

FLEETBOSTON FINANCIAL CORP  
Form 424B5  
March 05, 2002

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FILED PURSUANT TO RULE 424(b)(5)  
REGISTRATION NO. 333-72912

SUBJECT TO COMPLETION, DATED MARCH 1, 2002

PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED NOVEMBER 21, 2001)

[FLEETBOSTON FINANCIAL LOGO]

20,000,000 PREFERRED SECURITIES

FLEET CAPITAL TRUST VIII

% PREFERRED SECURITIES  
(LIQUIDATION AMOUNT \$25 PER PREFERRED SECURITY)  
FULLY AND UNCONDITIONALLY GUARANTEED BY  
FLEETBOSTON FINANCIAL CORPORATION

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Fleet Capital Trust VIII is a Delaware business trust. The trust will sell % Preferred Securities, the "preferred securities," representing undivided beneficial interests in the trust to the public and will sell common securities representing undivided beneficial interests in the trust to FleetBoston Financial Corporation. The trust will use the proceeds from these sales to buy an equal principal amount of junior subordinated debentures due of FleetBoston Financial Corporation and will distribute the cash payments it receives on the junior subordinated debentures it owns to the holders of the preferred and common securities. The trust will redeem the preferred securities on , which date may be extended to a date not later than , and may redeem them earlier, subject in the case of redemption to any required prior approval of the Federal Reserve Board.

For each preferred security that you own, you will receive cumulative cash distributions at an annual rate equal to % on the liquidation amount of \$25 per preferred security on , , and of each year, beginning . FleetBoston Financial Corporation can defer interest payments on the junior subordinated debentures at any time for up to 20 consecutive quarterly periods. If FleetBoston Financial Corporation does defer interest payments, the trust will also defer payment of distributions on the preferred and common securities. However, deferred distributions will themselves accrue interest at an annual rate equal to %, compounded quarterly, to the extent permitted by law.

FleetBoston Financial Corporation will fully and unconditionally guarantee the payment by the trust of the preferred securities based on obligations discussed in the accompanying prospectus.

The trust will apply to have the preferred securities listed on the New York Stock Exchange under the symbol "FBF PrM." If approved for listing, trading

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of the preferred securities is expected to commence within 30 days after the preferred securities are first issued.

INVESTING IN THE PREFERRED SECURITIES INVOLVES RISKS WHICH ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE S-7 OF THIS PROSPECTUS SUPPLEMENT.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The preferred securities are not deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

	PER PREFERRED SECURITY	TOTAL
	-----	-----
Public offering price(1).....	\$25.00	\$
Underwriting commission to be paid by FleetBoston Financial Corporation(2).....	\$	\$
Proceeds to Fleet Capital Trust VIII.....	\$25.00	\$

(1) Plus accumulated distributions from March , 2002, if settlement occurs after that date.

(2) Because Fleet Capital Trust VIII will use all of the proceeds from the sale of the preferred securities and its common securities to purchase junior subordinated debentures of FleetBoston Financial Corporation, FleetBoston Financial Corporation will pay all underwriting discounts and commissions.

The underwriters may also purchase up to an additional 3,000,000 preferred securities at the public offering price within 30 days from the date of this prospectus supplement to cover over-allotments.

The preferred securities will be ready for delivery in book-entry form through The Depository Trust Company on or about March , 2002.

SALOMON SMITH BARNEY  
 FLEET SECURITIES, INC.  
 MERRILL LYNCH & CO.  
 MORGAN STANLEY  
 PRUDENTIAL SECURITIES  
 UBS WARBURG

The date of this prospectus supplement is March , 2002.

TABLE OF CONTENTS

PAGE  
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PROSPECTUS SUPPLEMENT

## Edgar Filing: FLEETBOSTON FINANCIAL CORP - Form 424B5

Summary Information -- Q&A.....	S-3
Risk Factors.....	S-7
Fleet Capital.....	S-11
FleetBoston Financial Corporation Selected Consolidated Financial Data.....	S-13
Capitalization.....	S-15
Accounting Treatment.....	S-18
Description of the Preferred Securities.....	S-18
Description of the Guarantee.....	S-28
Description of the Junior Subordinated Debentures.....	S-28
Effect of Obligations under the Junior Subordinated Debentures and the Guarantee.....	S-36
United States Federal Income Taxation.....	S-37
ERISA Considerations.....	S-42
Underwriting.....	S-45
PROSPECTUS	
About This Prospectus.....	2
Where You Can Find More Information.....	2
Forward-looking Statements.....	4
FleetBoston Financial Corporation.....	5
The Trusts.....	5
Consolidated Ratios of Earnings to Fixed Charges.....	6
Use of Proceeds.....	7
Regulation and Supervision.....	7
Description of the Junior Subordinated Debentures.....	8
Description of the Preferred Securities.....	13
Description of the Preferred Securities Guarantees.....	16
Effect of Obligations under the Junior Subordinated Debentures and the Preferred Securities Guarantees.....	19
Plan of Distribution.....	20
Legal Matters.....	21
Experts.....	22

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You should rely only on the information contained in this document or that we have referred you to. We have not authorized anyone to provide you with any other information.

The trust may sell preferred securities after the date of this prospectus supplement, and this prospectus supplement and the prospectus may be delivered to you after the date of this prospectus supplement. However, you should realize that the affairs of FleetBoston Financial Corporation or the trust may have changed since the date of this prospectus supplement. This prospectus supplement will not reflect those changes.

You should not consider this prospectus supplement or the prospectus to be an offer or solicitation relating to the preferred securities in any jurisdiction in which such an offer or solicitation is not authorized. Furthermore, you should not consider this prospectus supplement or the prospectus to be an offer or solicitation relating to the preferred securities if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

S-2

### SUMMARY INFORMATION -- Q&A

The following information supplements, and should be read together with, the information contained in other parts of this prospectus supplement and in

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the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand the preferred securities. You should carefully read this prospectus supplement and the accompanying prospectus to understand fully the terms of the preferred securities, as well as the tax and other considerations that are important to you in making a decision about whether to invest in the preferred securities. You should pay special attention to the "Risk Factors" section beginning on page S-7 of this prospectus supplement to determine whether an investment in the preferred securities is appropriate for you. The preferred securities are one of the series of preferred securities referred to in the accompanying prospectus.

For your convenience, we make reference to specific page numbers in this prospectus supplement and the accompanying prospectus for more detailed information on some of the terms and concepts used throughout this prospectus supplement.

### WHAT ARE THE PREFERRED SECURITIES?

Each preferred security represents an undivided beneficial interest in the assets of Fleet Capital Trust VIII, "FLEET CAPITAL." Each preferred security will entitle the holder to receive quarterly cash distributions as described in this prospectus supplement. The underwriters are offering preferred securities at a price of \$25 for each preferred security.

### WHO IS FLEET CAPITAL?

Fleet Capital is a Delaware business trust.

Fleet Capital will sell its preferred securities to the public and its common securities to FleetBoston Financial Corporation, "FLEETBOSTON." The preferred securities and the common securities together are referred to in this prospectus supplement and the accompanying prospectus as the "TRUST SECURITIES." Fleet Capital will use the proceeds from these sales to buy a series of junior subordinated debentures from FleetBoston with the same financial terms as the preferred securities. FleetBoston will, on a subordinated basis, fully and unconditionally guarantee the payment by Fleet Capital of the preferred securities, the "GUARANTEE."

There are five trustees of Fleet Capital. Three of the Fleet Capital trustees are officers of FleetBoston, the "REGULAR TRUSTEES." The Bank of New York will act as the institutional trustee of Fleet Capital and one of its affiliates will act as the Delaware trustee.

### WHO IS FLEETBOSTON?

FleetBoston is a diversified financial services company offering a comprehensive array of financial solutions to approximately 20 million customers in more than 20 countries. Among FleetBoston's key lines of business are:

- Consumer Financial Services -- includes domestic retail banking, community banking, student loan processing and credit card services;
- Wholesale Banking -- composed of commercial finance, including asset-based lending and leasing; corporate banking, including specialized industry lending and institutional banking; commercial banking, including middle market commercial lending, trade services and cash management, as well as government banking services, including cash management, investment services and municipal, state and national government agency underwriting; and small business services, including lending, deposits and cash management;

- Wealth Management and Brokerage -- composed of wealth management, including specialized asset management, estate settlement and deposit and credit products for high-net-worth customers, proprietary and third party mutual funds and other investment products for retail and institutional customers, and retirement planning, large institutional asset management and not-for-profit investment services; and retail brokerage and securities clearing;
- International Banking -- includes FleetBoston's international operations in key Latin American markets, as well as in Asia; and
- Capital Markets -- includes investment banking services, brokerage market-making and principal investing.

On March 1, 2001, FleetBoston completed its acquisition of Summit Bancorp, which was accounted for as a pooling of interests. All financial information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus has been restated for all periods to give effect to the Summit acquisition.

At December 31, 2001, FleetBoston's total assets on a consolidated basis were \$203.6 billion, its consolidated total deposits were \$129.3 billion and its consolidated total stockholders' equity was \$17.6 billion. Based on total assets, FleetBoston is the seventh largest financial holding company in the United States.

FleetBoston's principal office is located at 100 Federal Street, Boston, Massachusetts 02110, telephone number (617) 434-2200.

WHEN WILL YOU RECEIVE QUARTERLY DISTRIBUTIONS?

If you purchase the preferred securities, you are entitled to receive cumulative cash distributions at an annual rate of \_\_\_\_\_ % of the liquidation amount of \$25 per preferred security. Distributions will accumulate from the date Fleet Capital issues the preferred securities and will be paid quarterly in arrears on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning \_\_\_\_\_.

WHEN CAN PAYMENT OF YOUR DISTRIBUTIONS BE DEFERRED?

FleetBoston can, on one or more occasions, defer interest payments on the junior subordinated debentures for up to 20 consecutive quarterly periods unless an event of default under the indenture has occurred and is continuing (see page S-32). A deferral of interest payments cannot extend, however, beyond the maturity date of the junior subordinated debentures, which is \_\_\_\_\_, which date may be accelerated under the limited circumstances described under "Conditional Right to Shorten Maturity" below or extended as described under "Option to Extend Maturity Date" below.

If FleetBoston defers interest payments on the junior subordinated debentures, Fleet Capital will also defer distributions on the preferred securities. During this deferral period, distributions will continue to accrue on the preferred securities at an annual rate of \_\_\_\_\_ % of the liquidation amount of \$25 per preferred security. Also, the deferred distributions will themselves accrue interest (to the extent permitted by law) at an annual rate of \_\_\_\_\_ %, compounded quarterly. Once FleetBoston makes all interest payments on the junior subordinated debentures, with accrued interest, it can again postpone interest payments on the junior subordinated debentures if no event of default under the indenture has occurred and is continuing.

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During any period in which FleetBoston defers interest payments on the junior subordinated debentures, FleetBoston will not be permitted to:

- declare or pay a dividend or make any other payment or distribution on its capital stock;
- redeem, purchase or make a liquidation payment on any of its capital stock;

S-4

- make an interest, principal or premium payment on, or repurchase or redeem, any of its debt securities that rank equal with or junior to the junior subordinated debentures; or
- make any guarantee payments relating to any of the above.

