate that it has the ability to meet the credit needs of its AAs. There are no legal or other impediments to the institution's ability to meet those needs.

FBMe operates 85 branches and 21 Fleet stand-alone ATMs throughout the state of Maine. These branches serve the bank's seven AAs in that state. The AAs are discussed in more detail in the "Description of Assessment Area" portion of this report.

DESCRIPTION OF ASSESSMENT AREA

The bank has seven AAs comprising essentially the entire state of Maine. We reviewed three of the AAs, using full scope examination procedures. Since the bank's market comprises nearly the entire state, we also reviewed FBMe's statewide performance, which includes all seven of its AAs in Maine. Therefore, demographic and economic data about the state is provided for comparison purposes, along with performance context data specific to the individual AAs reviewed.

The state of Maine is primarily rural in nature and contains 383 census tracts. The table below breaks out the state's census tracts by number and percentage within four income categories: low-income, moderate-income, middle-income, and upper-income.

Census Tracts ¹	Low-Income	Moderate-Income	Middle-Income	Upper-Income
Number	26	58	260	39
Percentage	6.8%	15.1%	67.9%	10.2%
Percentage of Population	0.9%	11.0%	75.8%	12.3%

The state contains four Metropolitan Statistical Areas (MSAs), three of which lie in their entirety within the borders of Maine. The fourth MSA covers the southern-most point of York County and lies primarily in New Hampshire. Since the state possesses very few MSAs, the AA tables show that information for the nonmetropolitan areas of the state generally match the overall statewide figures.

¹ The four income categories are measured by comparing the median income level of each census tract to the median income level of either the metropolitan or nonmetropolitan area in which they are located. 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 median family income for the state is \$32,422. The most affluent county is Cumberland County with a median family income of \$38,822. This county contains the Portland MSA. The least affluent county is Washington County with a median family income of \$23,824. During the examination community contacts indicated that the primary credit needs for low- and moderate-income borrowers in the state are motor vehicle loans, small business loans, affordable housing, and housing rehabilitation/improvement loans. The descriptions of AAs provided below contain comparisons to statewide figures. Therefore, additional statewide figures are not repeated in this section.

The state of Maine is currently experiencing an economic transition. The primary industries once included farming, fishing, logging, poultry processing, and shoe and paper manufacturing. The trend now is toward technology industries such as electronics, computer chips, and telecommunications. Since 1990 the state's nonagricultural employment figure has increased 6.7%. As of early 1997 the state had regained 35,000 jobs lost during the recession, and another 5,000 positions have been added. This change in employment figures primarily benefited those living in Cumberland and York Counties, the more populated counties in the state. Portland, located in Cumberland County, has been successful in attracting start-up enterprises and businesses interested in relocating. Recently the National Semiconductor Company opened a facility in Portland. Other technology firms are following suit.

In more remote areas of the state the economy is not as strong. Many rural parts of the state have experienced a drain of population as people search for jobs. These areas were harder hit by the closing of paper mills, air force facilities, and manufacturing facilities in the state. One major employer outside the urban centers is the MBNA credit card company, which employs 3,000 people statewide and has facilities in Belfast and Camden.

The recent turn in the economy is evidenced by the following figures: the statewide population has increased 1.2% since 1990, due in part to the growing economy in urban areas, and the per capita growth rate has increased 17.5% between 1990 and 1995.

Washington County AA

The Washington County AA is located along the Eastern Shore of the state. This AA contains 16 census tracts and a population of 35,308. The tract and population distribution by income level is as follows:

Table 2		
Tract Categories	Census Tracts	Total Population
Low-income	1	0
Moderate-income	9	20,161
Middle-income	6	15,147
Upper-income	0	0

Tables 3, 4, and 5 below present relevant demographic data for this area. Table 6 contains relevant economic and housing data on the area. The Washington County AA is primarily rural in nature with a population of just over 35,000 people. Because the median family income in the area is only 73.0% of the statewide figure, this is the bank's least affluent AA.

TABLE 3	Population	Median Family Income	Families Below Poverty Level	
			#	%
Assessment Area	35,308	\$23,824	1,444	14.8
State of Maine	1,227,928	\$32,422	26,313	8.0
Nonmetro Maine	759,390	\$30,575	18,228	8.8

TABLE 4	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%
Assessment Area	2,882	29.5	2,156	22.0	2,128	21.8	2,615	26.7
State of Maine	61,011	18.4	62,669	18.9	83,163	25.1	123,988	37.5
Nonmetro Maine	39,465	19.0	39,357	19.0	50,612	24.4	77,991	37.6

Tables 3 and 4 above show that families in Washington County have a much lower median family income than other areas in the state. Nearly 30.0% of the families in this AA are low-income. This percentage is significantly higher than the statewide percentage of 18.4%. The percentage of families below the poverty level is almost double that of the state. Within this AA and primarily along the coastline, the bank operates five branches.

TABLE 5 Tract Categories	Census Tracts		Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%	#	%
Low Income	1	6.3	0	0	0	0	0	0	0	0
Moderate Income	9	56.3	1,918	66.6	1,394	64.7	1,182	55.5	1,169	44.7
Middle Income	6	37.5	964	33.4	762	35.3	946	44.5	1,446	55.3
Upper Income	0	0.0	0	0	0	0	0	0	0	0
Assessment Area	16	100	2,882	100	2,156	100	2,128	100	2,615	100

Table 5 shows that the families in the AA live primarily in moderate-income census tracts. The families are fairly evenly distributed among the four income categories, with the number of low-income families exceeding the number of upper-income families by only 2.8%.

This AA is primarily rural in nature. The local economy in Washington County is dependent to a large extent on seasonal labor. The primary sources of employment in the county are the services industry, government, and retail trades. Most of the employers in the area are small establishments employing fewer than 50 employees.

TABLE 6	Unemployment		Total Housing Units	Owner Occupied Units		Median Age of Housing Stock
	#	%		#	%	
Assessment Area	1,614	10.7	19,124	10,568	55.3	29 years
State of Maine	40,722	6.5	587,045	327,928	55.9	28 years
Nonmetro Maine	26,244	7.0	381,310	211,712	55.5	29 years

Table 6 above shows that the assessment area's housing figures are comparable to those of the state. The majority (74.6%) of the housing units are single family units followed by mobile homes (13.2%). Units of 2-4 family comprise 5.5% of the housing stock, and 3.0% of the units are multifamily. The number of rental units in the AA is 2,850—14.9% of the area's housing.

units Median gross rents in the area are \$319, which is below the state median rent of \$419 The remainder of the housing stock (29.8% of the units) is vacant

Western AA

The Western AA is comprised of Somerset, Franklin, and Oxford Counties, located along the New Hampshire and Canadian borders These three counties possess 58 census tracts and a population of 131,377 The tract and population distribution by income level of census tract is as follows

Tract Categories	Census Tracts	Total Population
Low-Income	8	32
Moderate-Income	9	10,972
Middle-income	41	120,373
Upper-income	0	0

The bank operates eight branches, located primarily in the southern portion of the AA Tables 8, 9, and 10 present relevant demographic data for this area Table 11 contains relevant economic and housing data on the area

Assessment Area	Population	Median Family Income	Families Below Poverty Level	
			#	%
Assessment Area	131,377	\$28,048	3,624	10.1
State of Maine	1,227,928	\$32,422	26,313	8.0
Nonmetro Maine	759,390	\$30,575	18,228	8.8

Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%
Assessment Area	8,054	22.5	7,301	20.4	8,795	24.5	11,717	32.7
State of Maine	61,011	18.4	62,669	18.9	83,163	25.1	123,988	37.5
Nonmetro Maine	39,465	19.0	50,612	24.4	50,612	24.4	77,991	37.6

The tables show that families in the AA have a slightly lower median family income than other portions of the state This AA's median family income is 87.0% of the statewide figure Of the families in this AA the largest percentage (32.7%) are upper-income followed by middle-income (24.5%)

Tract Categories	Census Tracts		Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%	#	%
Low Income	8	13.8	11	0.1	0	0	0	0	0	0
Moderate Income	9	15.5	1,036	12.9	690	9.5	655	7.4	687	5.9
Middle Income	41	70.7	7,007	87.0	6,611	90.5	8,140	92.6	11,030	94.1
Upper Income	0	0.0	0	0	0	0	0	0	0	0
Assessment Area	58	100.0	8,054	100	7,301	100	8,795	100	11,717	100

Table 10 shows that the AA is comprised primarily of middle-income tracts. Most families in the AA live in these middle-income tracts, despite the differences in income among the families.

