

FLEETBOSTON FINANCIAL CORP

Form 424B5

July 28, 2003

PROSPECTUS SUPPLEMENT

(To Prospectus Dated November 21, 2001)

7,000,000 Trust Preferred Securities
Fleet Capital Trust IX
6.000% Trust Preferred Securities (TRUPS®)
(liquidation amount \$25 per trust preferred security)
fully and unconditionally guaranteed as described herein by
FleetBoston Financial Corporation

Fleet Capital Trust IX is a Delaware statutory trust. The trust will sell 6.000% trust preferred securities (TRUPS®), 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 August 1, 2033 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 August 1, 2033, and may redeem them earlier, subject 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 6.000% on the liquidation amount of \$25 per preferred security on February 1, May 1, August 1 and November 1 of each year, beginning November 1, 2003. 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 6.000%, 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 may redeem the preferred securities, in whole or in part, at any time on or after July 31, 2008 at a redemption price equal to their total liquidation amount plus accumulated and unpaid distributions to the date of redemption, if any. In addition, the trust may redeem the preferred securities, in whole but not in part, at any time if an event occurs that results in an adverse consequence for the tax or Tier 1 regulatory capital treatment of the preferred securities, or for the investment company status of the trust.

One possible type of regulatory capital event that would permit the trust to redeem the preferred securities is a change in the Tier 1 regulatory capital treatment of trust preferred securities that the Federal Reserve Board could adopt in light of certain recent accounting changes addressing the criteria for consolidation of variable interest entities and the appropriate balance sheet classification of trust preferred securities, as discussed in this prospectus supplement.

The preferred securities have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol FBF PrN. Trading 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.

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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	\$ 175,000,000
Underwriting commission to be paid by FleetBoston Financial Corporation(2)	\$0.7875	\$ 5,512,500
Proceeds to Fleet Capital Trust IX	\$ 25.00	\$ 175,000,000

- (1) Plus accumulated distributions from July 31, 2003, if settlement occurs after that date.
- (2) Because Fleet Capital Trust IX 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 1,050,000 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 July 31, 2003.

TRUPS® is a registered service mark of Citigroup Global Markets Inc.

Citigroup

Merrill Lynch & Co.

Morgan Stanley

Quick & Reilly, Inc.

UBS Investment Bank

Wachovia Securities

The date of this prospectus supplement is July 24, 2003.

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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.

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 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 IX, the **trust** or **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 statutory 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 or its affiliates, 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 its customers. FleetBoston's three major business lines are:

Personal Financial Services provides consumer retail banking, small business banking and credit card services, as well as retail brokerage;

Regional Commercial Financial Services and Investment Management provides financial services to middle market corporations, including credit, cash management and trade services; provides asset management and personal financial planning services to high-net-worth customers, including estate settlement and deposit and credit products; provides proprietary and third party mutual funds and other investment products to retail and institutional customers, and retirement planning, large institutional asset management and not-for-profit investment services; and

National Commercial Financial Services provides financial services to large corporations, including leasing and commercial real estate, asset-based and industry lending, cash management, loan syndications, global trade services, foreign exchange, interest rate risk management and mergers and acquisitions.

FleetBoston's other lines of business are International Banking, which includes FleetBoston's international operations in Latin America, and Capital Markets, which includes brokerage market-making, execution and clearing, and principal investing.

At March 31, 2003, FleetBoston's total assets on a consolidated basis were \$199.3 billion, its consolidated total deposits were \$129.6 billion and its consolidated total stockholders' equity was \$17.1 billion.

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 6.000% 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 February 1, May 1, August 1 and November 1 of each year, beginning November 1, 2003.

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 FleetBoston is in default in the payment of interest on the junior subordinated debentures (see page S-35). A deferral of interest payments cannot extend, however, beyond the maturity date of the junior subordinated debentures, which is August 1, 2033.

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 6.000% 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 6.000%, 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 FleetBoston is not in default in the payment of interest on the junior subordinated debentures.

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;

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 beginning on page S-35.

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-40.

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 August 1, 2033. 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. The redemption price of the preferred securities will be \$25 per preferred security plus accumulated and unpaid distributions to the date of redemption, if any.

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 in whole or in part, from time to time, on or after July 31, 2008.