There are limited exceptions to these restrictions which are described on page S-32.

If FleetBoston defers the payment of interest on the junior subordinated debentures, the preferred securities will be treated as being reissued with original issue discount for United States federal income tax purposes. This means that, beginning at the time of deferral, you will be required to recognize interest income with respect to distributions even during the period those distributions are deferred and include those amounts in your gross income for United States federal income tax purposes before you receive any cash distributions relating to those interest payments. See "United States Federal Income Taxation" beginning on page S-37.

### WHEN CAN FLEET CAPITAL REDEEM THE PREFERRED SECURITIES?

Fleet Capital will redeem all of the outstanding preferred securities when the junior subordinated debentures are paid at maturity on \_\_\_\_\_, which date may be accelerated under the limited circumstances described under "Description of the Junior Subordinated Debentures -- Option to Accelerate the Maturity Date" below or extended as described under "-- Option to Extend Maturity Date" below. If FleetBoston redeems any junior subordinated debentures before their maturity, Fleet Capital will use the cash it receives on the redemption of the junior subordinated debentures to redeem, on a pro rata basis, preferred securities and common securities having an aggregate liquidation amount equal to the aggregate principal amount of the junior subordinated debentures redeemed.

FleetBoston can redeem some or all of the junior subordinated debentures before their maturity at 100% of their principal amount plus accrued interest to the date of redemption:

- on one or more occasions any time on or after \_\_\_\_\_; and
- before \_\_\_\_\_, if specified changes in tax or regulatory law occur (each of which is a "SPECIAL EVENT" and each of which is more fully described beginning on page S-31), and within 90 days of the occurrence of the special event.

Any redemption of the junior subordinated debentures may require approval of the Federal Reserve Board.

### WHEN CAN FLEETBOSTON SHORTEN THE MATURITY OF THE JUNIOR SUBORDINATED DEBENTURES?

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If adverse changes in the tax law described on pages S-31 and S-34 occur, FleetBoston will have the right, prior to the termination of Fleet Capital, to shorten the maturity of the junior subordinated debentures. FleetBoston may only shorten the maturity to the extent necessary so that the interest paid on the junior subordinated debentures will continue to be tax deductible by FleetBoston, and only if it obtains any required prior approval of the Federal Reserve Board. The shortened term of the junior subordinated debentures may not be less than 15 years from the date of their original issuance.

WHEN CAN FLEETBOSTON EXTEND THE MATURITY DATE OF THE JUNIOR SUBORDINATED DEBENTURES?

FleetBoston can extend the maturity of the junior subordinated debentures to a date no later than \_\_\_\_\_, so long as at the time the election is made and at the time the extension commences:

- no event of default under the indenture has occurred and is continuing;
- Fleet Capital is not in arrears on payments of distributions on the preferred securities and no deferred distributions on the preferred securities are accumulated; and

S-5

- the junior subordinated debentures are and after the extension will be rated at least BBB- by Standard & Poor's Ratings Services, at least Baa3 by Moody's Investors Service, Inc. or at least the equivalent by any other nationally recognized statistical rating organization.

WHAT IS FLEETBOSTON'S GUARANTEE OF THE PREFERRED SECURITIES?

FleetBoston will fully and unconditionally guarantee the preferred securities based on:

- its obligations under the guarantee;
- its obligations under the declaration of trust which governs the terms of the preferred securities (see page S-18); and
- its obligations under the indenture which governs the terms of the junior subordinated debentures (see page S-28).

If FleetBoston does not make a payment on the junior subordinated debentures, Fleet Capital will not have sufficient funds to make payments on the preferred securities. The guarantee does not cover payments when Fleet Capital does not have sufficient funds to make payments on the preferred securities. FleetBoston's obligations under the guarantee are subordinate to its obligations to make payments on all of its other liabilities except its obligations under similar guarantees.

WHEN COULD THE JUNIOR SUBORDINATED DEBENTURES BE DISTRIBUTED TO YOU?

FleetBoston has the right to terminate Fleet Capital at any time. If FleetBoston decides to exercise its right to terminate Fleet Capital, Fleet Capital will redeem the preferred securities by distributing the junior subordinated debentures to holders of the preferred securities and the common securities on a pro rata basis.

Any distribution of the junior subordinated debentures may require approval of the Federal Reserve Board.

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WILL THE PREFERRED SECURITIES BE LISTED ON A STOCK EXCHANGE?

Fleet Capital will apply to have the preferred securities listed on the NYSE under the symbol "FBF PrM." If approved for listing, trading is expected to commence within 30 days after the preferred securities are first issued. You should be aware that the listing of the preferred securities will not necessarily assure that a liquid trading market will be available for the preferred securities. If Fleet Capital distributes the junior subordinated debentures, FleetBoston will use its best efforts to list the junior subordinated debentures on the NYSE or any other exchange or other organization on which the preferred securities are then listed.

WHAT HAPPENS IF FLEET CAPITAL IS TERMINATED AND THE JUNIOR SUBORDINATED DEBENTURES ARE NOT DISTRIBUTED?

Fleet Capital may also terminate in circumstances where the junior subordinated debentures will not be distributed. In those situations, Fleet Capital will pay the liquidation amount of \$25 for each preferred security, plus unpaid distributions to the date the payment is made. Fleet Capital will be able to make this distribution of cash only if the junior subordinated debentures are redeemed by FleetBoston.

IN WHAT FORM WILL THE PREFERRED SECURITIES BE ISSUED?

The preferred securities will be represented by one or more global certificates that will be deposited with and registered in the name of The Depository Trust Company, New York, New York, "DTC," or its nominee. This means that you will not receive a certificate for your preferred securities. Fleet Capital expects that the preferred securities will be ready for delivery through DTC on or about March , 2002.

S-6

### RISK FACTORS

Your investment in the preferred securities will involve some risks. You should carefully consider the following discussion of risks, and the other information in this prospectus supplement and the accompanying prospectus, before deciding whether an investment in the preferred securities is suitable for you.

FLEETBOSTON'S OBLIGATIONS UNDER THE GUARANTEE AND THE JUNIOR SUBORDINATED DEBENTURES ARE SUBORDINATED

FleetBoston's obligations under the guarantee are unsecured and will rank in priority of payment:

- junior to all of FleetBoston's other liabilities, except those liabilities made equal or junior to the guarantee by their terms;
- equal with all of FleetBoston's senior most preferred and preference stock now or in the future issued by it, and with any guarantee now or in the future issued by it in respect of any preferred or preference stock of any of its affiliates, including FleetBoston's guarantee of the outstanding preferred or capital securities of Fleet Capital Trust I, Fleet Capital Trust II, Fleet Capital Trust III, Fleet Capital Trust IV, Fleet Capital Trust V, Fleet Capital Trust VI, Fleet Capital Trust VII, BankBoston Capital Trust I, BankBoston Capital Trust II, BankBoston Capital Trust III, BankBoston Capital Trust IV and Summit Capital Trust I; and



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- senior to FleetBoston's common stock.

This means that FleetBoston cannot make any payments on the guarantee if it defaults on a payment of any of its other liabilities, except those liabilities made equal or junior to the guarantee by their terms. In the event of the bankruptcy, liquidation or dissolution of FleetBoston, its assets would be available to pay obligations under the guarantee only after all payments had been made on its other liabilities, except those liabilities made equal or junior to the guarantee by their terms.

FleetBoston's obligations under the junior subordinated debentures are unsecured and will rank junior in priority of payment to FleetBoston's "SENIOR INDEBTEDNESS" and "OTHER FINANCIAL OBLIGATIONS" (see pages S-29 and S-30 for definitions of these terms). FleetBoston cannot make any payments of principal, including redemption payments, or interest on the junior subordinated debentures if it defaults on a payment on its senior indebtedness. In the event of the bankruptcy, liquidation or dissolution of FleetBoston, its assets would be available to pay obligations under the junior subordinated debentures only after all payments had been made on its senior indebtedness and other financial obligations. As of December 31, 2001, senior indebtedness and other financial obligations of FleetBoston aggregated approximately \$11.1 billion (holding company only). In addition, because FleetBoston is a financial holding company, the junior subordinated debentures are effectively subordinated to all existing and future liabilities of FleetBoston's subsidiaries, including depositors.

The preferred securities, the guarantee and the junior subordinated debentures do not limit the ability of FleetBoston and its subsidiaries to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the junior subordinated debentures and the guarantee.

For more information please refer to "Description of the Junior Subordinated Debentures -- Subordination" beginning on page S-30 and "Description of the Preferred Securities Guarantees" beginning on page 16 of the accompanying prospectus.

### GUARANTEE ONLY COVERS PAYMENTS IF FLEET CAPITAL HAS CASH AVAILABLE

The ability of Fleet Capital to pay scheduled distributions on the preferred securities, the redemption price of the preferred securities and the liquidation amount of each preferred security is solely dependent upon FleetBoston making the related payments on the junior subordinated debentures when due.

S-7

If FleetBoston defaults on its obligation to pay principal or interest on the junior subordinated debentures, Fleet Capital will not have sufficient funds to pay distributions, the redemption price or the liquidation amount of each preferred security. In those circumstances, you will not be able to rely upon the guarantee for payment of these amounts.

Instead, you:

- may directly sue FleetBoston or seek other remedies to collect your pro rata share of payments owed; or
- rely on the institutional trustee to enforce Fleet Capital's rights under the junior subordinated debentures.

FLEETBOSTON'S ABILITY TO DEFER INTEREST PAYMENTS ON THE JUNIOR SUBORDINATED DEBENTURES WILL CAUSE DISTRIBUTIONS ON THE PREFERRED SECURITIES TO CEASE, WILL



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TAXED ON THE PROCEEDS AND YOU MAY NOT BE ABLE TO REINVEST THE PROCEEDS AT THE SAME OR A HIGHER RATE OF RETURN

Upon the occurrence and continuation of adverse tax events as explained in "Description of the Junior Subordinated Debentures -- Option to Accelerate the Maturity Date" on page S-34, FleetBoston may, instead of redeeming the junior subordinated debentures, shorten the stated maturity of the junior subordinated debentures to a date not less than 15 years from the date of original issuance, subject to any required approval of the Federal Reserve Board. In that event, the mandatory redemption date for the preferred securities will be correspondingly shortened.

Under current United States federal income tax law, the redemption of the preferred securities would be a taxable event to you.

In addition, you may not be able to reinvest the money you receive upon redemption at a rate that is equal to or higher than the rate of return you received on the preferred securities.