This portion of the bank's market is primarily rural and although the unemployment rate for the AA is 2.0% higher than the rate for the state, the local economy is stable and growing. The primary sources of employment by industry in this tri-county AA are manufacturing, services, and retail trades. As in most other portions of the state, the majority of the employers in the AA are small establishments employing fewer than 50 persons.

TABLE 11	Unemployment		Total Housing Units	Owner Occupied		Median Age of Housing Stock
	#	%		#	%	
Assessment Area	5,355	8.5	71,896	37,716	52.5	30 years
State of Maine	40,722	6.5	587,045	327,928	55.9	28 years
Nonmetro Maine	26,244	7.0	381,310	211,712	55.5	29 years

Table 11 above shows that the AA's owner occupancy rates are slightly below that of the state (52.5% compared to 55.5%) and that the housing stock is slightly older than the median for the state. The majority (68.3%) of the housing units are single units followed by mobile homes (12.2%). Units of 2-4 families comprise 10.0% of the stock, and 6.6% of the units are multifamily. The number of rental units in the AA is 11,639—16.2% of the area's housing units. Median gross rents are \$339, which is below the state median rent of \$419. The remainder of the housing stock (31.4%) is vacant.

Southern AA

The Southern AA consists of Androscoggin and Cumberland counties in the southern portion of the state. These two counties contain the Portland and Lewiston-Auburn MSAs. The MSAs do not comprise the entire counties, but do encompass a substantial majority of both counties—87 of the area's 99 census tracts. Therefore, MSA figures approximate those for the combined two-county area. This AA has a population of 348,394—28.0% of the state population. The tract and population distribution by income level of census tract is as follows:

TABLE 12		
Tract Categories	Census Tracts	Total Population
Low-income	10	10,260
Moderate-income	13	35,594
Middle-income	63	249,501
Upper-income	13	53,039

Tables 13, 14, and 15 present relevant demographic data for this metropolitan area of the state. Table 16 contains relevant economic and housing data.

TABLE 13	Population	Median Family Income	Families Below Poverty Level	
			#	%
Assessment Area	348,394	\$36,451	6,082	6.6
Portland MSA	221,295	\$39,346	3,300	5.7
Lewiston MSA	97,007	\$32,054	2,253	8.7
State of Maine	1,227,928	\$32,422	26,313	8.0
Nonmetro Maine	759,390	\$30,575	18,228	8.8

TABLE 14	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%
Assessment Area	15,516	16.9	16,955	18.4	23,885	26.0	35,613	38.7
Portland MSA	9,922	17.1	11,458	19.7	15,283	26.3	21,443	36.9
Lewiston MSA	4,881	18.8	4,559	17.5	6,794	26.1	9,786	37.6
State of Maine	61,011	18.4	62,669	18.9	83,163	25.1	123,988	37.5
Nonmetro Maine	39,465	19.0	50,612	24.4	50,612	24.4	77,991	37.6

Because the AA possesses two of the MSAs in the state, families living here have higher median family incomes than the rest of the state (Table 14). Cumberland County is the most affluent county in the state and this is the bank's most affluent AA. There are fewer families below the poverty level than that of the state overall. In this AA 38.7% of the families were upper-income, a slightly higher figure than the 37.5% for the state.

TABLE 15 Tract Categories	Census Tracts		Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families	
	#	%	#	%	#	%	#	%	#	%
Low Income	10	10.1	1,274	8.2	320	1.9	199	0.8	128	0.4
Moderate Income	13	13.1	2,795	18.0	1,682	9.9	1,719	7.2	1,469	4.1
Middle Income	63	63.6	10,266	66.2	13,017	76.8	18,570	77.7	25,394	71.3
Upper Income	13	13.1	1,181	7.6	1,936	11.4	3,397	14.2	8,622	24.2
Assessment Area	99	100.0	15,516	100	16,955	100	23,885	100	35,613	100

Table 15 above shows that the AA is comprised primarily of middle-income tracts and of families that are upper-income (38.7%). The majority of families (73.0%) in the AA live in the area's middle-income census tracts.

Since this AA contains two of the state's metropolitan areas and the economy is growing, the unemployment rates for the AA are lower than the state rate. The primary sources of employment by industry in the combined metropolitan AA are the services industry, retail trades and manufacturing. Small establishments employing fewer than 50 employees primarily support the economy's services and retail trades. This AA contains 32.0% of the smaller establishments in the entire state.

Table 16 shows that the AA possesses 26.0% of the state's housing stock. The area's occupancy rates match the statewide owner occupancy rates, but the AA possesses much older housing stock. The majority of the housing units in the AA are single family (57.3%), followed by 2-4 family units (20.8%). Multi-family units comprise 15.3% of the stock while 5.6% of the housing is mobile homes. There are 48,811 rental units in the AA, comprising 31.8% of the area's housing units. Median gross rents in the area are \$466, a figure that is higher than the state median rent of \$419. The remainder (12.5%) of the housing stock is vacant.

TABLE 16	Unemployment		Total Housing Units	Owner Occupied		Median Age of Housing Stock
	#	%		#	%	
Assessment Area	10,623	5.7	153,705	85,718	55.8	45 years
Portland MSA	6,492	5.3	99,134	55,384	55.9	45 years
Lewiston MSA	3,493	6.9	40,393	22,426	55.5	41 years
State of Maine	40,722	6.5	587,045	327,928	55.9	28 years
Nonmetro Maine	26,244	7.0	381,310	211,712	55.5	29 years

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The lending test is based on five performance criteria: 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

FBME and its affiliates originated 35,776 mortgage, small business, and consumer loans totaling more than \$489 million within the state of Maine during this examination period. Lending activity overall reflects good responsiveness to credit needs in the AAs, and good borrower and geographic distribution. 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 of Maine during the examination period.

TABLE 1-A LOAN ORIGINATIONS WITHIN THE STATE OF MAINE				
Loan Type	# of Loans	%	\$ of Loans (000's)	%
Home Mortgage	4,498	12.0%	\$230,568	47.0%
Small Business	1,028	3.05%	\$83,404	17.0%
Small Farm	1	0	\$15	0
Consumer	30,249	85.05%	\$175,020	36.0%
Total	35,776	100.0%	\$489,007	100.0%

During the examination period the bank's consumer loan originations exceeded the bank's other lending products. The majority of the bank's lending activity is attributable to a high volume of originations for credit cards and "other unsecured" products such as personal loans and credit lines. The "other unsecured" and credit card products were consistently the heaviest in volume during the period under review. The other unsecured products represent 65.0% of the total consumer lending volume, while credit cards represent 23.0%. Table 1-B reflects the bank's consumer lending within the state by number and dollar volume, and by product category.