In addition, FleetBoston can elect to redeem the junior subordinated debentures, in whole but not in part, at any time upon the occurrence of:

changes in U.S. federal income tax laws or regulations that could have adverse tax consequences for FleetBoston or the trust,

changes (including a potential change in Federal Reserve Board guidelines that could be adopted in light of recent accounting changes affecting the consolidation of variable interest entities and the financial reporting treatment of trust preferred securities) that could prevent FleetBoston from treating an amount equal to the liquidation amount of the preferred securities as Tier 1 regulatory capital for purposes of the applicable Federal Reserve Board capital adequacy guidelines, or

changes in laws, regulations or interpretations that pose more than an insubstantial risk that the trust will be required to register as an investment company under the Investment Company Act of 1940, as amended, the **Investment Company Act** (each of which is a **special event** and each of which is more fully described beginning on page S-34), in each case, for a redemption price equal to 100% of the principal amount of the junior subordinated debentures plus accrued and unpaid interest to the date of redemption, if any.

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

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-21); and

its obligations under the indenture which governs the terms of the junior subordinated debentures (see page S-31).

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.

Will the preferred securities be listed on a stock exchange?

The preferred securities have been approved for listing on the New York Stock Exchange, **NYSE**, subject to official notice of issuance, under the symbol **FBF PrN**. 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 July 31, 2003.

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 II, Fleet Capital Trust V, Fleet Capital Trust VI, Fleet Capital Trust VII, Fleet Capital Trust VIII, BankBoston Capital Trust I, BankBoston Capital Trust II, BankBoston Capital Trust III, BankBoston Capital Trust IV and Summit Capital Trust I; and

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-32 and S-33, respectively, 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 March 31, 2003, senior indebtedness and other financial obligations of FleetBoston aggregated approximately \$11.5 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-32 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.

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 have federal income tax consequences for you and may affect the trading price of the preferred securities

So long as FleetBoston is not in default in the payment of interest on the junior subordinated debentures, FleetBoston can, on one or more occasions, defer interest payments on the junior subordinated debentures for up to 20 consecutive quarterly periods. If FleetBoston defers interest payments on the junior subordinated debentures, Fleet Capital will defer distributions on the preferred securities during any deferral period. However, distributions would still accumulate and those deferred distributions will themselves accrue interest at an annual rate of 6.000%, to the extent permitted by law.

If FleetBoston defers the payment of interest on the junior subordinated debentures, you will be required to recognize interest income for United States federal income tax purposes in respect of your pro rata share of the interest on the junior subordinated debentures held by Fleet Capital before you receive any cash distributions relating to those interest payments. In addition, if you sell the preferred securities before the end of any deferral period or before the record date relating to distributions which are paid, you will not receive the cash distributions relating to any accrued and unpaid interest even though you will be required to recognize that interest in income for United States federal income tax purposes.

FleetBoston has no current intention of deferring interest payments on the junior subordinated debentures. However, if FleetBoston exercises its right in the future, the preferred securities may trade at a price that does not fully reflect the value of accrued but unpaid interest on the junior subordinated debentures. If you sell the preferred securities during an interest deferral period, you may not receive the same return on your investment as someone who continues to hold the preferred securities. In addition, FleetBoston's right to defer payments of interest on the junior subordinated debentures may affect the market price for the preferred securities, which represent an undivided beneficial interest in the junior subordinated debentures.

See United States Federal Income Taxation beginning on page S-40 for more information regarding the United States federal income tax consequences of purchasing, holding and selling the preferred securities.

Preferred securities may be redeemed before July 31, 2008 if a special event occurs

If adverse changes in the tax laws, application of the Investment Company Act, or applicable banking laws and regulations affecting the Tier 1 regulatory capital treatment of trust preferred securities occur (each, a special event), FleetBoston has the right to redeem all of the junior subordinated debentures. If such a redemption happens, Fleet Capital will use the cash it receives on the redemption of the junior subordinated debentures to redeem all of the preferred and common securities. The redemption price will be \$25 per preferred security plus accumulated and unpaid distributions to the date of redemption, if any. The redemption of the preferred securities will be a taxable event to you for United States federal income tax purposes.