FLEETBOSTON MAY EXTEND THE MATURITY OF THE JUNIOR SUBORDINATED DEBENTURES, WHICH WILL DELAY THE MANDATORY REDEMPTION DATE FOR THE PREFERRED SECURITIES BY UP TO 19 YEARS

FleetBoston can extend the maturity of the junior subordinated debentures to a date no later than \_\_\_\_\_, so long as at the time the election is made and at the time the extension commences:

- no event of default under the indenture has occurred and is continuing;
- Fleet Capital is not in arrears on payments of distributions on the preferred securities and no deferred distributions on the preferred securities are accumulated; and
- the junior subordinated debentures are and after the extension will be rated at least BBB- by Standard & Poor's Ratings Services, at least Baa3 by Moody's Investors Service, Inc. or at least the equivalent by any other nationally recognized statistical rating organization.

DISTRIBUTION OF JUNIOR SUBORDINATED DEBENTURES MAY HAVE A POSSIBLE ADVERSE EFFECT ON TRADING PRICE

FleetBoston has the right to terminate Fleet Capital at any time. If FleetBoston decides to exercise its right to terminate Fleet Capital, Fleet Capital will redeem the preferred and common securities by distributing the junior subordinated debentures to holders of the preferred securities and common securities on a pro rata basis. Any distribution of the junior subordinated debentures may require approval of the Federal Reserve Board.

Under current United States federal income tax laws, a distribution of junior subordinated debentures to you on the dissolution of Fleet Capital should not be a taxable event to you. However, if Fleet Capital is characterized for United States federal income tax purposes as an association taxable as a corporation or there is a change in law at the time Fleet Capital is dissolved, the distribution of junior subordinated debentures to you may be a taxable event to you.

FleetBoston has no current intention of causing the termination of Fleet Capital and the distribution of the junior subordinated debentures. FleetBoston anticipates that it would consider exercising this right in the event that expenses associated with maintaining Fleet Capital were substantially greater than currently expected, such as if a special event occurred. FleetBoston cannot predict the other circumstances under which this right would be exercised.

FleetBoston cannot predict the market prices for the junior subordinated debentures that may be distributed. Accordingly, the junior subordinated debentures that you receive on a distribution, or the preferred securities you hold pending such a distribution, may trade at a discount to the price that you paid to purchase the preferred securities.

Because you may receive junior subordinated debentures, you should make an investment decision with regard to the junior subordinated debentures, in addition to the preferred securities. You should carefully review all the information regarding the junior subordinated debentures contained in this prospectus supplement and the accompanying prospectus.

#### LIMITED VOTING RIGHTS

You will have limited voting rights. In particular, only FleetBoston can elect or remove any of Fleet Capital's trustees.

See "Fleet Capital" on page S-11 and "Description of the Preferred Securities -- Voting Rights" beginning on page 14 in the accompanying prospectus.

#### TRADING PRICE OF THE PREFERRED SECURITIES MAY NOT REFLECT THE VALUE OF ACCRUED BUT UNPAID INTEREST

If you use the accrual method of accounting for tax purposes and dispose of your preferred securities between quarterly distributions, you will be required to:

- include accrued but unpaid interest as ordinary income for United States federal tax purposes; and
- add the accrued but unpaid income to your adjusted tax basis in the preferred securities disposed of.

If you sell the preferred securities for less than your adjusted tax basis in the preferred securities, you will recognize a capital loss which generally may not be used to offset ordinary income for United States federal tax purposes. See "United States Federal Income Taxation" beginning on page S-37.

#### THERE IS NOT AN ESTABLISHED TRADING MARKET FOR THE PREFERRED SECURITIES

Prior to this offering, there has been no public market for the preferred securities. Fleet Capital will apply to have the preferred securities listed on the New York Stock Exchange. Trading of the preferred securities on the New York Stock Exchange is expected to commence within a 30-day period after the initial delivery of the preferred securities. The underwriters have advised FleetBoston and Fleet Capital that they intend to make a market in the preferred securities prior to commencement of trading on the New York Stock Exchange, but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the preferred securities.

#### NO PROTECTION IN HIGHLY LEVERAGED TRANSACTIONS

Under the indenture which governs the terms of the junior subordinated debentures, you will not be protected from a highly leveraged transaction, including a change of control of FleetBoston or other similar transaction. Such a transaction may have the effect of increasing FleetBoston's liabilities that

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are senior to the junior subordinated debentures.

S-10

### FLEET CAPITAL

This section supplements, and to the extent inconsistent with, replaces, the section entitled "The Trusts" in the accompanying prospectus.

Fleet Capital is a statutory business trust formed under Delaware law pursuant to:

- a declaration of trust, dated as of March 16, 1998, as amended, executed by FleetBoston, as sponsor, and the trustees of Fleet Capital, the "FLEET CAPITAL TRUSTEES"; and
- the filing of a certificate of trust with the Secretary of State of the State of Delaware on March 16, 1998, as amended.

The declaration will be amended and restated in its entirety, as so amended and restated, the "DECLARATION," substantially in the form filed as an exhibit to the registration statement which contains this prospectus supplement and the accompanying prospectus. The declaration will be qualified as an indenture under the Trust Indenture Act of 1939, as amended, the "TRUST INDENTURE ACT."

Fleet Capital exists for the exclusive purposes of:

- (1) issuing the trust securities representing undivided beneficial interests in the assets of Fleet Capital;
- (2) investing the gross proceeds of the trust securities in the junior subordinated debentures; and
- (3) engaging only in other necessary or incidental activities.

Upon issuance of the preferred securities, the purchasers will own all of the preferred securities. See "Description of the Preferred Securities -- Book-Entry Only Issuance -- The Depository Trust Company" beginning on page S-25. FleetBoston will directly or indirectly acquire common securities in an aggregate liquidation amount equal to at least 3% of the total capital of Fleet Capital.

Pursuant to the declaration, the number of Fleet Capital trustees will initially be five. FleetBoston, as the direct or indirect holder of all the common securities, will have the right to appoint, remove or replace any Fleet Capital trustee and to increase or decrease the number of Fleet Capital trustees, unless an event of default under the indenture occurs. In that case, the holders of a majority in liquidation amount of the preferred securities will have the right to remove and appoint the property trustee and the Delaware trustee. Three of the Fleet Capital trustees, the "REGULAR TRUSTEES," will be persons who are employees or officers of, or who are affiliated with, FleetBoston. The fourth trustee will be a financial institution that is unaffiliated with FleetBoston which will serve as institutional trustee under the declaration and as indenture trustee for the purposes of compliance with the provisions of the Trust Indenture Act, the "INSTITUTIONAL TRUSTEE." Initially, The Bank of New York will be the institutional trustee until removed or replaced by the holder of the common securities. For purposes of compliance with the provisions of the Trust Indenture Act, The Bank of New York will act as trustee under the guarantee, the "GUARANTEE TRUSTEE," and as trustee under the indenture which governs the junior subordinated debentures, the "DEBT TRUSTEE." The fifth trustee will be an entity that maintains its principal place of business in the

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state of Delaware. Initially, The Bank of New York (Delaware), an affiliate of the institutional trustee, will act as Delaware trustee.

The institutional trustee will hold title to the junior subordinated debentures for the benefit of the holders of the trust securities and will have the power to exercise all rights, powers and privileges under the indenture as the holder of the junior subordinated debentures. In addition, the institutional trustee will maintain exclusive control of a segregated non-interest bearing bank account to hold all payments made in respect of the junior subordinated debentures for the benefit of the holders of the trust securities. The

S-11

institutional trustee will make payments of distributions and payments on liquidation, redemption and otherwise to the holders of the trust securities out of funds from that account.

The guarantee trustee will hold the guarantee for the benefit of the holders of the preferred securities.

FleetBoston will pay all fees and expenses related to Fleet Capital and the offering of the trust securities. See "Description of the Junior Subordinated Debentures -- Miscellaneous" beginning on page S-36.

S-12

### FLEETBOSTON FINANCIAL CORPORATION SELECTED CONSOLIDATED FINANCIAL DATA

The following summary sets forth unaudited selected consolidated financial data for FleetBoston and its subsidiaries for each of the years in the five-year period ended December 31, 2001. The following summary should be read in conjunction with the financial information incorporated herein by reference to other documents. See "Where You Can Find More Information" in the accompanying prospectus. All data has been restated to reflect the Summit acquisition. Certain amounts in prior periods have been reclassified to conform to current-year presentation.

	YEARS ENDED DECEMBER 31,			
	2001	2000	1999	1998
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE)			
<b>CONSOLIDATED SUMMARY OF OPERATIONS:</b>				
Interest income (fully taxable equivalent).....	\$ 13,850	\$ 16,472	\$ 15,491	\$ 14,600
Interest expense.....	6,396	8,497	7,400	6,940
Net interest income (fully taxable equivalent).....	7,454	7,975	8,091	7,660
Provision for credit losses.....	2,330 (a)	1,295	1,061	910
Net interest income after provision for credit losses (fully taxable equivalent).....	5,124	6,680	7,030	6,750
Noninterest income.....	5,340	9,461	7,366	5,620
Noninterest expense.....	8,913	9,610	10,253	7,840
Net income.....	\$ 931 (b)	\$ 3,910 (c)	\$ 2,476 (d)	\$ 2,770

PER COMMON SHARE:

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Basic earnings per share.....	\$ .84 (b)	\$ 3.58 (c)	\$ 2.21 (d)	\$ 2.4
Diluted earnings per share.....	.83 (b)	3.52 (c)	2.16 (d)	2.4
Weighted average basic shares outstanding (in millions).....	1,074.2	1,081.4	1,095.7	1,094.
Weighted average diluted shares outstanding (in millions).....	1,083.7	1,098.7	1,121.5	1,119.
Book value.....	\$ 16.61	\$ 17.31	\$ 15.92	\$ 14.7
Cash dividends declared.....	1.34	1.23	1.11	1.0

RATIO OF EARNINGS TO FIXED CHARGES (G):

Excluding interest on deposits.....	1.51x	2.58x	2.23x	2.6
Including interest on deposits.....	1.23	1.75	1.54	1.6

CONSOLIDATED BALANCE SHEET -- AVERAGE BALANCES:

Total assets.....	\$208,882	\$223,887	\$223,232	\$201,03
Securities held to maturity.....	577	5,907	7,820	6,63
Securities available for sale.....	25,648	29,391	27,403	24,46
Loans and leases, net of unearned income.....	129,925	139,518	139,268	130,69
Due from brokers/dealers.....	4,122	3,603	3,240	3,76
Interest bearing deposit liabilities.....	98,219	102,069	109,756	106,43
Short-term borrowings.....	20,950	25,796	26,819	25,38
Due to brokers/dealers.....	3,854	4,829	4,150	4,50
Long-term debt (h).....	27,855	31,191	26,198	13,06
Stockholders' equity.....	19,330	18,134	17,479	16,31

S-13

YEARS ENDED DECEMBER 31,

2001	2000	1999	1998
------	------	------	------

(DOLLARS IN MILLIONS, EXCEPT PER SHARE)

CONSOLIDATED RATIOS:

Net interest margin (fully taxable equivalent).....	4.15%	4.17%	4.19%	4.3
Return on average assets.....	.45 (b)	1.75 (c)	1.11 (d)	1.3
Return on average common stockholders' equity.....	4.77 (b)	22.04 (c)	14.45 (d)	17.5
Average stockholders' equity to average assets.....	9.25	8.10	7.83	8.1
Tier 1 risk-based capital ratio.....	7.37	8.08	7.15	7.5
Total risk-based capital ratio.....	10.95	11.87	11.44	11.6
Period-end reserve for credit losses to period-end loans and leases, net of unearned income.....	2.83	2.01	1.97	1.9
Net charge-offs to average loans and leases, net of unearned income.....	1.07	.89	.74	.6
Period-end nonperforming assets to related assets...	1.44	.84	.69	.6

(a) Includes impact of charges related to Argentina (\$725 million pre-tax, \$434 million post-tax), the domestic economic downturn (\$175 million pre-tax, \$105 million post-tax) and the transfer of problem credits to accelerated disposition status (\$150 million pre-tax, \$89 million post-tax) recorded in 2001.