Product Type	1996		1997		1998*		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	572	\$3,403	1,249	\$14,963	25	\$216	1,846	\$18,582
Credit Card	3,984	\$20,850	2,832	\$12,615	230	\$1,040	7,046	\$34,505
Home Equity	430	\$15,062	434	\$19,875	49	\$3,181	913	\$38,118
Other Secured	389	\$1,980	434	\$2,699	63	\$301	886	\$4,980
Other Unsecured	10,693	\$41,429	7,686	\$31,954	1,176	\$5,452	19,555	\$78,835
Totals	16,068	\$82,724	12,635	\$82,106	1,543	\$10,190	30,246	\$175,020

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

Geographic Distribution

Home Mortgage Lending

Statewide

Statewide, during the review period, FBME originated 4,498 mortgage loans for \$230.0 million in 319 of the 354 geographies within the AAs. Outside of the state, the bank originated 19 mortgage loans totaling \$3.1 million.

Table 2-A below compares the percentage distribution of mortgage loans originated by tract with the percentage of census tracts by income and the percent of population in these tracts. As reflected in Table 2-A, the bank's lending closely matches the percentage of population across the geographies.

<i>Geographies</i>	<i>Low-income</i>	<i>Moderate-income</i>	<i>Middle-income</i>	<i>Upper-income</i>
Percentage of originations	0.1%	6.0%	78.0%	16.0%
Percentage of tracts	6.8%	15.1%	67.9%	10.2%
Percentage of Population	1.0%	11.0%	76.0%	12.0%

Table 2-B shows the number and dollar volume of the bank's mortgage lending products in each income category

Type of Loan	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	1	36	26	1,700	578	51,000	139	26,000
Refinance	1	25	117	4,200	1523	71,500	340	38,400
Home Improvement	1	8	119	2,100	1424	29,400	229	5,700
Owner-Occupied Units	531	-	28,379	-	255,835	-	43,183	-
Multi-Family Loans	0	0	0	0	0	0	0	0
Multi-Family Units	3,759	-	12,213	-	35,516	-	3,411	-

Within the state's low-income tracts the bank has originated three loans since the last examination. It should be noted that the percentage of population living in these areas is small with little loan demand. Twelve of the 26 low-income tracts have no population at all. Most of the bank's mortgage loans were extended in middle-income tracts at 78.0% where the majority of the population and housing units are located in the state. With the exception of moderate-income tracts, which possess slightly fewer people than the upper-income tracts, the bank's lending activity closely matches the percentage of population across the geographies.

Washington County AA

In the Washington County AA geographic distribution overall is good. Within the AA FBME originated 121 mortgage loans, or 2.7% of the bank's mortgage lending activity for the state. Table 2-C shows this loan distribution by income level of census tracts within the AA by number and dollar volume.

Type of Loan	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	0	0	4	\$220	7	\$280	0	0
Refinance	0	0	26	\$839	15	\$335	0	0
Home Improvement	0	0	41	\$732	28	\$421	0	0
Owner-Occupied Units	0	-	6,312	-	4,256	-	0	-
Multi-Family Loans	0	0	0	0	0	0	0	0
Multi-Family Units	0	-	166	-	408	-	0	-

The bank extends construction financing to developers of multi-family housing, but has not provided any permanent financing during this examination period. Therefore, no multi-family loans are reported.

On a percentage basis and by volume of mortgage loans originated in the AA geographies, 59.0% and 41.0% respectively were in moderate- and middle-income tracts. By dollar volume, 63.0% were in moderate-income tracts and 37.0% in middle-income tracts.

Western AA

Within the Western AA, FBMe originated 121 mortgage loans, or 11.0% of the bank's mortgage lending activity for the state. Table 2-D shows this bank's distribution by income level of census tracts within the tri-county area, by number and dollar volume.

TABLE 2-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	0	0	6	465	60	4,094	0	0
Refinance	0	0	27	804	161	6,563	0	0
Home Improvement	0	0	24	379	209	3,649	0	0
Owner-Occupied Units	0	-	6,312	-	4,256	-	0	-
Multi-Family Loans	0	0	0	0	0	0	0	0
Multi-Family Units	0	-	166	-	408	-	0	-

The bank's lending falls in the moderate- and middle-income census tracts where 99.9% of the population resides. As a percentage, 88.0% of the bank's loans in the area are in middle-income tracts. These tracts comprise 70.0% of the total tracts in the AA, limiting the geographic distribution analysis in this AA. The analysis by borrower income discussed later in this report is a better indicator of the bank's lending performance.

Southern AA

Within the bank's two-county Southern AA, FBMe originated 1,426 mortgage loans, which represents 32.0% of the bank's mortgage lending activity for the state. Table 2-E shows the loan distribution by income level of the census tracts, and by number and dollar volume.

TABLE 2-E 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	1	36	12	876	212	21,259	95	21,230
Refinance	1	25	18	1,022	432	24,166	185	29,329
Home Improvement	1	8	14	181	334	6,886	119	3,121
Owner-Occupied Units	0	-	6,312	-	4,256	-	0	-
Multi-Family Loans	0	0	0	0	0	0	0	0
Multi-Family Units	0	-	166	-	408	-	0	-

Table 2-E shows that the bank's lending falls in the more numerous and populated middle-income tracts. On a percentage basis, 69.0% of the bank's loans in the AA were in the middle-income tracts. These tracts comprise 64.0% of the tracts in the whole AA.

Small Business Lending

Statewide

On a statewide level for 1997 and for the first quarter 1998, FBME originated a total of 1,028 small business loans in the amount of approximately \$83 million. The bank also originated one small farm loan for \$15,000. Table 2-F shows the geographic distribution of the bank's small business loans across the state.

TABLE 2-F DISTRIBUTION OF SMALL BUSINESS LOANS BY GEOGRAPHY								
Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	17	1,862	121	11,542	743	60,282	146	9,718

By number, the bank extended 72.0% of its small business loans in middle-income tracts, followed by 14.0% in the upper-income tracts. Most of the tracts (67.9%) in the state are middle-income followed by moderate-income (15.1%). Upper-income tracts represent 10.2% of the total. By dollar volume, most of the loans (72.0%) were originated in middle-income tracts. Moderate-income tracts received the remaining 14.0% of loans.

The bank's geographic distribution of small business loans exceeds the percentage of middle- and upper-income tracts, but across all four income categories the bank's lending distribution closely matches the percentage of population in each tract, as provided in the performance context section of this report.

Washington County AA

The Washington County AA contains no upper-income census tracts and the only low-income tract is not populated. Therefore, the geographic distribution analysis is limited. Within the AA the bank extended nine small business loans for \$420,000. Table 2-G below shows the geographic distribution of the bank's small business loans within the AA. FBMe extended 66.5% of its small business loans in middle-income tracts, followed by 33.5% in the moderate-income tracts. By dollar volume, most of the loans (82.0%) were originated in middle-income tracts.

TABLE 2-G DISTRIBUTION OF SMALL BUSINESS LOANS BY GEOGRAPHY								
Type of Loan	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	0	0	3	75	6	345	0	0

Western AA

FBMe originated 51 small business loans totaling approximately \$4.0 million in this AA. Table 2-H below shows the geographic distribution of the bank's small business loans within this AA. This AA contains no upper-income tracts and the eight low-income tracts contain very few people and businesses. This limits the geographic analysis to moderate- and middle-income tracts. By number, the bank extended 88.0% of its small business loans in middle-income tracts, and the remaining 12.0% in the moderate-income tracts. Most of the tracts in the AA are middle-income (71.0%), followed by moderate- and low-income tracts (16.0% and 14.0%, respectively). By dollar, most of the loans (93.0%) were originated in middle-income tracts. The remaining 7.0% were originated in moderate-income tracts.

TABLE 2-H DISTRIBUTION OF SMALL BUSINESS LOANS BY GEOGRAPHY								
Type of Loan	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	0	0	6	288	45	3,826	0	0

Southern AA

In the Southern AA, FBMe extended 411 small business loans for \$37.0 million, representing 40.0% and 44.0% respectively of the totals for the state by number and dollar. The bank did not originate any small farm loans in this AA.

Table 2-I below shows the geographic distribution of the bank's small business loans in this two county area. Table 2-I reflects that the bank's geographic distribution of small business loans is consistent with the demographic characteristics of the geographies in this AA.