Please see Description of the Preferred Securities Redemption Procedures on page S-24 and Description of the Junior Subordinated Debentures Optional Redemption beginning on page S-33 for more information.

Recent accounting changes may give rise to a future regulatory capital event that would entitle the trust to redeem the preferred securities and may also reduce FleetBoston's consolidated capital ratios

In January 2003, the Financial Accounting Standards Board, the **FASB**, issued FASB Interpretation No. 46, *Consolidation of Variable Interest Entities*, **FIN 46**, that addresses the consolidation rules to be applied to variable interest entities. FIN 46 has raised questions about whether variable interest entities should be treated as consolidated subsidiaries of the companies that use them to issue trust preferred securities. If FleetBoston concludes, in light of an interpretation of FIN 46 as applied to its trusts, that its trusts should no longer be consolidated by FleetBoston, then FleetBoston would be required to make certain adjustments to its financial statements during the third quarter of 2003 to reflect the deconsolidation.

The FASB also recently issued Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*, **FAS 150**, which provides accounting guidance for the appropriate financial reporting balance sheet classification of trust preferred securities. Traditionally, trusts used for issuing trust preferred securities have been consolidated by their parent companies and trust preferred securities have been treated as eligible for Tier 1 regulatory capital treatment by bank holding companies under Federal Reserve Board rules and regulations. Accordingly, FleetBoston has consolidated its existing trusts in preparing its consolidated financial statements in the past and its outstanding trust preferred securities have been treated as Tier 1 regulatory capital by FleetBoston. Further, FleetBoston has classified its existing outstanding trust preferred securities as liabilities on its consolidated balance sheet in the past, and believes this classification is consistent with new FAS 150.

Given the issues raised by FIN 46 and FAS 150, there could be a change to the regulatory capital treatment of trust preferred securities issued by U.S. bank holding companies. Specifically, it is possible that the Federal Reserve Board may conclude that trust preferred securities should no longer be treated as Tier 1 regulatory capital. If Tier 1 treatment were disallowed, then FleetBoston would be able to redeem the preferred securities (and any other trust preferred securities it may have outstanding at that time) pursuant to the regulatory capital event redemption described just above and, in more detail, on page S-34.

If Tier 1 treatment for its trust preferred securities were disallowed, there would be a reduction in FleetBoston's consolidated capital ratios. If the Federal Reserve Board were to grant Tier 2 status to FleetBoston's trust preferred securities transactions, FleetBoston believes that it would remain well capitalized under Federal Reserve Board guidelines. If the Federal Reserve Board does not grant Tier 2 status, FleetBoston nonetheless believes that it would remain in compliance with all of the Federal Reserve Board's existing minimum capital requirements. See Accounting Treatment, Regulatory Capital on page S-20 for more information.

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 securities 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 would 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 beginning on page S-12 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, subject to certain limited exceptions, may not be used to offset ordinary income for United States federal tax purposes. See United States Federal Income Taxation beginning on page S-40.

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. The preferred securities have been approved for listing on the NYSE, subject to official notice of issuance. Trading of the preferred securities on the NYSE 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 NYSE, 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 are senior to the junior subordinated debentures.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and accompanying prospectus, including information included or incorporated by reference, contains certain forward-looking statements with respect to FleetBoston's financial condition, results of operations, plans, objectives, future performance and business, including, without limitation, statements preceded by, followed by or that include the words believes, expects, anticipates, estimates or similar expressions.

These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to many factors, including:

changes in general political and economic conditions, either domestically or internationally;

continued economic, political and social uncertainties in Latin America;

developments concerning credit quality, including the resultant effect on the level of FleetBoston's provision for credit losses, nonperforming assets, net charge-offs and reserve for credit losses;

continued weakness in domestic commercial loan demand, and the impact of that weakness on FleetBoston's lending activities;

changes in customer borrowing, repayment, investment and deposit practices;

interest rate and currency fluctuations, equity and bond market fluctuations and inflation;

changes in the mix of interest rates and maturities of FleetBoston's interest earning assets and interest bearing liabilities;

continued weakness in the global capital markets and the impact of that weakness on FleetBoston's principal investing and other capital markets-related businesses, and its asset management and brokerage businesses, as well as the availability and terms of funding necessary to meet FleetBoston's liquidity needs;

changes in competitive product and pricing pressures among financial institutions within FleetBoston's markets;

legislative or regulatory developments, including changes in laws or regulations concerning taxes, banking, securities, capital requirements and risk-based capital guidelines, reserve methodologies, deposit insurance and other aspects of the financial services industry;

changes in accounting rules, policies, practices and procedures;