(b) Includes, in addition to the charges described in note (a), impact of merger-related and restructuring charges (\$1 billion pre-tax, \$657 million post-tax); write-downs taken against the carrying value of the principal

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investing portfolio (\$1.1 billion pre-tax, \$679 million post-tax); charges related to the estimated impact of Argentine government actions with respect to FleetBoston's Argentine operations (\$200 million pre-tax, \$120 million post-tax); write-downs taken against the carrying value of Argentine government bonds (\$175 million pre-tax, \$105 million post-tax); and a loss from the sale of the mortgage banking business (\$428 million pre-tax, \$285 million post-tax) recorded in 2001. Also includes impact of gains on branch divestitures (\$410 million pre-tax, \$252 million post-tax) and the sale of an investment in the NYCE Corporation (\$146 million pre-tax, \$91 million post-tax) recorded in 2001.

- (c) Includes impact of gains on branch divestitures (\$843 million pre-tax, \$420 million post-tax) and merger-related and restructuring charges (\$249 million pre-tax, \$151 million post-tax) recorded in 2000.
- (d) Includes impact of merger- and restructuring-related charges and other costs (\$1.1 billion pre-tax, \$777 million post-tax) recorded in 1999.
- (e) Includes impact of merger- and restructuring-related charges and other costs (\$220 million pre-tax, \$135 million post-tax) recorded in 1998.
- (f) Includes impact of merger- and restructuring-related charges (\$83 million pre-tax, \$54 million post-tax) recorded in 1997.
- (g) For the purpose of computing the ratio of earnings to fixed charges, "EARNINGS" consist of income before income taxes plus fixed charges, excluding capitalized interest. "FIXED CHARGES" consist of interest on short-term debt and long-term debt, including interest related to capitalized leases and capitalized interest, and one-third of rent expense, which approximates the interest component of such expense. In addition, where indicated, fixed charges include interest on deposits.
- (h) Amounts include guaranteed preferred beneficial interests in FleetBoston's junior subordinated debentures.

S-14

### CAPITALIZATION

The following table sets forth the actual consolidated capitalization of FleetBoston and its subsidiaries at December 31, 2001, and FleetBoston's capitalization as of that date as adjusted to reflect (1) the issuance on February 19, 2002 of \$505 million of senior notes and (2) the sale of the preferred securities offered hereby. The table should be read in conjunction with FleetBoston's consolidated financial statements and notes thereto included in the documents incorporated by reference herein. See "Where You Can Find More Information" in the accompanying prospectus. The information in the following table assumes that the underwriters do not exercise their over-allotment option.

	AT DECEMBER 31, 2001	
	ACTUAL	AS ADJUSTED
	(DOLLARS IN MILLIONS)	
Senior and subordinated debt.....	\$22,726	\$23,231
Company-obligated mandatorily redeemable preferred securities of Fleet Capital Trust I(1).....	84	84
Company-obligated mandatorily redeemable capital securities		



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of Fleet Capital Trust II(2).....	250	250
Company-obligated mandatorily redeemable preferred securities of Fleet Capital Trust III(3).....	120	120
Company-obligated mandatorily redeemable preferred securities of Fleet Capital Trust IV(4).....	150	150
Company-obligated mandatorily redeemable capital securities of Fleet Capital Trust V(5).....	250	250
Company-obligated mandatorily redeemable preferred securities of Fleet Capital Trust VI(6).....	300	300
Company-obligated mandatorily redeemable capital securities of Fleet Capital Trust VII(7).....	500	500
Company-obligated mandatorily redeemable preferred securities of Fleet Capital Trust VIII(8).....	--	--
Company-obligated mandatorily redeemable capital securities of BankBoston Capital Trust I(9).....	250	250
Company-obligated mandatorily redeemable capital securities of BankBoston Capital Trust II(10).....	250	250
Company-obligated mandatorily redeemable capital securities of BankBoston Capital Trust III(11).....	250	250
Company-obligated mandatorily redeemable capital securities of BankBoston Capital Trust IV(12).....	250	250
Company-obligated mandatorily redeemable capital securities of Summit Capital Trust I(13).....	150	150
	-----	-----
Total long-term debt.....	25,530	
STOCKHOLDERS' EQUITY		
Preferred stock, \$1.00 par value.....	271	271
Common stock, \$.01 par value.....	11	11
Common surplus.....	4,055	4,055
Retained earnings.....	14,078	14,078
Accumulated other comprehensive income.....	774	774
Treasury stock.....	(1,581)	(1,581)
	-----	-----
Total stockholders' equity.....	17,608	17,608
	-----	-----
Total long-term debt and stockholders' equity.....	\$43,138	\$
	=====	=====

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(1) Issued on February 4, 1997. The sole assets of Fleet Capital Trust I are 8.00% Junior Subordinated Deferrable Interest Debentures due 2027 with a principal amount of approximately \$86.3 million. Those debentures mature on February 15, 2027, which may be (i) shortened to a date not earlier than April 15, 2001 or (ii) extended to a date not later than February 15, 2046. FleetBoston owns all

S-15

of the common securities of this trust. Upon redemption of the debentures, the preferred securities are mandatorily redeemable.

(2) Issued on December 11, 1996. The sole assets of Fleet Capital Trust II are 7.92% Junior Subordinated Deferrable Interest Debentures due 2026 with a principal amount of approximately \$257.7 million. Those debentures mature on December 11, 2026. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.

(3) Issued on January 29, 1998. The sole assets of Fleet Capital Trust III are

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7.05% Junior Subordinated Deferrable Interest Debentures due 2028 with a principal amount of approximately \$123.7 million. Those debentures mature on March 31, 2028. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the preferred securities are mandatorily redeemable.

- (4) Issued on April 28, 1998. The sole assets of Fleet Capital Trust IV are 7.17% Junior Subordinated Deferrable Interest Debentures with a principal amount of approximately \$154.6 million. Those debentures mature on March 31, 2028. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the preferred securities are mandatorily redeemable.
- (5) Issued on December 18, 1998. The sole assets of Fleet Capital Trust V are Floating Rate Junior Subordinated Deferrable Interest Debentures due 2028 with a principal amount of approximately \$257.7 million. Those debentures mature on December 18, 2028. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.
- (6) Issued on June 30, 2000. The sole assets of Fleet Capital Trust VI are 8.80% Junior Subordinated Deferrable Interest Debentures due 2030 with a principal amount of approximately \$309.3 million. Those debentures mature on June 30, 2030. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the preferred securities are mandatorily redeemable.
- (7) Issued on September 17, 2001. The sole assets of Fleet Capital Trust VII are 7.20% Junior Subordinated Deferrable Interest Debentures due 2031 with a principal amount of approximately \$515.5 million. Those debentures mature on December 15, 2031, unless extended to a date not later than December 15, 2050, or redeemed earlier. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.
- (8) As described in this prospectus supplement, the sole assets of Fleet Capital Trust VIII will be the junior subordinated debentures with a principal amount of approximately \$        million. The junior subordinated debentures will bear interest at an annual rate equal to        % on the liquidation amount of \$25 per preferred security and will mature on        , unless extended to a date not later than        , or redeemed earlier. FleetBoston owns all of the common securities of Fleet Capital. Upon redemption of the junior subordinated debentures, the preferred securities will be mandatorily redeemable.
- (9) Issued on November 26, 1996. The sole assets of BankBoston Capital Trust I are 8.25% Series A Junior Subordinated Deferrable Interest Debentures due December 15, 2026 with a principal amount of approximately \$257.7 million. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.
- (10) Issued on December 10, 1996. The sole assets of BankBoston Capital Trust II are 7.75% Series A Junior Subordinated Deferrable Interest Debentures due December 15, 2026 with a principal amount of approximately \$257.7 million. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.
- (11) Issued on June 4, 1997. The sole assets of BankBoston Capital Trust III are Floating Rate Junior Subordinated Deferrable Interest Debentures due June 15, 2027 with a principal amount of

S-16

approximately \$257.7 million. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.

- (12) Issued on June 8, 1998. The sole assets of BankBoston Capital Trust IV are Floating Rate Junior Subordinated Deferrable Interest Debentures due June 8, 2028 with a principal amount of approximately \$257.7 million. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.
- (13) Issued on March 20, 1997. The sole assets of Summit Capital Trust I are 8.40% Junior Subordinated Deferrable Interest Debentures due March 15, 2027 with a principal amount of approximately \$154.6 million. FleetBoston owns all of the common securities of this trust. Upon redemption of the debentures, the capital securities are mandatorily redeemable.

S-17

#### ACCOUNTING TREATMENT

The financial statements of Fleet Capital will be consolidated into FleetBoston's consolidated financial statements, with the preferred securities classified as a component of long-term debt of FleetBoston. The financial statement footnotes of FleetBoston will include appropriate disclosures about the preferred securities, the guarantee and the junior subordinated debentures. FleetBoston will record distributions that Fleet Capital pays on the preferred securities as interest expense in FleetBoston's consolidated statement of income.

#### DESCRIPTION OF THE PREFERRED SECURITIES

The preferred securities will be issued pursuant to the terms of an amended and restated declaration of trust. The declaration has been qualified as an indenture under the Trust Indenture Act. The institutional trustee, The Bank of New York, will act as trustee for the preferred securities under the declaration for purposes of compliance with the provisions of the Trust Indenture Act. The terms of the preferred securities will include those stated in the declaration and those made part of the declaration by the Trust Indenture Act.

Set forth below is a summary of the material terms and provisions of the preferred securities. This summary supplements, and to the extent inconsistent, replaces, the description set forth under the caption "Description of the Preferred Securities" in the accompanying prospectus. This summary, which describes the material provisions of the preferred securities, is not intended to be complete and is qualified by the declaration, the form of which is filed as an exhibit to the registration statement which contains this prospectus supplement, by the Delaware Business Trust Act and by the Trust Indenture Act.

#### GENERAL

The declaration authorizes the regular trustees to issue the trust securities on behalf of Fleet Capital. The trust securities represent undivided beneficial interests in the assets of Fleet Capital. All of the common securities will be owned, directly or indirectly, by FleetBoston. The common securities rank equally, and payments will be made on a pro rata basis, with the preferred securities. However, if a "DECLARATION EVENT OF DEFAULT" as defined

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under "-- Declaration Events of Default" on page S-23, occurs and is continuing, the rights of the holders of the common securities to receive payments will be subordinated to the rights of the holders of the preferred securities.