Type of Loan	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Small Business	15	1,832	73	7,105	254	23,174	69	4,907

This AA contains the Portland and Lewiston-Auburn MSAs, encompassing a concentration of the state's business centers and 28.0% of the state's population. By number, the bank extended 62.0% of its small business loans in middle-income tracts, followed by 18.0% in the moderate-income tracts. Most of the tracts in the AA are middle-income at 64.0%, followed by moderate- and upper-income each at 13.1%. By dollar, 63.0% of the loans were originated in middle-income tracts, and 19.0% were originated to moderate-income tracts.

Consumer Lending

Statewide

The bank's seven designated AAs encompass a majority of the 383 tracts in the state. Within the 354 tracts in FBME's AAs, the bank originated 30,246 consumer loans for \$175.0 million. Outside of the state, the bank originated 226 consumer loans totaling \$2.3 million.

At the statewide level, Tables 2-J and 2-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	108	332	104	398	24	129
Moderate-Income	1,397	5,800	1,246	6,679	117	626
Middle-Income	12,640	64,431	9,844	62,622	1,187	6,975
Upper-income	1,923	12,161	1,441	12,407	215	2,460
Total	16,068	82,724	12,635	82,106	1,543	10,190

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

In Table 2-K, 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	10	93	124	1,143	1,477	14,388	235	2,958
Credit Card	68	225	549	2,179	5,456	26,664	973	5,437
Other Secured	14	40	117	610	669	3,872	86	458
Other Unsecured	142	451	1,911	6,804	15,387	62,594	2,115	8,986
Tracts*	26	-	58	-	260	-	39	-
Home Equity	2	50	59	2,369	682	26,510	170	9,189
Owner-Occupied Units	531	-	28,379	-	255,835	-	43,183	-

* 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 of the consumer loans, both by number (78 0%) and by dollar volume (77 0%) By product type, the "other unsecured" category was the most common product across all income categories, 63 0% by number and 45 0% by dollar volume

FBMe's geographic distribution of consumer lending is consistent with the distribution of borrowers and geographies The majority of the population reside in middle-income census tracts, which comprise 68 0 percent of the AA's geographies Some of the low-income tracts have no population at all Table 2-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 1%	9 1%	78 0%	12 0%
Percentage of tracts	6 8%	15 1%	67 9%	10 2%
Percentage of Population	1 0%	11 0%	76 0%	12 0%

As evidenced by Table 2-L, FBMe's geographic distribution of consumer loans approximates the geographic distribution of the population and the percentage of tracts

Washington County AA

In the Washington County AA, the bank originated 1,071 consumer loans for \$4.9 million during the review period. Similar to the statewide figures, the bank's "other unsecured" product was the most popular, 78.0% by number and 63.0% by dollar volume. Table 2-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	9	\$64	20	\$217	0	0	29	\$281
Credit Card	78	\$284	51	\$209	3	\$8	132	\$501
Home Equity	10	\$458	11	\$170	3	\$143	24	\$771
Other Secured	30	\$202	22	\$145	0	0	52	\$347
Other Unsecured	502	\$1,694	302	\$1,155	30	\$187	834	\$3,036
Totals	629	\$2,702	406	\$1,896	36	\$338	1,071	\$4,936

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

Tables 2-N and 2-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	0	\$0	0	0	0	0
Moderate-Income	400	\$1,747	240	\$1,091	11	\$141
Middle-Income	229	\$955	166	\$805	25	\$197
Upper-Income	0	0	0	0	0	0
Total	629	\$2,702	406	\$1,896	36	\$338

In Table 2-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	0	0	14	\$141	15	\$140	0	0
Credit Card	0	0	77	\$255	55	\$246	0	0
Other Secured	0	0	42	\$283	10	\$64	0	0
Other Unsecured	0	0	502	\$1,637	332	\$1,399	0	0
Tracts*	1	-	9	-	6	-	0	-
Home Equity	0	0	16	\$663	8	\$108	0	0
Owner-Occupied Units	0	-	6,312	-	4,256	-	0	-

* Number of tracts within the income category

The populated census tracts in the AA are moderate- and middle-income and this is where the bank originates all of its consumer loans. Table 2-P below reflects 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 0%	61 0%	39 0%	0 0%
Percentage of tracts	6 0%	56 0%	38 0%	0 0%
Percentage of Population	0 0%	57 0%	43 0%	0 0%

As evidenced in Table 2-P, FBMe's geographic distribution of consumer loans in this AA approximates the geographic distribution of the population and percentage of tracts.

Western AA

FBMe originated 2,909 consumer loans for \$14.8 million during the review period in the AA. Similar to the statewide figures, the bank's "other unsecured" products were the most popular at 69.0% by number and 53.0% by dollar volume. Table 2-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	38	\$338	58	\$635	2	\$16	98	\$989
Credit Card	363	\$1,635	244	\$1,068	13	\$55	620	\$2,758
Home Equity	48	\$1,531	37	\$1,235	2	\$38	87	\$2,804
Other Secured	34	\$173	46	\$303	3	\$8	83	\$484
Other Unsecured	1,132	\$4,126	775	\$3,225	114	\$513	2,021	\$7,864
Totals	1,615	\$7,803	1,160	\$6,466	134	\$630	2,909	\$14,899

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

Tables 2-R and 2-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	131	\$593	133	\$872	9	\$50
Middle-Income	1,484	\$7,210	1,027	\$5,594	125	\$580
Upper-Income	0	0	0	0	0	0
Total	11,615	\$7,803	1,160	\$6,466	134	\$630

In Table 2-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	8	\$77	90	\$912	0	0
Credit Card	0	0	45	\$181	575	\$2,577	0	0
Other Secured	0	0	14	\$67	69	\$417	0	0
Other Unsecured	0	0	194	\$694	1,827	\$7,170	0	0
Tracts*	8	-	9	-	41	-	0	-
Home Equity	0	0	12	\$496	75	\$2,308	0	0
Owner-Occupied Units	13	-	3,238	-	34,465	-	0	-

* Number of tracts within the income category

The more populated census tracts in the AA are moderate- and middle-income, and this is where the bank originates all of its consumer loans

Table 2-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

Geographies	Low-income	Moderate-income	Middle-income	Upper-income
Percentage of originations	0 0%	9 3%	91 0%	0 0%
Percentage of tracts	14 0%	16 0%	71 0%	0 0%
Percentage of Population	0 02%	8 3%	91 0%	0 0%

As reflected in Table 2-T, FBMe's geographic distribution of consumer loans in this AA approximates the geographic distribution of the population

Southern AA

Within the Southern AA the bank originated 9,928 consumer loans for \$63 million. Similar to the statewide figures, the bank's "other unsecured" products were the most popular at 59 0% by number and 37 0% by dollar volume. Table 2-U reflects the number and dollar volume of consumer loans by product type within the AA

Product Type	1996		1997		1998*		Totals	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	204	\$1,134	505	\$6,375	10	\$90	719	\$7,599
Credit Card	1,562	\$8,453	1,094	\$4,988	110	\$550	2,766	\$13,991
Home Equity	135	\$5,214	181	\$9,973	25	\$1,723	341	\$16,910
Other Secured	114	\$518	126	\$763	23	\$133	263	\$1,414
Other Unsecured	3,126	\$12,192	2,261	\$9,109	452	\$2,088	5,839	\$23,389
Totals	5,141 **	\$27,511	4,167	\$31,208	620	\$4,584	9,928	\$63,303

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

** The difference in figures for 1996 between Tables 4-A and 4-B (additional 206 loans and \$965,000) is attributable to the bank's inclusion of lending in census tracts outside the two county assessment area under review, but within the Portland MSA

Tables 2-V and 2-W below show the number and dollar volume of the bank's consumer loan 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	108	\$332	104	\$398	23	\$128
Moderate-Income	422	\$1,740	417	\$2,149	56	\$228
Middle-Income	3,944	\$19,951	2,976	\$21,462	430	\$2,571
Upper-Income	873	\$6,453	670	\$7,199	111	\$1,657
Total	5,347**	\$28,476	4,167	\$31,208	620	\$7,710

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

** The difference in figures for 1996 between Tables 4-A and 4-B (additional 206 loans and \$965,000) is attributable to the bank's inclusion of lending in census tracts outside the two county assessment area under review, but within the Portland MSA

In Table 2-W 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. The table shows that the bank originates most (73.0%) of its consumer loans in the middle-income tracts of the AA.