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legal and regulatory proceedings and related matters with respect to the financial services industry, including those directly involving FleetBoston and its subsidiaries;

the effectiveness of instruments and strategies used to hedge or otherwise manage FleetBoston's exposure to various types of market and credit risk; and

the effects of terrorist activities or other hostilities, including geopolitical stresses in the Middle East and other areas.

S-11

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 trust formed under Delaware law pursuant to:

a declaration of trust, dated as of September 3, 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 September 3, 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-28. 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 institutional 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 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 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" on page S-38.

FLEETBOSTON FINANCIAL CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA

The following summary sets forth selected consolidated financial data for FleetBoston and its subsidiaries for the three months ended March 31, 2003 and 2002 and for each of the years in the five-year period ended December 31, 2002. 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. Information concerning adjusted net income and related adjusted earnings per share for each of the years in the four-year period ended December 31, 2001 is presented in accordance with the disclosure provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," which was adopted on January 1, 2002. This pro forma information reflects net income and earnings per share without the amortization of goodwill. The summary for the three months ended March 31, 2003 and 2002 is based on unaudited consolidated financial statements which include all adjustments (consisting only of normal, recurring adjustments) that, in FleetBoston's opinion, are necessary for a fair statement of the results for the respective interim periods. The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results expected for 2003 or any other interim period. Certain amounts in prior periods have been reclassified to conform to current-year presentation.

	Three Months Ended March 31,		Years Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
(Dollars in millions, except per share data)							
Consolidated Summary of Operations:							
Interest income (fully taxable equivalent)	\$ 2,355	\$ 2,708	\$ 10,165	\$ 13,661	\$ 16,150	\$ 15,377	\$ 14,501
Interest expense	733	976	3,682	6,317	8,324	7,336	6,875
Net interest income (fully taxable equivalent)	1,622	1,732	6,483	7,344	7,826	8,041	7,626
Provision for credit losses	280	408	2,760	2,324	1,290	1,056	907
Net interest income after provision for credit losses (fully taxable equivalent)	1,342	1,324	3,723	5,020	6,536	6,985	6,719
Noninterest income	1,138	1,403	5,036	4,555	7,559	6,091	5,303
Noninterest expense	1,573	1,557	6,404	7,977	8,100	9,089	7,454
Income from continuing operations	577	736	1,524	968(b)	3,572(c)	2,381(d)	2,805
(Loss)/income from discontinued operations	(10)	(1)	(336)(a)	(37)	338	95	(34)
Net income	\$ 567	\$ 735	\$ 1,188	\$ 931	\$ 3,910	\$ 2,476	\$ 2,771
Per Common Share:							
Continuing Operations:							
Basic earnings per share	\$.55	\$.70	\$ 1.44	\$.88(b)	\$ 3.27(c)	\$ 2.12(d)	\$ 2.51
Diluted earnings per share	.55	.70	1.44	.87(b)	3.22(c)	2.07(d)	2.45
Net Income:							
Basic earnings per share	.54	.70	1.12(a)	.84	3.58	2.21	2.48
Diluted earnings per share	.54	.70	1.12(a)	.83	3.52	2.16	2.42
Weighted average basic shares outstanding (in millions)	1,046.8	1,043.9	1,045.3	1,074.2	1,081.4	1,095.7	1,094.7
Weighted average diluted shares outstanding (in millions)	1,048.4	1,049.5	1,048.7	1,083.7	1,098.7	1,121.5	1,119.7
Book value	\$ 16.04	\$ 16.55	\$ 15.78	\$ 16.61	\$ 17.31	\$ 15.92	\$ 14.78
Cash dividends declared	.35	.35	1.40	1.34	1.23	1.11	1.00
Ratio of Earnings to Fixed Charges(e):							
Excluding interest on deposits	3.33x	3.41x	2.35x	1.53x	2.47x	2.19x	2.68x
Including interest on deposits	2.19						