The declaration does not permit Fleet Capital to issue any securities other than the trust securities or to incur any indebtedness. Under the declaration, the institutional trustee will hold the junior subordinated debentures purchased by Fleet Capital for the benefit of the holders of the trust securities.

Payments on the preferred securities are guaranteed by FleetBoston to the extent described under "Description of the Preferred Securities Guarantees" beginning on page 16 in the accompanying prospectus. The guarantee will be held by The Bank of New York, as guarantee trustee, for the benefit of the holders of the preferred securities. The guarantee does not cover payment of distributions or payments upon redemption of the preferred securities or liquidation of Fleet Capital when Fleet Capital does not have sufficient available funds to make those distributions or payments. In that event, the remedy of a holder of preferred securities is to vote to direct the institutional trustee to enforce the institutional trustee's rights under the junior subordinated debentures or, if there is a default in the payment of distributions, including when Fleet Capital does not have sufficient available funds to pay those distributions, the holder may take "DIRECT ACTION," as defined in the accompanying prospectus on page 15. See "-- Declaration Events of Default" and "-- Voting Rights" below and "Description of the Preferred Securities -- Voting Rights" in the accompanying prospectus beginning on page 14.

### DISTRIBUTIONS

Distributions on the preferred securities will be fixed at an annual rate equal to % on the liquidation amount of \$25 per preferred security. Distributions which are unpaid for more than one quarter will accumulate additional distributions at that same rate, compounded quarterly. The term "distribution"

S-18

as used in this prospectus supplement and the accompanying prospectus includes any interest payable on unpaid distributions unless otherwise stated.

The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of distributions payable for any period shorter than a full quarterly period will be computed on the basis of the actual number of days elapsed per 30-day month. If any distribution payment date is not a business day, then the distribution will be made on the next succeeding day that is a business day and without any interest or other payment in respect of the delay. However, if the next business day is in the next calendar year, payment of distributions will be made on the preceding business day.

Distributions on the preferred securities:

- (1) will be cumulative;
- (2) will accrue from ; and
- (3) except as otherwise described below, will be payable quarterly in arrears on , , and of each year, commencing .

So long as FleetBoston is not in default in the payment of interest on the junior subordinated debentures, FleetBoston may defer payments of interest on

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the junior subordinated debentures by extending the interest payment period from time to time on the junior subordinated debentures, an "EXTENSION PERIOD." If FleetBoston exercises this extension option, quarterly distributions on the preferred securities would also be deferred during any such extension period. Because interest would continue to accrue on the junior subordinated debentures, any deferred distributions would also continue to accrue with interest at an annual rate equal to % compounded quarterly. This right to extend the interest payment period for the junior subordinated debentures is limited to a period not exceeding 20 consecutive quarters, and may not extend beyond (or such date not later than if FleetBoston elects to extend this date), the "STATED MATURITY" of the junior subordinated debentures. Upon the termination of any extension period and the payment of all amounts then due, FleetBoston may commence a new extension period, subject to the above requirements. See "Description of the Junior Subordinated Debentures -- Interest" beginning on page S-31 and "-- Option to Extend Interest Payment Period" beginning on page S-32.

If FleetBoston exercises this deferral right, then during any extension period:

- (1) FleetBoston will not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire, or make a liquidation payment relating to, any of its capital stock other than:
  - repurchases, redemptions or other acquisitions of shares of capital stock of FleetBoston in connection with any employee benefit plans or any other contractual obligation of FleetBoston, other than a contractual obligation ranking equally with or junior to the junior subordinated debentures;
  - as a result of an exchange or conversion of any class or series of FleetBoston's capital stock for any other class or series of FleetBoston's capital stock; or
  - the purchase of fractional interests in shares of FleetBoston's capital stock pursuant to the conversion or exchange provisions of that FleetBoston capital stock or the security being converted or exchanged;
- (2) FleetBoston will not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities issued by FleetBoston which rank equally with or junior to the junior subordinated debentures; and
- (3) FleetBoston will not make any guarantee payments with respect to the foregoing, other than pursuant to the guarantee.

S-19

If distributions are deferred, the deferred distributions and accumulated but unpaid distributions will be paid to holders of the preferred securities as they appear on the books and records of Fleet Capital on the record date next following the termination of that extension period.

Distributions on the preferred securities must be paid on the dates payable to the extent that Fleet Capital has funds available for the payment of those distributions. Fleet Capital's funds available for distribution to the holders of the preferred securities will be limited to payments received from FleetBoston on the junior subordinated debentures. See "Description of the Junior Subordinated Debentures" beginning on page S-28. The payment of distributions out of moneys held by Fleet Capital is guaranteed by FleetBoston

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to the extent set forth under "Description of the Preferred Securities Guarantees" beginning on page 16 in the accompanying prospectus.

### PAYMENT AND RECORD DATES

Fleet Capital will pay distributions to the holders of the preferred securities as they appear on the books and records of Fleet Capital on the relevant record dates. As long as the preferred securities are in book-entry form, the record date will be one business day prior to the relevant payment date. A "BUSINESS DAY" is any day other than Saturday, Sunday or any other day on which banking institutions in New York City (in the State of New York) are permitted or required by any applicable law to close. If the preferred securities are not in book-entry form, the record date will be the first day of the month in which the relevant payment date occurs. The record dates and payment dates for the preferred securities are the same as the record dates and payment dates for the junior subordinated debentures.

If Fleet Capital does not pay a distribution because FleetBoston fails to make the corresponding interest payment on the junior subordinated debentures, that defaulted distribution will be payable to the person in whose name the preferred security is registered on the special record date established by the regular trustees. This record date will correspond to the special record date or other specified date determined in accordance with the indenture. This means that the defaulted distribution may not be paid to the person in whose name the preferred security is registered on the original record date. However, distributions will not be considered payable on any distribution payment date falling within an extension period unless FleetBoston has elected to make a full or partial payment of interest accrued on the junior subordinated debentures on that distribution payment date.

Fleet Capital will pay distributions on the preferred securities through the institutional trustee, who will hold amounts received on the junior subordinated debentures for the benefit of the holders of the trust securities. Subject to any applicable laws and regulations and the provisions of the declaration, each payment of distributions will be made as described under "--Book-Entry Only Issuance -- The Depository Trust Company" beginning on page S-25.

### REDEMPTION

The junior subordinated debentures will be redeemable prior to the stated maturity at the option of FleetBoston at a redemption price equal to 100% of the principal amount, plus accrued interest to the date of redemption:

- (1) in whole or in part, from time to time, on or after \_\_\_\_\_ ; or
- (2) at any time prior to \_\_\_\_\_ , in whole but not in part, upon the occurrence and continuation of a special event as defined under "Description of the Junior Subordinated Debentures -- Optional Redemption" on page S-31.

Fleet Capital will use the proceeds from any repayment or redemption of the junior subordinated debentures to simultaneously redeem, on a pro rata basis, trust securities having an aggregate liquidation amount equal to the aggregate principal amount of the junior subordinated debentures so repaid or redeemed, the "REDEMPTION PRICE." Fleet Capital must give holders of trust securities not less than 30 nor more than 60 days' notice of any early redemption. See "Description of the Junior Subordinated Debentures -- Optional Redemption" on page S-31. If fewer than all of the outstanding preferred

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securities are to be redeemed, Fleet Capital will redeem the preferred securities pro rata as described under "--Book-Entry Only Issuance -- The Depository Trust Company" beginning on page S-25. Any early redemption may require prior approval of the Federal Reserve Board if approval is then required under applicable law, rules, guidelines or policies.

### REDEMPTION PROCEDURES

Fleet Capital may not redeem fewer than all of the outstanding preferred securities unless it has paid all accrued and unpaid distributions on all preferred securities for all quarterly distribution periods terminating on or prior to the date of redemption.

If Fleet Capital gives a notice of redemption of the preferred securities and FleetBoston has paid to Fleet Capital a sufficient amount of cash in connection with the related redemption or maturity of the junior subordinated debentures, then immediately prior to the close of business on the redemption date:

- (1) distributions will cease to accrue on the preferred securities called for redemption;
- (2) the preferred securities called for redemption will no longer be deemed to be outstanding; and
- (3) all rights of holders of the preferred securities called for redemption will cease, except the right of the holders of those preferred securities to receive the redemption price, but without interest.

Any notice of redemption will be irrevocable. If any date fixed for redemption of preferred securities is not a business day, then payment of the redemption price will be made on the next succeeding day that is a business day (and without any interest or other payment because of the delay) except that, if the business day falls in the next calendar year, the payment will be made on the immediately preceding business day.

If FleetBoston fails to repay junior subordinated debentures on maturity or on the date fixed for a redemption or if payment of the redemption price is improperly withheld or refused and not paid by Fleet Capital or by FleetBoston under its guarantee, distributions on those preferred securities will continue to accrue to the date of payment. In that case, the actual payment date will be considered the date fixed for redemption for purposes of calculating the redemption price.

Fleet Capital will not be required to:

- (1) issue, or register the transfer or exchange of, any trust securities during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of trust securities and ending at the close of business on the day of the mailing of the relevant notice of redemption; and
- (2) register the transfer or exchange of any trust securities so selected for redemption, in whole or in part, except the unredeemed portion of any trust securities being redeemed in part.

Subject to the foregoing and applicable law, including, without limitation, United States federal securities laws and the regulations of the Federal Reserve Board, FleetBoston or its subsidiaries may at any time, and from time to time, purchase outstanding preferred securities by tender, in the open market or by private agreement.

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### DISTRIBUTION OF THE JUNIOR SUBORDINATED DEBENTURES

FleetBoston will have the right at any time to liquidate Fleet Capital and cause the junior subordinated debentures to be distributed to the holders of the trust securities. This may require the prior approval of the Federal Reserve Board if approval is then required under applicable law, rules, guidelines or policies. If the junior subordinated debentures are distributed to the holders of the preferred securities, FleetBoston will use its best efforts to cause the junior subordinated debentures to be listed on any exchange as the preferred securities are then listed.

S-21

On the date for any distribution of junior subordinated debentures upon dissolution of Fleet Capital:

- (1) the trust securities will no longer be deemed to be outstanding;
- (2) The Depository Trust Company, or its nominee, as the record holder of the preferred securities, will receive a registered global certificate or certificates representing the junior subordinated debentures registered in its name; and
- (3) any certificates representing trust securities not held by the depository or its nominee, until those certificates are presented to FleetBoston or its agent for transfer or reissuance, will be deemed to represent junior subordinated debentures having:
  - an aggregate principal amount equal to the aggregate stated liquidation amount of the trust securities;
  - an interest rate identical to the distribution rate of the trust securities; and
  - accrued and unpaid interest equal to accrued and unpaid distributions on the trust securities.