Product Type	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Motor Vehicle	10	\$93	53	\$467	549	\$5,427	123	\$1,679
Credit Card	68	\$225	265	\$1,094	2,014	\$10,334	467	\$2,576
Other Secured	14	\$40	32	\$135	189	\$1,016	36	\$260
Other Unsecured	141	\$450	535	\$1,803	4,381	\$17,788	914	\$3,906
Tracts*	10	-	13	-	63	-	13	-
Home Equity	2	\$50	10	\$618	217	\$9,419	114	\$6,888
Owner-Occupied Units	518	-	4,293	-	65,063	-	15,844	-

* Number of tracts within the income category

Table 2-X below shows 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	2 3%	8 8%	73 0%	16 3%
Percentage of tracts	10 1%	13 1%	63 6%	13 1%
Percentage of Population	3 0%	10 2%	71 6%	15.2%

Table 2-X indicates that FBMe's geographic distribution of consumer loans in the AA approximates the geographic distribution of the population and exceeds the percentage of population in middle- and upper-income census tracts

Borrower Distribution

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

Home Mortgage Lending

Statewide

Table 3-A below illustrates the bank's mortgage lending across borrower income categories, in terms of number and dollar volume.

TABLE 3-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	20	745	107	6,000	163	11,800	263	32,100
Refinance	105	2,600	254	8,300	436	16,100	843	52,100
Home Improvement	140	1,900	280	4,400	471	8,700	759	19,000
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	265	5,250	641	18,700	1,070	36,600	1,865	103,200

* Analysis excludes borrowers for whom income was not available.

Table 3-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 3-B DISTRIBUTION OF FAMILIES								
Population	Low-Income		Moderate-Income		Middle-Income		Upper-Income	
	#	%	#	%	#	%	#	%
		61,011	18.4%	62,669	18.9%	83,163	25.1%	123,988

During the examination period the bank originated 3,841 residential loans to borrowers for whom income was available. The bank had a reasonable penetration among borrowers of different income levels, including low- and moderate-income borrowers. Low-income families in the state constitute 18.4% of the total families, and the bank originated 7.0% of its loans to low-income borrowers. The bank extended 17.0% of its loans to moderate-income borrowers while the percentage of families in that income category is 18.9%. The bank's extended 28.0% and 49% of its loans to middle and upper-income borrowers, while the percentage of families in those income categories is 25.1% and 37.5%.

Washington County AA

Table 3-C illustrates that the bank had an adequate penetration of mortgage loans to borrowers of different income levels in the AA

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	0	0	4	\$137	1	\$24	5	\$257
Refinance	7	\$170	10	\$188	8	\$270	14	\$468
Home Improvement	6	\$99	10	\$112	20	\$285	33	\$657
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	13	\$269	24	\$437	29	\$579	52	\$1,382

* Analysis excludes borrowers for whom income was not available

The bank originated 11 0% of the mortgage loans to low-income borrowers and 20 0% to moderate-income borrowers. The remaining 25 0% and 44 0% were to middle- and upper-income borrowers, respectively. By dollar amount the percentages are similar with 10 0% to low-income borrowers, 16 0% to moderate-income borrowers, 22 0% to middle-income borrowers, and 52 0% to upper-income borrowers.

Within this AA, the percentages of families by income category are fairly evenly distributed. The percentage of low-income families is highest at 30 0%, followed by upper-income at 27 0%.

Category	Percentage
Low-income families	30 0%
Moderate-income families	22.0%
Middle-income families	22 0%
Upper-income families	27 0%
Families Below Poverty	15 0%

Western AA

Table 3-D illustrates that the bank had an adequate penetration of mortgage loans to borrowers of different income levels in the AA. The table indicates that by number and dollar volume the bank lends primarily to upper-income borrowers, followed by middle-income borrowers.

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	2	\$75	9	\$434	11	\$792	26	\$1895
Refinance	17	\$366	25	\$807	45	\$1566	65	\$3062
Home Improvement	25	\$220	46	\$593	80	\$1466	65	\$1409
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	44	\$661	80	\$1,834	136	\$3,824	156	\$6,366

* Analysis excludes borrowers for whom income was not available

The bank originated 11 0% of mortgage loans to low-income borrowers and 19 0% to moderate-income borrowers. The remaining 32 0% and 38 0% were to middle- and upper-income borrowers, respectively. By dollar volume the percentages are similar, with 5 2% to low-income borrowers and 14 0% to moderate-income borrowers. A total of 30 0% of dollars went to middle-income borrowers and 50 0% to upper-income borrowers.

For comparison, the table below shows how the percentages of families by income category are distributed. The percentage of upper-income families is highest at 32 7%, followed by middle-income, low-income, and moderate-income families.

Category	Percentage
Low-income families	22 5%
Moderate-income families	20 4%
Middle-income families	24 5%
Upper-income families	32 7%
Families Below Poverty	10 1%

Southern AA

Table 3-E illustrates that the bank had an adequate penetration of mortgage loans to borrowers of different income levels in the AA. Table 3-E shows that by number and dollar volume the bank lends primarily to upper-income borrowers, followed by middle-income borrowers.

Type of Loan	Low-income		Moderate-income		Middle-income		Upper-income	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
Home Purchase	5	\$182	40	\$2,462	64	\$5,119	115	\$17,141
Refinance	23	\$692	53	\$2,223	131	\$5,337	291	\$25,118
Home Improvement	32	\$435	61	\$972	96	\$1,721	241	\$6,145
Multi-Family Loans	0	0	0	0	0	0	0	0
Total	60	\$1,309	154	\$5,657	291	\$12,177	647	\$48,404

* Analysis excludes borrowers for whom income was not available

By number on a percentage basis, the bank originated 5 0% of loans to low-income borrowers and 13 0% to moderate-income borrowers. The bank originated 25 0% and 56 0% to middle- and upper-income borrowers, respectively. By dollar volume the percentages are 2 0% to low-income borrowers and 8 0% to moderate-income borrowers. A total of 18 0% of dollars went to middle-income borrowers and 72 0% to upper-income borrowers. For comparison, within this AA the percentages of families by income category are presented in the next table.

Category	Percentage
Low-income families	17 0%
Moderate-income families	18 0%
Middle-income families	26 0%
Upper-income families	39 0%
Families Below Poverty	6 6%

Small Business Lending

Statewide

Statewide, all of the bank's loans were originated to businesses or farms with less than \$1 million in revenues. This reflects excellent penetration of the small business borrowers. All of FBMe's 1,027 small business loans totaling \$83,404,000 were extended to businesses with revenues less than \$1 million.

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 3-F below shows the number and dollar amount of small business loans by loan size ranging from under \$100,000 to \$1,000,000. FBMe's small business loans are primarily extended in amounts under \$100,000. By number this represents 81 0% and by dollar volume 37 0%.

This is consistent with the state's small business profile and with information received from community contacts who spoke of a need for small business lending. Table 3-F shows FBMe's Distribution of small business lending by loan size.

