

**STATE OF CONNECTICUT**  
**NEWS**  
**State Treasurer Denise L. Nappier**  
**Attorney General Richard Blumenthal**

---

FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 30, 1999

**STATE REACHES AGREEMENT WITH FLEET/BANKBOSTON;  
FLEET TO DIVEST MORE BRANCHES, COMMITS TO  
MINIMUM OF \$2.9 BILLION IN COMMUNITY REINVESTMENT**

Attorney General Richard Blumenthal and state Treasurer Denise L. Nappier today announced an agreement with Fleet Financial Group Inc. and BankBoston Corp., allowing the merger of the two New England-based banks to move forward under improved conditions for Connecticut.

After intense negotiations with state officials, Fleet and BankBoston have agreed to divest an additional 7 branches, bringing the total number of divested branches in Connecticut to 46 with \$2.06 billion in deposits, and a substantially increased commitment in community reinvestment. In addition, Fleet Boston has an agreement to allow two branches that previously were to be sold to Sovereign Bank to now be sold to a minority-owned bank.

"Having fought hard on behalf of Connecticut businesses and consumers, my hope is that these concessions will help protect their banking needs and choices. This agreement will provide a more competitive marketplace than a lengthy, costly and risky lawsuit against the merger," Blumenthal said. "The agreement should help to correct the merger's anti-competitive, anti-consumer effects by compelling a sale of assets to banks that will offer consumers more choices. We're pleased Fleet has been cooperative in addressing some of our concerns."

"The sad, stark fact is that an antitrust lawsuit was critically undercut by two key federal agency approvals, creating a powerful presumption in the courts that two senior federal agencies must be correct in applying federal as well as state antitrust principles," Blumenthal said.

"The deck may have been stacked against us, but these negotiations clearly demonstrated that the consumers and businesses of Connecticut can have an impact if we pay attention as the cards are shuffled and dealt," Nappier said.

- more -

MEDIA CONTACTS

Attorney General's Office  
Lisa Marie Pane 860 808 5324

State Treasurer's Office  
Bernard Kavalier 860 702 3277

Fleet Boston has agreed to commit, at a minimum, to a Connecticut community reinvestment strategy of \$2.9 billion over the next five years. This new commitment is a \$700 million increase from their original commitment, and includes additional commitments in: small business lending, home mortgage lending, community development lending consumer loans, equity investments and technical support and assistance for businesses and consumers.

"This is a dramatic increase -- 33 percent -- compared with what had been planned," Nappier said. "With the concerns of the consumers and businesses of Connecticut in hand, we were able to impress upon Fleet's leadership the absolute need for them to do more, and they have responded."

Earlier this month, the U.S. Department of Justice and the Federal Reserve Board approved the merger of New England's two largest banks. The federal approval was given despite strenuous objections put forth by Blumenthal and Nappier. Connecticut officials had expressed concerns the deal would lead to tightened credit, higher rates, fees and costs of loans, and reduced services to middle-market consumers.

Under pressure from Connecticut, the new bank has agreed to divest 7 additional branches. These branches will supplement the 33 announced by Fleet in its own plan, and the six branches previously added in response to objections from the Attorney General at the time of the Justice Department's approval. In total, Fleet will divest 46 branches in Connecticut.

"My hope is that these branches, deposits and other assets will be bought by one or more community banks, regional banks and minority-owned banks -- who have a commitment to providing credit at affordable rates, building our economy and adding jobs, and applying their expertise and resources to be effective," Blumenthal said.

The 7 additional branches, including deposits and loans, to be divested are:

- Brookfield, 46 Federal Road, with \$23 million in deposits
- Guilford, 1069 Boston Post Road, \$44 million in deposits
- Meriden, 652 East Main Street, \$40 million in deposits
- Middlebury, 503 Middlebury Road, \$21 million in deposits
- Southbury, 1 Village Street, \$63 million in deposits
- Thomaston, 155 Main Street, \$31 million in deposits
- Woodbury, 59 Main Street, \$31 million in deposits

Of the minimum of \$2.9 billion to be put toward community reinvestment over the next five years, Fleet Boston has committed to:

- Small business lending: \$1.3 billion
- Small business loan renewals: \$385 million
- Affordable home mortgage lending: \$685 million
- Community development lending: \$343 million
- Consumer lending in low- and moderate-income areas: \$170 million
- Equity investments: \$17.5 million
- Technical support and assistance: \$5 million

MEDIA CONTACTS

Attorney General's Office  
Lisa Marie Pane 860 808 5324

State Treasurer's Office  
Bernard Kavalier 860 702 3277

In addition, Fleet Boston has agreed to additional reporting requirements regarding their community investment record and greater participation by Connecticut representatives on their planned Oversight Board:

- Fleet Boston will provide Connecticut officials with a detailed semi-annual report on its community reinvestment efforts and activities;
- Following the issuance of its first semi-annual report in the Spring of 2000, Fleet Boston will hold a public forum, and thereafter, will invite a panel of community representatives, will input from state officials, to assist Fleet Boston to identify opportunities in the Connecticut marketplace, and to provide feedback to the bank regarding its community reinvestment efforts and activities; and
- Connecticut will be allocated four of the approximately 15 seats on Fleet Boston's Community Investment Oversight Board; the State Treasurer, the State Attorney General and the Governor shall each designate one board member.

"These steps will provide the people of Connecticut with an opportunity to keep a careful watch on Fleet Boston's actions and a venue to speak out if their actions don't match their promises," Nappier said. "They represent a significant acknowledgment by Fleet that the voices of Connecticut residents and community leaders have an important role to play in decision-making related to the use of community reinvestment dollars."

"As important as Fleet's cooperation and understanding were, equally meaningful was the informed and compelling insights and arguments made by community leaders, business people, and consumers, who participated in the hearing that we held in Hartford and made their voices and views a critical part of the process," Blumenthal said.

MEDIA CONTACTS

Attorney General's Office  
Lisa Marie Pane 860 808 5324

State Treasurer's Office  
Bernard Kavalier 860 702 3277