FleetBoston and Fleet Capital cannot assure you as to the market prices for either the preferred securities or the junior subordinated debentures that may be distributed in exchange for the preferred securities if Fleet Capital were to dissolve and liquidate. Accordingly, the preferred securities or the junior subordinated debentures may trade at a discount to the price paid to purchase the preferred securities offered by this prospectus supplement.

### LIQUIDATION DISTRIBUTION UPON DISSOLUTION

If Fleet Capital liquidates, dissolves, winds-up or terminates for any of the reasons specified below other than clause (8), each a "LIQUIDATION," holders of the preferred securities will be entitled to receive out of the assets of Fleet Capital, after satisfaction of liabilities to creditors, distributions in an amount equal to the aggregate of the stated liquidation amount of \$25 per preferred security, plus accumulated and unpaid distributions to the date of payment, the "LIQUIDATION DISTRIBUTION." These distributions will not be paid if, in connection with a liquidation, junior subordinated debentures with terms that match the preferred securities have been distributed on a pro rata basis to the holders of the preferred securities.

If, upon any liquidation, the liquidation distribution can be paid only in part because Fleet Capital does not have sufficient assets to pay in full the entire liquidation distribution, then the amounts payable directly by Fleet



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Capital on the preferred securities will be paid on a pro rata basis.

The holders of the common securities will be entitled to receive distributions upon any liquidation pro rata with the holders of the preferred securities. However, if a declaration event of default has occurred and is continuing, the preferred securities will have a preference over the common securities with regard to those distributions.

Pursuant to the declaration, Fleet Capital will terminate:

- (1) on March 16, 2053, the expiration of the term of Fleet Capital;
- (2) upon the bankruptcy of FleetBoston or Fleet Capital;
- (3) upon the filing of a certificate of dissolution or its equivalent with respect to FleetBoston;
- (4) upon the filing of a certificate of cancellation for Fleet Capital after obtaining the consent of the holders of at least a majority in liquidation amount of the trust securities, voting together as a single class to file the certificate of cancellation;
- (5) upon the revocation of FleetBoston's charter and the expiration of 90 days after the date of revocation without the charter being reinstated;
- (6) upon the distribution of junior subordinated debentures to the holders of the trust securities;
- (7) upon the entry of a decree of a judicial dissolution of FleetBoston or Fleet Capital; or
- (8) upon the redemption of all the trust securities.

S-22

### DECLARATION EVENTS OF DEFAULT

An "INDENTURE EVENT OF DEFAULT" is an event of default under the indenture and also constitutes a "DECLARATION EVENT OF DEFAULT," which is an event of default under the declaration relating to the trust securities. See "Description of the Junior Subordinated Debentures -- Events of Default, Waiver and Notice" in the accompanying prospectus beginning on page 11 for a description of indenture events of default.

Under the declaration, the holder of the common securities will be deemed to have waived any declaration event of default relating to the common securities until all declaration events of default relating to the preferred securities have been cured, waived or otherwise eliminated. Until all declaration events of default relating to the preferred securities have been cured, waived or otherwise eliminated, the institutional trustee will be acting solely on behalf of the holders of the preferred securities. Only the holders of the preferred securities will have the right to direct the institutional trustee with respect to certain matters under the declaration, and therefore the indenture. If a declaration event of default relating to the preferred securities is waived by the holders of the preferred securities, the holders of the common securities have agreed that the waiver also constitutes a waiver of the declaration event of default relating to the common securities for all purposes under the declaration without any further act, vote or consent of the holders of the common securities.

If the institutional trustee fails to enforce its rights under the junior

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subordinated debentures after a holder of preferred securities has made a written request, the holder of preferred securities may directly institute a legal proceeding against FleetBoston to enforce these rights without first suing the institutional trustee or any other person or entity. If a declaration event of default has occurred and is continuing and the event is attributable to the failure of FleetBoston to pay interest or principal on the junior subordinated debentures on the date the interest or principal is otherwise payable, or in the case of redemption, the redemption date, then a holder of preferred securities may also bring a direct action. This means that a holder may directly sue FleetBoston to enforce payment of the principal or interest on the junior subordinated debentures having a principal amount equal to the aggregate liquidation amount of the preferred securities of the holder on or after the respective due date specified in the junior subordinated debentures. The holder need not first (1) direct the institutional trustee to enforce the terms of the junior subordinated debentures or (2) sue FleetBoston to enforce the institutional trustee's rights under the junior subordinated debentures.

In connection with the direct action, FleetBoston will be subrogated to the rights of the holder of preferred securities under the declaration to the extent of any payment made by FleetBoston to that holder of preferred securities in the direct action. This means that FleetBoston will be entitled to payment of amounts that a holder of preferred securities receives in respect of an unpaid distribution that resulted in the bringing of a direct action to the extent that the holder receives or has already received full payment relating to the unpaid distribution from Fleet Capital. The holders of preferred securities will not be able to exercise directly any other remedy available to the holders of the junior subordinated debentures.

Upon the occurrence of an indenture event of default, the institutional trustee as the sole holder of the junior subordinated debentures will have the right under the indenture to declare the principal of and interest on the junior subordinated debentures to be immediately due and payable. FleetBoston and Fleet Capital are each required to file annually with the institutional trustee an officer's certificate as to its compliance with all conditions and covenants under the declaration.

### VOTING RIGHTS

Except as described in the accompanying prospectus under "Description of the Preferred Securities -- Voting Rights" beginning on page 14, under the Delaware Business Trust Act, under the Trust Indenture Act and under "Description of the Preferred Securities Guarantees -- Modification of the Preferred Securities Guarantees; Assignment" on page 18 in the accompanying prospectus, and as otherwise required by law and the declaration, the holders of the preferred securities will have no voting rights.

S-23

### MODIFICATION OF THE DECLARATION

The declaration may be modified and amended if approved by the regular trustees, and in certain circumstances, the institutional trustee and the Delaware Trustee. However, if any proposed amendment provides for, or the regular trustees otherwise propose to effect:

- (1) any action that would adversely affect the powers, preferences or special rights of the trust securities, whether by way of amendment to the declaration or otherwise; or
- (2) the dissolution, winding-up or termination of Fleet Capital other than pursuant to the terms of the declaration,

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then the holders of the trust securities voting together as a single class will be entitled to vote on the amendment or proposal. That amendment or proposal will not be effective except with the approval of at least a majority in liquidation amount of the trust securities affected thereby. If, however, any amendment or proposal referred to in clause (1) above would adversely affect only the preferred securities or the common securities, then only holders of the affected class will be entitled to vote on the amendment or proposal. The amendment or proposal will not be effective except with the approval of a majority in liquidation amount of that class of trust securities.

Despite the foregoing, no amendment or modification may be made to the declaration if the amendment or modification would:

- (1) cause Fleet Capital to be classified for United States federal income taxation purposes as other than a grantor trust;
- (2) reduce or otherwise adversely affect the powers of the institutional trustee; or
- (3) cause Fleet Capital to be deemed an "investment company" which is required to be registered under the Investment Company Act.

### MERGERS, CONSOLIDATIONS OR AMALGAMATIONS

Fleet Capital may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety, to any corporation or other body, except as described below. Fleet Capital may, with the consent of the regular trustees and without the consent of the holders of the trust securities, the institutional trustee or the Delaware trustee, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State of the United States; provided, that:

- (1) if Fleet Capital is not the survivor, the successor entity either:
  - (a) expressly assumes all of the obligations of Fleet Capital under the trust securities; or
  - (b) substitutes for the trust securities other securities having substantially the same terms as the trust securities, so long as the successor securities rank the same as the trust securities rank regarding distributions and payments upon liquidation, redemption and otherwise;
- (2) FleetBoston expressly acknowledges a trustee of the successor entity possessing the same powers and duties as the institutional trustee, in its capacity as the holder of the junior subordinated debentures;
- (3) the preferred securities or any successor securities are listed, or any successor securities will be listed upon notification of issuance, on any national securities exchange or with another organization on which the preferred securities are then listed or quoted;
- (4) the merger, consolidation, amalgamation or replacement does not cause the preferred securities, including any successor securities, to be downgraded by any nationally recognized statistical rating organization;

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- (5) the merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities, including any successor securities, in any material respect, other than with respect to any dilution of the holders' interest in the new entity;
- (6) the successor entity has a purpose identical to that of Fleet Capital;
- (7) prior to the merger, consolidation, amalgamation or replacement, Fleet Capital has received an opinion of a nationally recognized independent counsel to Fleet Capital experienced in those matters that:
  - (a) the merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities, including any successor securities, in any material respect, other than with respect to any dilution of the holders' interest in the new entity;
  - (b) following the merger, consolidation, amalgamation or replacement, neither Fleet Capital nor the successor entity will be required to register as an investment company under the Investment Company Act; and
  - (c) following the merger, consolidation, amalgamation or replacement, Fleet Capital (or the successor entity) will be treated as a grantor trust for United States federal income tax purposes; and
- (8) FleetBoston guarantees the obligations of the successor entity under the successor securities at least to the extent provided by the guarantee.

Despite the foregoing, Fleet Capital will not, except with the consent of holders of 100% in liquidation amount of the trust securities, consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if the consolidation, amalgamation, merger or replacement would cause Fleet Capital or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes.

### BOOK-ENTRY ONLY ISSUANCE -- THE DEPOSITORY TRUST COMPANY

The preferred securities will be book-entry securities. Upon issuance, all book-entry securities will be represented by one or more fully registered global preferred securities, without distribution coupons. Each global preferred security will be deposited with, or on behalf of, The Depository Trust Company, "DTC," a securities depository, and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of the preferred securities and will be considered the sole owner of the preferred securities for purposes of the declaration.

Purchasers of preferred securities may only hold interests in the global notes through DTC if they are a participant in the DTC system. Purchasers may also hold interests through a securities intermediary -- banks, brokerage houses and other institutions that maintain securities accounts for customers -- that has an account with DTC or its nominee. DTC will maintain accounts showing the preferred security holdings of its participants, and these participants will in turn maintain accounts showing the preferred security holdings of their customers. Some of these customers may themselves be securities intermediaries holding preferred securities for their customers. Thus, each beneficial owner of a book-entry preferred security will hold that preferred security indirectly through a hierarchy of intermediaries, with DTC at the "top" and the beneficial owner's own securities intermediary at the "bottom."

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The preferred securities of each beneficial owner of a book-entry security will be evidenced solely by entries on the books of the beneficial owner's securities intermediary. The actual purchaser of the preferred securities will generally not be entitled to have the preferred securities represented by the global securities registered in its name and will not be considered the owner under the declaration. In most cases, a beneficial owner will also not be able to obtain a paper certificate evidencing the holder's ownership of preferred securities. The book-entry system for holding preferred securities eliminates the need for physical

S-25

movement of certificates and is the system through which most publicly traded common stock is held in the United States. However, the laws of some jurisdictions require some purchasers of securities to take physical delivery of their securities in definitive form. These laws may impair the ability to transfer book-entry securities.