Type of Loan	Amount ≤\$100,000	Amount >\$100,00 ≤\$250,000	Amount >\$250,000 ≤\$1,000,000
Small Business #	836	133	58
Small Business \$	31,136	23,310	28,958

• Dollar figures reported in 000's

Washington County AA

In Washington County AA all of the bank's nine loans were originated to businesses with less than \$1 million in revenues for a total of \$420,000. In addition, all of these loans were for amounts of \$100,000 or less, demonstrating excellent penetration of smaller businesses in the area.

Western AA

The bank's small business lending to businesses of different sizes in the Western AA is also considered excellent. All of the bank's 51 loans, totaling \$4,114,000, were originated to businesses with less than \$1 million in revenues. Table 3-G shows the number and dollar amount of small business loans by loan size ranging from under \$100,000 to \$1,000,000. FBMe's small business loans are primarily extended in amounts under \$100,000, (78.0% by number and 37.0% by dollar volume).

**TABLE 3-G
SMALL BUSINESS ORIGINATIONS BY LOAN AMOUNT***

Type of Loan	Amount ≤\$100,000	Amount >\$100,000 ≤\$250,000	Amount >\$250,000 ≤\$1,000,000
Small Business #	40	8	3
Small Business \$	1,521	1,353	1,240

* Dollar figures reported in 000's

Southern AA

Within the Southern AA, all of the bank's 411 loans, totaling \$37,018,000, were originated to businesses with less than \$1 million in revenues. This reflects excellent penetration of borrowers in the area. By loan amount FBMe's small business loans are extended primarily in amounts under \$100,000 and represent 79.0% by number. By dollar volume 39.0% of the loans are extended in amounts between \$250,000 and \$1 million, followed by loans for under \$100,000 at 33.0%. Table 3-H shows the number and dollar amount of small business loans by loan size ranging from under \$100,000 to \$1,000,000.

**TABLE 3-H
SMALL BUSINESS ORIGINATIONS BY LOAN AMOUNT***

Type of Loan	Amount ≤\$100,000	Amount >\$100,000 ≤\$250,000	Amount >\$250,000 ≤\$1,000,000
Small Business #	324	59	28
Small Business \$	12,059	10,517	14,442

• Dollar figures reported in 000's

Consumer Lending

Statewide

Tables 3-I and 3-J below illustrate the bank's consumer lending across borrower income categories, by number and dollar volume for each year and product type

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	1,838	\$6,329	1,720	\$6,391	224	\$782
Moderate-Income	3,862	\$17,161	2,769	\$14,407	398	\$1,946
Middle-Income	3,800	\$20,387	2,924	\$17,625	432	\$2,124
Upper-Income	2,940	\$26,092	2,805	\$32,302	410	\$4,866
Total	12,440	\$69,969	10,218	\$70,725	1,464	\$9,718

* 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	171	1,376	356	3,652	438	4,856	571	8,513
Credit Card	1,036	3,463	1,651	7,224	1,752	8,948	2,232	13,294
Other Secured	265	1,130	221	1,152	159	1,018	149	1,321
Other Unsecured	2,278	6,788	4,686	17,991	4,651	20,375	2,659	11,658
Home Equity	32	745	115	3,495	156	4,939	544	28,474
Population*	61,011	18.4%	62,669	18.9%	83,163	25.1%	123,988	37.5%
Bank ** Percentage	16.0%	9.0%	29.0%	22.0%	30.0%	27.0%	26.0%	42.0%

* 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 3-J shows that FBME's borrower income distribution of consumer lending is fairly consistent with the income distribution of the population. FBME's distribution of borrowers reflects good penetration among retail customers of different income levels.

Washington County AA

Tables 3-K and 3-L below illustrate the bank's consumer lending across borrower income categories, by number and dollar volume

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	107	\$381	60	\$217	3	\$6
Moderate-Income	217	\$740	117	\$495	11	\$66
Middle-Income	95	\$479	74	\$416	9	\$51
Upper-Income	69	\$673	44	\$312	13	\$215
Total	488	\$2,273	295	\$1,440	36	\$338

* 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	1	\$11	5	\$44	11	\$130	8	\$96
Credit Card	21	\$53	35	\$132	42	\$176	22	\$98
Other Secured	10	\$74	12	\$52	12	\$100	10	\$98
Other Unsecured	137	\$439	289	\$962	112	\$515	77	\$338
Home Equity	1	\$27	4	\$111	1	\$25	9	\$570
Population*	2,882	29 5%	2,156	22 0%	2,128	21 8%	2,615	26 7%
Bank ** Percentage	16%	12 0%	32 0%	26.0%	17 0%	19 0%	12 0%	25 0%

* 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

With the exception of low-income borrowers, FBMe's borrower income distribution of consumer lending in Washington County is fairly consistent with the income distributions of the population. Consumer lending to moderate-income borrowers exceeds the percentage of families in that income category.

Western AA

Tables 3-M and 3-N below illustrate the bank's consumer lending across borrower income categories, by number and dollar volume for each year and product type

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	211	\$730	175	\$619	23	\$60
Moderate-Income	536	\$2,118	267	\$1,286	44	\$178
Middle-Income	246	\$1,381	268	\$1,592	40	\$214
Upper-Income	251	\$2,290	171	\$1,715	24	\$161
Total	1,244	\$6,519	881	\$5,212	131	\$613

* 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	9	\$56	15	\$139	29	\$296	34	\$464
Credit Card	101	\$325	151	\$579	151	\$712	188	\$1,031
Other Secured	25	\$125	23	\$88	16	\$130	10	\$84
Other Unsecured	269	\$820	646	\$2,425	340	\$1,546	166	\$730
Home Equity	5	\$83	12	\$351	18	\$503	48	\$1,857
Population*	8,054	22 5%	7,301	20 4%	8,795	24 5%	11,717	32 7%
Bank ** Percentage	18%	11 0%	38 0%	29 0%	25 0%	26 0%	20 0%	34 0%

* 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

With the exception of low-income borrowers, FBMe's borrower income distribution of consumer lending in the Western AA is fairly consistent with the income distributions of families. Consumer lending to moderate-income borrowers exceeds by number and dollar volume the percentage of the families in that income category.

Southern AA

Tables 3-O and 3-P below illustrate the bank's consumer lending across borrower income categories, by number and dollar volume

Income Category	1996		1997		1998	
	#	\$(000's)	#	\$(000's)	#	\$(000's)
Low-Income	649	\$2,051	656	\$2,491	101	\$371
Moderate-Income	1,097	\$5,217	859	\$4,921	147	\$694
Middle-Income	1,308	\$6,855	943	\$6,092	153	\$745
Upper-Income	1,081	\$10,406	1,095	\$14,533	193	\$2,589
Total	4,135	\$24,529	3,553	\$28,037	594	\$4,399

* 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	77	\$641	139	\$1,571	150	\$1,735	226	\$3,631
Credit Card	465	\$1,555	678	\$3,164	654	\$3,466	851	\$5,330
Other Secured	97	\$369	52	\$266	45	\$258	53	\$455
Other Unsecured	757	\$2,122	1,196	\$4,630	1,498	\$6,347	1,017	\$4,531
Home Equity	10	\$226	38	\$1,201	57	\$1,886	222	\$13,346
Population*	15,516	16 9%	16,955	18 4%	23,885	26 0%	35,613	38 7%
Bank ** Percentage	17 0%	9 0%	25 0%	19 0%	29 0%	24 0%	29 0%	48 0%

* 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

With the exception of low-income borrowers, FBMe's borrower income distribution of consumer lending in the Southern AA approximates the income distribution of the families in the area. Consumer lending to moderate-income borrowers exceeds by number and dollar volume the percentage of the families in that income category.

Community Development Lending

Statewide

FBMe has a high level of community development loans, particularly in the southern part of Maine, and in the state of New Hampshire. The majority of the bank's community development loan dollars are directed towards affordable housing loan pools located in Maine and New Hampshire. During the current examination period the bank's total qualified community development loans and commitments within the state amounted to approximately \$12.0 million, with actual dollar contributions totaling \$4.6 million. FBMe also provided financing of approximately \$9.0 million for the development of housing projects located in New Hampshire. The combined total for both states amounted to \$20.6 million.

In Maine, all but one of the housing developments are within the Southern AA, an area that contains a substantial portion of the state population. The bank has a commitment to lend up to \$7.3 million to the Maine Community Reinvestment Corporation (MeCRC), a \$30 million loan pool comprised of a consortium of twelve financial institutions. The MeCRC was established in 1996 to create capacity for meeting Maine'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 MeCRC has provided financing of more than \$1.0 million on nearly 90 units of affordable and special needs housing projects, with the bank contributing approximately \$227,000 of the total. Types of housing projects for which the MeCRC will provide financing are single family units, singlewide mobile homes, special needs, and multi-family rental housing.

Projects completed or closed by the MeCRC as of the date of the examination are Freeport Housing in Freeport, Community Housing of Maine – Bangor, Community Housing of Maine – Windham, Port Resources – South Portland, and Woodfords Family Services – Scarborough. Other projects are currently in the process of being closed or are under review.

FBMe's affordable housing loans also include three construction loans to affordable housing projects being developed by the New Hampshire Community Reinvestment Corporation. The Eagle Bluff project, Phase 1 and Phase 2, will add 80 units of affordable housing in the state of New Hampshire. The bank is also providing construction financing on a third project, Addison Place, located in Dover, New Hampshire. When completed, Addison Place will have 45 family townhouses available for low-income families and individuals.

FBMe provided construction financing for the expansion of an existing independent living facility for the elderly, which currently is comprised of 36 units. Home for the Aged is a nonprofit organization that is expanding the facility by adding another 54 units. Twenty of the assisted living units are reserved by the organization for Medicaid recipients.

Community development lending for purposes of economic development includes loans to the Bangor Target Area Development Corporation and to the Augusta Board of Trade Business Development Fund Program. The Bangor Target Area Development Corporation is a non-profit economic development organization. The funds will be used to assist in the modernization and

expansion of a manufacturing facility in the area. The expansion of the plant will provide for a greater capacity and is expected to help stabilize the moderate-income area where it is located by maintaining approximately 80 jobs at the facility.

The Augusta Board of Trade Business Development Fund Program is a \$1,000,000 loan fund established with seven other financial institutions. The purpose is to provide gap financing to businesses in the City of Augusta, with a special emphasis on businesses located in the central business district, which is considered a low- and moderate-income area. Average loan size is \$50,000, with priority given to borrowers that create business retention and expansion.

Washington AA

In the Washington County AA, much of the bank's community development activity is carried out through participation in lending consortia in the state. Therefore, the consortia must first identify a project in order for the bank to participate. Although projects have been identified for future development in other areas of the state, currently no projects have been approved for this area.

Western AA

Similarly, in the Western AA the lending consortia must first identify a project in order for the bank to participate. Currently an application is pending for the MeCRC to develop multi-family rental housing in the Western AA.

Southern AA

Within the bank's Southern AA, the bank's \$7.3 million commitment to the Maine Community Reinvestment Corporation (MeCRC) has had a significant impact on the area.

Four of the five projects closed by the MeCRC as of the date of the examination have been located in the southern AA, and have added eighty-one units of housing there. The projects are a sixty-nine unit mobile home park located in Freeport, six units of special needs housing in Windham, four units of special needs housing in South Portland, and two units in Scarborough. The fifth project, consisting of six units of housing for foster care, is located in Bangor.

FBMe provided construction financing for the expansion of an existing independent living facility for the elderly, located in Portland, which currently is comprised of 36 units. Home for the Aged is a nonprofit organization that is expanding the facility by adding another 54 units. Twenty of the assisted living units are being reserved by the organization for individuals on Medicaid.

Innovative or Flexible Lending Practices

FBME offers flexible mortgage and small business loan products that 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 FBME'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 FBME's products are available to individuals who earn up to 140% of the median income. Because FBME 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. FBME did, however, provide specific information on the following INCITY programs. These programs are flexible in their terms and are available throughout FBME'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. 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, FBME originated 26 loans totaling \$1.7 million.

Pine Knoll/ Westbrook Housing Authority

This program was initiated during the last examination period. In February of 1997, FBME, along with four other Maine banks, committed funds and provided community development technical assistance to this project. The project's purpose is to convert 40 HUD rental housing units into low-income affordable home ownership condominiums in Westbrook, Maine. To date, Fleet Mortgage has originated and closed three mortgages.

Down Payment Assistance Affordable Housing Program

This program targets low-income homebuyers in specific neighborhoods in Auburn, Maine. The borrower is required to contribute 2.5 percent of the down payment for one and two unit properties. The program allows for all funds to be either contributed or borrowed. Borrowed funds (mortgage write-downs) come from the FHLBB (\$2,900) and the City of Auburn Housing Opportunity Zone (HOZ) (\$3,000) in the form of silent second mortgages. The FHLBB loan is forgiven over 40 years and the HOZ over 5 years. Both loans are interest free. The FHLBB also provides a \$1,000 grant for down payment assistance. Auburn's CDBG funds provide closing cost assistance (\$2,600) interest free. Between 1996 and 1998, the program extended nine mortgages totaling \$463,000 to low- and moderate-income individuals living in low- and moderate-income census tracts in Auburn.

Central Maine Power (CMP) Storage Heat Program

FBME partnered with CMP to provide low- and moderate- income individuals with low-cost financing to purchase electrical thermal storage heaters to reduce the cost of home heating.

The success of the program could not be measured, as FBME was unable to provide specific data on the number of loans, dollar amount, and borrower distribution

Investment Test

Statewide

On a statewide level, the institution has a significant level of qualified community development investments and grants, particularly those that are not routinely provided by private investors

FBMe makes investments and grants directly as well as through an affiliate, the Fleet Community Development Corporation (CDC), and through a corporate charitable foundation, Fleet Charitable Trust. Total qualified investment commitments and qualified investment balances outstanding amounted to \$6.8 million. During this examination period the bank contributed a total dollar amount of \$1.5 million. Most of the investments are in the Southern AA where population density is high, and are made by of equity investments in housing and in small business venture capital funds. According to the community contacts visited, affordable housing and small business credit remain two primary needs in the area. Therefore, these investments are considered to be responsive to community development needs.

During the current examination period FBMe made a commitment to invest \$3.1 million in the Maine Housing Equity Fund (MHEF) Limited Partnership. This is the second of the MHEF partnerships created for affordable housing development. The bank committed \$2.1 million to the first MHEF partnership, a pool of approximately \$11.0 million. The MHEF is a Maine for-profit corporation, and is wholly owned by the Maine Housing Investment fund, a Maine non-profit corporation. Investments are made in projects that utilize state-authorized low-income housing tax credits. These projects involve either the rehabilitation of existing multi-family housing or new construction of multi-family properties, and represent a major effort to provide decent, safe, and sanitary housing that is affordable to low-income individuals and to individuals with special needs. In each project the bank will become a limited liability member-owner. MHEF will be the project manager and general partner. MHEF has not yet issued capital calls to finance projects in the new fund.

As of year-end 1997, the first MHEF fund had closed six projects, adding a total of 112 housing units available for low- and moderate-income individuals and families. A seventh project that is nearing completion will provide another 73 units when completed. To date these projects have absorbed \$1.8 million of the bank's initial \$2.1 million commitment. The fund has expended most of the capital contributed on housing projects, with the remaining capital committed to future developments. The partnership is expected to terminate this year, to be replaced by new capital contributions in the second fund.