A beneficial owner of book-entry securities represented by a global preferred security may exchange the securities for definitive (paper) preferred securities only if:

- (1) DTC is unwilling or unable to continue as depository for the global preferred security and FleetBoston is unable to find a qualified replacement for DTC within 90 days;
- (2) at any time DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934; or
- (3) FleetBoston in its sole discretion decides to allow some or all book-entry securities to be exchangeable for definitive preferred securities in registered form.

Any global preferred security that is exchangeable will be exchangeable in whole for definitive preferred securities in registered form, with the same terms and of an equal aggregate principal amount, in denominations of \$25 and whole multiples of \$25. Definitive preferred securities will be registered in the name or names of the person or persons specified by DTC in a written instruction to the registrar of the securities. DTC may base its written instruction upon directions it receives from its participants.

In this prospectus supplement and accompanying prospectus, for book-entry preferred securities, references to actions taken by preferred security holders will mean actions taken by DTC upon instructions from its participants, and references to payments and notices of redemption to preferred security holders will mean payments and notices of redemption to DTC as the registered holder of the preferred securities for distribution to participants in accordance with DTC's procedures.

DTC has advised us that DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under section 17A of the Securities Exchange Act of 1934. The rules applicable to DTC and its participants are on file with the SEC.

FleetBoston and the trustees will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the book-entry securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership

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interests.

DTC may discontinue providing its services as securities depository with respect to the preferred securities at any time by giving reasonable notice to Fleet Capital. Under those circumstances, if a successor securities depository is not obtained, preferred securities certificates are required to be printed and delivered. Additionally, the regular trustees, with the consent of FleetBoston, may decide to discontinue use of the system of book-entry transfers through DTC or any successor depository with respect to the preferred securities. In that event, certificates for the preferred securities will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FleetBoston and Fleet Capital believe to be reliable, but neither FleetBoston nor Fleet Capital takes responsibility for the accuracy of that information.

### PAYMENT

Payments on the preferred securities represented by the global certificates will be made to DTC, which will credit the relevant accounts at DTC on the applicable distribution dates. In the case of certificated securities, payments will be made by check mailed to the address of the holder as that address appears on the records of FleetBoston's registrar and transfer agent.

S-26

### REGISTRAR, TRANSFER AGENT AND PAYING AGENT

If the preferred securities do not remain in book-entry only form, the following provisions will apply:

- (1) the institutional trustee will act as paying agent and may designate an additional or substitute paying agent at any time;
- (2) registration of transfers of preferred securities will be effected without charge by or on behalf of Fleet Capital, but upon payment, with the giving of such indemnity as Fleet Capital or FleetBoston may require, in respect of any tax or other government charges that may be imposed in relation to it; and
- (3) Fleet Capital will not be required to register or cause to be registered the transfer of preferred securities after those preferred securities have been called for redemption.

### INFORMATION CONCERNING THE INSTITUTIONAL TRUSTEE

Prior to the occurrence of a default with respect to the trust securities and after the curing of any defaults that may have occurred, the institutional trustee undertakes to perform only such duties as are specifically set forth in the declaration. After such a default, the institutional trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. The institutional trustee is under no obligation to exercise any of the powers vested in it by the declaration at the request of any holder of preferred securities, unless offered indemnity satisfactory to it by the holder against the costs, expenses and liabilities that the institutional trustee might incur by exercising those powers. The holders of preferred securities will not be required to offer that indemnity if the holders, by exercising their voting rights, direct the institutional trustee to take any action following a declaration event of default. The institutional trustee also serves as trustee under the guarantee and the indenture. FleetBoston and certain

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of its subsidiaries conduct certain banking transactions with the institutional trustee in the ordinary course of their business.

### GOVERNING LAW

The declaration and the preferred securities will be governed by, and construed in accordance with, the internal laws of the State of Delaware.

### MISCELLANEOUS

The regular trustees are authorized and directed to operate Fleet Capital in such a way so that Fleet Capital will not be required to register as an "investment company" under the Investment Company Act or characterized as other than a grantor trust for United States federal income tax purposes. FleetBoston is authorized and directed to conduct its affairs so that the junior subordinated debentures will be treated as indebtedness of FleetBoston for United States federal income tax purposes. In this connection, FleetBoston and the regular trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of Fleet Capital or the Restated Articles of Incorporation of FleetBoston, that each of FleetBoston and the regular trustees determine in their discretion to be necessary or desirable to achieve that end, as long as that action does not adversely affect the interests of the holders of the preferred securities or vary the terms of the preferred securities.

Holders of the preferred securities have no preemptive rights.

S-27

### DESCRIPTION OF THE GUARANTEE

FleetBoston will agree, to the extent set forth in the guarantee, to pay in full to the holders of the preferred securities the guarantee payments, as defined in the accompanying prospectus, except to the extent paid by Fleet Capital, as and when due, regardless of any defense, right of setoff or counterclaim which Fleet Capital may have or assert. FleetBoston's obligation to make a payment under the guarantee may be satisfied by direct payment of the required amounts by FleetBoston to the holders of preferred securities or by causing Fleet Capital to pay those amounts to those holders.

The guarantee, when taken together with FleetBoston's obligations under the junior subordinated debentures and the indenture and its obligations under the declaration, including its obligations to pay costs, expenses, debts and liabilities of Fleet Capital, other than with respect to the trust securities, provides a full and unconditional guarantee on a subordinated basis by FleetBoston of payments due on the preferred securities.

The guarantee will be qualified as an indenture under the Trust Indenture Act. The Bank of New York will act as guarantee trustee. The terms of the guarantee will be those set forth in that guarantee and those made part of the guarantee by the Trust Indenture Act. The guarantee will be held by the guarantee trustee for the benefit of the holders of the preferred securities. A summary description of the guarantee appears beginning on page 16 in the accompanying prospectus under the caption "Description of the Preferred Securities Guarantees."

### DESCRIPTION OF THE JUNIOR SUBORDINATED DEBENTURES

Set forth below is a description of the specific terms of the junior subordinated debentures in which Fleet Capital will invest the proceeds from the issuance and sale of the trust securities. This description supplements the

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description of the general terms and provisions of the junior subordinated debentures set forth on page 8 in the accompanying prospectus under the caption "Description of the Junior Subordinated Debentures." While the following description is not intended to be complete and is qualified by the indenture, dated as of June 30, 2000, between FleetBoston and The Bank of New York as trustee, the "DEBT TRUSTEE," as supplemented from time to time, as so supplemented, the "INDENTURE," all material terms of the junior subordinated debentures are set forth in this prospectus supplement and in the accompanying prospectus. The base indenture and the form of supplemental indenture are filed as exhibits to the registration statement which contains this prospectus supplement and the accompanying prospectus.

### GENERAL

The junior subordinated debentures will be issued as unsecured debt of FleetBoston under the indenture. The junior subordinated debentures will initially be limited in aggregate principal amount to approximately \$515.5 million, or \$592.8 million if the underwriters' over-allotment option is exercised in full. This amount is the sum of the aggregate stated liquidation value of the trust securities.

The junior subordinated debentures are not subject to any sinking fund provision. The entire principal amount of the junior subordinated debentures will mature and become due and payable, together with any accrued and unpaid interest on the junior subordinated debentures, including compound interest, as defined on page S-32 under "-- Option to Extend Interest Payment Period" and additional interest, as defined on page S-33 under "-- Additional Interest," if any, on \_\_\_\_\_ or earlier, in the case of early redemption or an acceleration of the maturity date, or later, in the case of an extension of the maturity date, each as described below.

If junior subordinated debentures are distributed to holders of preferred securities in liquidation of the holders' interests in Fleet Capital, those junior subordinated debentures will initially be issued as a global security. As described in this prospectus supplement, under limited circumstances junior subordinated debentures may be issued in certificated form in exchange for a global security. See "--Book-Entry and Settlement" on page S-35. If junior subordinated debentures are issued in certificated form, those junior subordinated debentures will be in denominations of \$25 and integral multiples of \$25 and may be transferred or exchanged at the offices described below. Payments on junior subordinated debentures issued

S-28

as a global security will be made to DTC, to a successor depository or, in the event that no depository is used, to a paying agent for the junior subordinated debentures. In the event junior subordinated debentures are issued in certificated form, principal and interest will be payable, the transfer of the junior subordinated debentures will be registrable and junior subordinated debentures will be exchangeable for junior subordinated debentures of other denominations of a like aggregate principal amount, at the corporate trust office of the institutional trustee in New York, New York. At its option, FleetBoston may make payment of interest by check mailed to the address of the holder entitled to that payment or by wire transfer to an account appropriately designated by the holder entitled to that payment.

FleetBoston does not intend to issue and sell the junior subordinated debt securities to any purchasers other than Fleet Capital.

There are no covenants or provisions in the indenture that would afford the holders of the junior subordinated debentures protection in the event of a



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highly leveraged transaction or other similar transaction involving FleetBoston that may adversely affect those holders.

### SUBORDINATION

To the extent described in the indenture, the junior subordinated debentures are subordinated and junior in right of payment to all present and future senior indebtedness and other financial obligations of FleetBoston (each as defined below) and rank equal with and are equivalent to creditor obligations of those holding general unsecured claims not entitled to statutory priority under the United States Bankruptcy Code or otherwise. No payment may be made of principal, including redemption payments, premium, if any, or interest on the junior subordinated debentures if:

- (1) there is a default in the payment of the principal of, premium, if any, interest on or otherwise in respect of any senior indebtedness, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or
- (2) any event of default with respect to any senior indebtedness has occurred and is continuing, or would occur as a result of that payment on the junior subordinated debentures, if the event of default would permit the holders of that senior indebtedness, or a trustee on behalf of those holders, to accelerate the maturity of the senior indebtedness.

Upon any distribution of assets of FleetBoston to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all of the principal of, and interest on, all senior indebtedness and other financial obligations of FleetBoston must be paid in full before the holders of the junior subordinated debentures are entitled to receive or retain any payment.

The term "SENIOR INDEBTEDNESS" means, with respect to FleetBoston:

- (1) the principal, premium, if any, and interest in respect of:
  - (a) indebtedness of FleetBoston for money borrowed; and
  - (b) indebtedness evidenced by securities, debentures, bonds or other similar instruments issued by FleetBoston;
- (2) all capital lease obligations of FleetBoston;
- (3) all obligations of FleetBoston issued or assumed as the deferred purchased price of property, all conditional sale obligations of FleetBoston and all obligations of FleetBoston under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);
- (4) all obligations of FleetBoston for the reimbursement of any letter of credit, banker's acceptance, security purchase facility or similar credit transaction;

S-29

- (5) all obligations of the type referred to in clauses (1) through (4) above of other persons for the payment of which FleetBoston is responsible or liable as obligor, guarantor or otherwise; and

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- (6) all obligations of the type referred to in clauses (1) through (5) above of other persons secured by any lien on any property or asset of FleetBoston, whether or not the obligation is assumed by FleetBoston, except that senior indebtedness will not include:
- (a) any such indebtedness that is by its terms subordinated to or ranks equally with the junior subordinated debentures; and
  - (b) any indebtedness between and among FleetBoston or its affiliates, including all other debt securities and guarantees in respect to those debt securities, issued to:
    - any other Fleet capital trust or a trustee of that Fleet capital trust; and
    - any other trust, or a trustee of that trust, partnership or other entity affiliated with FleetBoston that is a financing vehicle of FleetBoston in connection with the issuance by that financing vehicle of preferred securities or other securities that rank equal with, or junior to, the preferred securities.