Projects closed by the MHEF are as follows

- Summer Street Affordable Housing, Freeport, 30 rental townhome units designed to serve the housing needs of single parent households,

- Western Maine Supportive Housing, Lewiston, So Paris, and Rumford, 19 units, involves the rehabilitation of four existing multifamily structures, designed to serve the special needs housing of single persons who are also dependent upon Social Security Disability Income (about \$450/month) for their sole source of income
- Wardwell Gardens, Saco, a 30 unit assisted living development for low-income elderly residents of Southern Maine
- Riverside Estates, Brunswick, a rehabilitation of 48 existing multifamily units, 20% of which are set aside for low- and moderate-income persons
- Covered Bridge Apartments, Guilford, 10 units of affordable housing
- North Anson Housing, North Anson, 14 units of affordable housing

Investments also include more than \$1 0 million outstanding to small business venture capital funds that target small businesses located in Maine or in other areas within the New England market CEI Ventures, LP was established to provide venture capital to Maine's small businesses, with a focus on creating and retaining employment opportunities for low-income individuals The fund seeks to make equity investments between \$50,000 and \$500,000 in growing Maine companies, and to date the partnership has closed on seven investments totaling nearly \$1.2 million Six of the companies are located in Maine, in the bank's AAs The North Atlantic Venture Fund, LP and North Atlantic Venture Fund II also provide venture capital funding to New England businesses These funds seek to fill the niche for small venture capital needs between \$500 thousand and \$1 5 million The funds have provided financing to five small companies located in Maine

Investments consist of equity contributions directed into low-income housing tax credit partnerships and small business venture capital equity funds Grants and contributions were made to organizations which provide assistance in the areas of affordable housing and small business development, in community services, youth counseling, job skills training, and incubator services

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

Washington County AA

In the Washington County AA, investments in CEI Ventures, LP and the North Atlantic Venture Funds resulted in the funding of two small businesses during this review period

Western AA

In the Western AA, community development initiatives were supported through development of affordable housing and the financing of a small business

The North Anson housing project, located in Somerset County is one of the projects closed by the Maine Housing Equity Fund (MHEF) The project consists of 14 garden-style units for the elderly, located in four buildings on the site in North Anson All of the units will be reserved for individuals with less than 60% of the area median income

The North Atlantic Venture Fund, LP and North Atlantic Venture Fund II provided financing to a small business located in Oxford County

Southern AA

In the Southern AA, the Maine Housing Equity Fund (MHEF) has completed three of the seven housing projects developed around the state for low- and moderate-income families FBMe is a limited partner in the MHEF and contributed \$2 0 million in equity as an investment in MHEF The three projects are

- Summer Street Affordable Housing, Freeport, 30 rental townhome units designed to serve the housing needs of single parent households,
- Western Maine Supportive Housing, Lewiston, South Paris, and Rumford, 19 units, involves the rehabilitation of four existing multifamily structures, designed to serve for special needs housing of single persons who are also dependent upon Social Security Disability Income (about \$450/month) for their sole source of income
- Riverside Estates, Brunswick, a rehabilitation of 48 existing multifamily units, 20% of which are set aside for low- and moderate-income persons

A fourth, Scotch Hill, now under construction, is also located in the Southern AA The development involves the rehabilitation of sixteen buildings in the Westbrook neighborhood When complete, the project will consist of 73 affordable units of multifamily housing

The qualified investments also include funding provided to four small businesses through the investment in CEI Ventures, and to two small businesses through the North Atlantic Venture Funds

Service Test

Statewide

FBMe's retail banking and alternative delivery systems are accessible to essentially all portions of the institution's assessment areas. FBMe operates 85 branches throughout Maine. Table 3-A shows the distribution of branches throughout the state by income geographies. More than 11 percent of the FBMe's branches are located in low- and moderate- income geographies.

Census Tract Income	#Branches	% Total Branches
Low	2	2.35%
Moderate	8	9.41%
Middle	68	80.0%
Upper	7	8.24%
Total	85	100%

To the extent that changes have been made, the institution's opening or closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies. Statewide, three branches were closed since the last examination. All were located in middle- income census tracts.

Sixty-two percent of the branches offer ATM services. FBMe also operates 21 stand-alone ATMs throughout the state. Since the last examination, FBMe opened seventeen ATMs, the majority of which are located in middle- income census tracts. FBMe closed three ATMs in middle- income census tracts.

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. Twenty-eight percent of all branches offer Saturday hours. Seventy-eight percent of all branches have extended Friday hours.

In addition to regular branch hours, FBMe operates a 24 hour, seven day 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. FBMe also provides its business customers telephone banking 24 hours a day, seven days a week to check accounts, transfer funds, or make business loan payments. FBMe also offers a

24-hour business ATM card and PC banking, which includes free telephone banking and Fleet business credit express

FBMe 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 FBMe delivers through a 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

FBMe 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, FBMe introduced a new in-branch initiative called Business Solutions Centers. A specially trained branch manager and small business specialist to help process loan applications, open new accounts, and answer general inquiries from small business customers manage each center. Each center also provides product information targeting small businesses and entrepreneurs. There are five centers in Maine.

Assessment Area

Table 3-B provides the geographic distribution of branches in the three assessment areas

Assessment Area	# of Branches	% Total	% Total Population	% L & MI Families
Washington	5	5.9%	3.0%	52.0%
Western	8	9.4%	11.0%	43.0%
Southern	20	23.5%	28.0%	35.3%

Table 3-C illustrates the number of branches within the three assessment areas by census tract income geography

TABLE 3-C			
<u>BRANCH LOCATION BY CENSUS TRACT INCOME GEOGRAPHY</u>			
	<u>Assessment Area</u>	<u># of Branches</u>	<u>% Total Branches</u>
<u>Low</u>	<u>Washington</u>	0	0%
	<u>Western</u>	0	0%
	<u>Southern</u>	1	1 18%
<u>Moderate</u>	<u>Washington</u>	1	1 18%
	<u>Western</u>	1	1 18%
	<u>Southern</u>	4	4 71%
<u>Middle</u>	<u>Washington</u>	4	4 71%
	<u>Western</u>	7	8 24%
	<u>Southern</u>	12	14 12%
<u>Upper</u>	<u>Washington</u>	0	0%
	<u>Western</u>	0	0%
	<u>Southern</u>	3	3 53%

Washington County AA

The Washington AA's branch hours are materially different from those in other assessment areas. The branches are open for business five hours per day with an extra hour on Friday, whereas the majority of branches in the state conduct business days of six or more hours. The branches do not offer Saturday hours. According to FBME, the predominant reasons for reduced hours in the Washington AA branches are low transaction volumes and staffing constraints. In the Washington AA, ATM services are not available.

Western AA

In the Western AA, five of six branches (83 percent) offer ATM services in French.

Southern AA

In the Southern AA, sixteen branches (80 percent) offer ATM services in French. Three are in moderate-income census tracts, ten are in middle-income census tracts, and three are in upper-income census tracts. Also in the Southern AA, ten branches (50 percent) have bilingual staff (French, Korean, German, Spanish, Vietnamese, and Tagalong). Two of the branches are located in moderate-income census tracts, seven are in middle-income census tracts, and one is in an upper-income census tract.

Two of the state's five Business Solution Centers are located in the Southern AA.

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

- **City of Lewiston- L.O.A.N.S. (Lending Opportunity and Neighborhood Stabilization) Program:** FBMe's community development officer served as first committee chairperson for this program. The program provides financing assistance for eligible homebuyers to purchase housing in targeted downtown Lewiston neighborhoods.
- **Pine Knoll Terrace Affordable Housing Initiative:** FBMe, along with four other Maine banks, committed funds and provided community development technical assistance to this project which is converting 40 HUD rental housing units to low-income affordable home ownership condominiums in Westbrook, Maine.

Also, Fleet Mortgage employees sit on the board of the Maine State Housing Authority, the City of Portland Economic Development Committee, the City of Lewiston Loan Committee, and the City of Auburn Assistance program.