The term "OTHER FINANCIAL OBLIGATIONS" means all obligations of FleetBoston to make payment pursuant to the terms of financial instruments, such as:

- (1) securities contracts and foreign currency exchange contracts;
- (2) derivative instruments, such as swap agreements (including interest rate and foreign exchange rate swap agreements), cap agreements, floor agreements, collar agreements, interest rate agreements, foreign exchange rate agreements, options, commodity futures contracts, commodity option contracts; and
- (3) in the case of both (1) and (2) above, similar financial instruments, other than:
  - (a) obligations on account of senior indebtedness; and
  - (b) obligations on account of indebtedness for money borrowed ranking equally with or subordinate to the junior subordinated debentures.

Upon satisfaction of all claims of all senior indebtedness and other financial obligations, the rights of the holders of the junior subordinated debentures will be subrogated to the rights of the holders of senior indebtedness and other financial obligations of FleetBoston to receive payments or distributions applicable to senior indebtedness and other financial obligations until all amounts owing on the junior subordinated debentures are paid in full. That senior indebtedness and other financial obligations will continue to be senior indebtedness and other financial obligations and be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of that senior indebtedness or other financial obligations.

The indenture does not limit the aggregate amount of senior indebtedness or other financial obligations that may be issued or entered into by FleetBoston.

As of December 31, 2001, senior indebtedness and other financial obligations of FleetBoston aggregated approximately \$11.1 billion (holding company only). In addition, because FleetBoston is a holding company, the junior subordinated debentures are effectively subordinated to all existing and future liabilities of FleetBoston's subsidiaries, including depositors.

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### OPTIONAL REDEMPTION

FleetBoston will have the right to redeem the junior subordinated debentures prior to their stated maturity:

- (1) in whole or in part, from time to time, on or after \_\_\_\_\_ ; or
- (2) at any time prior to \_\_\_\_\_ , in whole but not in part, upon the occurrence and continuation of a special event, as defined below;

in either case, upon not less than 30 nor more than 60 days' notice. The redemption price will be equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption. The redemption may require prior approval of the Federal Reserve Board if approval is then required under applicable law, rules, guidelines or policies.

A "SPECIAL EVENT" means a tax event or a regulatory capital event, each as defined below.

A "TAX EVENT" means that the regular trustees will have received an opinion of nationally recognized independent tax counsel experienced in those matters that, as a result of:

- (1) any amendment to, or change, including any announced prospective change, in, the laws or any regulations thereunder of the United States or any political subdivision or taxing authority of or in the United States; or
- (2) any official administrative pronouncement or judicial decision interpreting or applying those laws or regulations, which amendment or change is effective or the pronouncement or decision is announced on or after the date of original issuance of the junior subordinated debentures,

there is more than an insubstantial risk that:

- (1) Fleet Capital is, or will be within 90 days of the date of the opinion, subject to United States federal income tax with respect to income received or accrued on the junior subordinated debentures;
- (2) interest payable by FleetBoston on the junior subordinated debentures is not, or within 90 days of the date of the opinion will not be, deductible by FleetBoston, in whole or in part, for United States federal income tax purposes; or
- (3) Fleet Capital is, or will be within 90 days of the date of the opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

A "REGULATORY CAPITAL EVENT" means that FleetBoston will have received an opinion of independent bank regulatory counsel experienced in those matters that, as a result of:

- (1) any amendment to or change, including any announced prospective change, in the laws or any regulations thereunder of the United States or any rules, guidelines or policies of the Federal Reserve Board; or
- (2) any official amendment or change is effective or that pronouncement or decision is announced on or after the date of original issuance of the preferred securities,

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there is more than an insubstantial risk that the preferred securities will no longer constitute, or within 90 days of the date of either of those events, will not constitute, Tier 1 capital or its then equivalent for regulatory capital purposes; provided, however, that the distribution of the junior subordinated debentures in connection with the liquidation of Fleet Capital by FleetBoston and the treatment of the junior subordinated debentures as other than Tier 1 capital will not constitute a regulatory capital event unless the liquidation shall have occurred in connection with a tax event.

S-31

### INTEREST

The junior subordinated debentures will bear interest at an annual rate of % from the original date of issuance, payable quarterly in arrears on , , and of each year, commencing . Each date on which interest is payable is called an "INTEREST PAYMENT DATE."

Interest will be paid to the person in whose name the junior subordinated debenture is registered on the relevant record date. If the junior subordinated debentures remain in book-entry form, the record dates for the junior subordinated debentures will be one business day prior to the relevant interest payment date. If the junior subordinated debentures are not in book-entry form, the record dates for the junior subordinated debentures will be the first day of the month in which the relevant interest payment date occurs.

The period beginning on and including and ending on but excluding the first interest payment date and each successive period beginning on and including an interest payment date and ending on but excluding the next succeeding interest payment date is called an "INTEREST PERIOD."

The amount of interest payable for any interest period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of the actual number of days elapsed per 30-day month. If any interest payment date is not a business day, then the interest payment will be made on the next succeeding day that is a business day and without any interest or other payment in respect of the delay. However, if the next business day is in the next calendar year, payment of interest will be made on the preceding business day.

### OPTION TO EXTEND INTEREST PAYMENT PERIOD

FleetBoston can defer interest payments by extending the interest payment period for a period not exceeding 20 consecutive quarterly periods. However, no extension period may extend beyond the maturity of the junior subordinated debentures. At the end of that extension period, FleetBoston will pay all interest then accrued and unpaid, including any additional interest as described under "--Additional Interest" below, together with interest thereon compounded at the rate specified for the junior subordinated debentures to the extent permitted by applicable law, "COMPOUND INTEREST."

During any such extension period:

- (1) FleetBoston will not declare or pay any dividend on, make any distribution relating to, or redeem, purchase, acquire or make a liquidation payment relating to any of its capital stock, other than:
  - (a) purchases or acquisitions of shares of FleetBoston common stock in

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connection with any employee benefit plans or any other contractual obligation of FleetBoston, other than a contractual obligation ranking equally with or junior to the junior subordinated debentures;

- (b) as a result of the exchange or conversion of one class or series of FleetBoston's capital stock for another class or series of FleetBoston's capital stock; or
  - (c) the purchase of fractional interests in shares of FleetBoston's capital stock pursuant to the conversion or exchange provisions of that FleetBoston capital stock or the security being converted or exchanged;
- (2) FleetBoston will not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities issued by FleetBoston that rank equally with or junior to the junior subordinated debentures; and
  - (3) FleetBoston will not make any guarantee payments with respect to the foregoing, other than pursuant to the guarantee.

S-32

Prior to the termination of any such extension period, FleetBoston may further defer payments of interest by extending that extension period. However, the extension period, including all such previous and further extensions, may not exceed 20 consecutive quarters. No extension period, however, may extend beyond the stated maturity of the junior subordinated debentures. Upon the termination of any extension period and the payment of all amounts then due, FleetBoston may commence a new extension period, subject to the terms set forth in this section. No interest during an extension period, except at the end of that extension period, will be due and payable.

FleetBoston has no present intention of exercising its right to defer payments of interest by extending the interest payment period on the junior subordinated debentures. If the institutional trustee is the sole holder of the junior subordinated debentures, FleetBoston will give the regular trustees, the institutional trustee and the debt trustee notice of its selection of the extension period one business day prior to the earlier of:

- (1) the date distributions on the preferred securities are payable; or
- (2) the date the regular trustees are required to give notice to the NYSE or any other applicable self-regulatory organization or to holders of the preferred securities of the record date or the date the distribution is payable.

The institutional trustee will give notice of FleetBoston's selection of the extension period to the holders of the preferred securities. If the institutional trustee is not the sole holder of the junior subordinated debentures, FleetBoston will give the holders of the junior subordinated debentures notice of its selection of the extension period at least ten business days prior to the earlier of:

- (1) the interest payment date; or
- (2) if the junior subordinated debentures are then listed, the date upon which FleetBoston is required to give notice to any applicable self-regulatory organization or to holders of the junior subordinated debentures of the record or payment date of the related interest

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payment.

### ADDITIONAL INTEREST

If, at any time Fleet Capital or the institutional trustee will be required to pay any taxes, duties, assessments or governmental charges of whatever nature, other than withholding taxes, imposed by the United States, or any other taxing authority, then FleetBoston will be required to pay additional interest on the junior subordinated debentures. "ADDITIONAL INTEREST" will be an amount sufficient so that the net amounts received and retained by Fleet Capital and by the institutional trustee after paying any such taxes, duties, assessments or other governmental charges will be equal to the amounts Fleet Capital and the institutional trustee would have received had no such taxes, duties, assessments or other governmental charges been imposed. This means that Fleet Capital will be in the same position it would have been if it did not have to pay such taxes, duties, assessments or other charges.

### OPTION TO EXTEND MATURITY DATE

FleetBoston can extend the maturity date of the junior subordinated debentures to a date no later than \_\_\_\_\_, so long as at the time the election is made and at the time the extension commences:

- No event of default under the junior subordinated debentures has occurred and is continuing;
- Fleet Capital is not in arrears on payments of distributions on the preferred securities and no deferred distributions on the preferred securities are accumulated; and
- the junior subordinated debentures are and after the extension will be rated at least BBB- by Standard & Poor's Ratings Services, at least Baa3 by Moody's Investors Service, Inc. or at least the equivalent by any other nationally recognized statistical rating organization.

If FleetBoston elects to extend the maturity date of the junior subordinated debentures, it will give notice to the indenture trustee, and the indenture trustee will give notice of the extension to the holders of

S-33

the junior subordinated debentures no more than 90 and no less than 30 days prior to the effectiveness of the extension.

### OPTION TO ACCELERATE THE MATURITY DATE

If a tax event occurs, FleetBoston will have the right, before a dissolution of Fleet Capital, to accelerate the maturity date of the junior subordinated debentures to the minimum extent required so that interest on the junior subordinated debentures will be tax deductible for FleetBoston for United States federal income tax purposes. In no event, however, may the resulting maturity of the junior subordinated debentures be less than 15 years from the date of the original issuance.

FleetBoston may accelerate the maturity date only if it has received an opinion of counsel to FleetBoston experienced in such matters that:

- after the acceleration, interest paid on the junior subordinated debentures will be deductible for United States federal income tax purposes; and

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- the acceleration will not cause a taxable event to holders of the preferred securities; and
- any required prior approval of the Federal Reserve Board to accelerate the maturity date of the junior subordinated debentures.

If there is an acceleration, FleetBoston will give notice to the indenture trustee of the acceleration. The indenture trustee will then give notice of the acceleration to the holders of the junior subordinated debentures between 30 and 60 days before the effectiveness of the acceleration.

### INDENTURE EVENTS OF DEFAULT

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