



**NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION**

2 Rector Street
New York, NY 10006

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: March 31, 2001

Institution: Allied Irish Bank – New York Branch
405 Park Avenue
New York, NY 10022

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Allied Irish Bank – New York Branch (“AIB”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of March 31, 2001.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

Allied Irish Bank – New York Branch (“AIB” or the “Bank”) is rated “1”, indicating an outstanding record of helping to meet community credit needs. This rating is based on the following factors:

- AIB’s level of community development loans and qualified investments continues to be exceptional. As of March 31, 2001, the bank’s assessment area-based community development loans and qualified investments (exclusive of grants) totaled \$196.9 million, of which \$71.1 million was outstanding. In addition, AIB had a commitment totaling \$4.3 million, with \$4.2 million outstanding, outside its assessment area but within New York State.
- Commitments made since the prior evaluation totaled \$62.6 million, of which \$48.8 million represented new money.
- AIB’s total commitments represent an increase of \$700 thousand (0.36%) since the prior evaluation. During the same period, assets increased by 192%.
- Through its Housing Group Consulting Services Unit, which provides housing consulting services, including development services, tax credit services financial analysis, tax credit compliance and debt placement to nonprofit developers (for a fee), AIB often takes a leadership role in the creation and development of community development projects in its assessment area.
- AIB’s unusually high level of community development activity within its assessment area demonstrates an excellent level of responsiveness by the bank to local community development needs.
- The bank provided several community development services.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile:

Allied Irish Bank - New York Branch ("AIB" or the bank") is a New York State chartered, FDIC-insured branch of Allied Irish Bank, p.l.c., a multinational-banking corporation headquartered in Dublin, Ireland and its United States Division headquartered in Baltimore, Maryland. AIB's sole New York foreign branch is located at 405 Park Avenue, Manhattan.

On March 31, 2001, the bank reported total assets of \$1.4 billion, of which \$621.1 million (45.7%) were loans. At the same date, total deposits were \$260.9 million, of which \$219 million were domestic deposits, with \$171 million (65.5%) defined as core deposits.

AIB is a wholesale commercial bank that focuses primarily on serving clients in a fiduciary capacity. The bank is not in the business of originating or purchasing residential mortgage, housing rehabilitation, home improvement, small business or small farm loans to retail customers, except as an accommodation to its existing clients. Accordingly, on February 3, 1997, the FDIC granted AIB designation as a wholesale institution for purposes of its evaluation under the CRA.

AIB operates one ATM facility at Dominican Village, a retirement community located in Amityville, New York. The Bank is a member of the New York Cash Exchange ("NYCE") network.

The bank has neither opened nor closed any branches since the last Performance Evaluation.

Assessment Area:

AIB's assessment area includes the five boroughs of New York City and the counties of Putnam, Rockland and Westchester in the Primary Metropolitan Statistical Area ("PMSA") 5600, and the counties of Nassau and Suffolk in the Metropolitan Statistical Area ("MSA") 5380. Dutchess and Orange Counties border the assessment area to the northwest, Long Island Sound to the northeast, Atlantic Ocean to the south and the Hudson River to the west. Excluding zero income tracts, the bank's assessment area consists of 2,999 census tracts, of which 319 (or 10.7%) are low-income, 517 (or 17.2%) are moderate-income, 1203 (or 40.1%) are middle-income and 960 (or 32.0%) are upper-income.

The assessment area appears reasonable, and there is no evidence that LMI census tracts have been arbitrarily excluded.

PERFORMANCE TEST AND ASSESSMENT FACTORS

I. Community Development Test

AIB participates in community development initiatives primarily by making direct loans to nonprofit corporations in its assessment area. Through its Housing Group Consulting Services Unit ("HGCS"), which provides housing consulting services, including development services, tax credit services financial analysis, tax credit compliance and debt placement to nonprofit developers, for a fee, AIB often takes a leadership role in the creation and development of such projects.

AIB's level of community development loans and qualified investments continues to be exceptional. As of March 31, 2001, the bank's assessment area-based community development activity (exclusive of grants) totaled \$196.9 million, with \$71.1 million outstanding, representing an increase of \$700 thousand (0.36%) over the level at the last Performance Evaluation. During the same period, assets increased by 192.0%, to \$1.4 billion. In addition, AIB had a commitment totaling \$4.3 million, with \$4.2 million outstanding, outside its assessment area but within New York State.

The bank's community development portfolio of loans and investments included \$62.6 million in loan commitments made since the prior evaluation. Of the eleven new community development facilities, six facilities for \$48.8 million represented new relationships for the institution.

Additionally, the bank made qualified community development grants totaling \$167.3 thousand and provided several community development services.

AIB's community development portfolio of loans and investments within its assessment area was comprised as follows:

Community Development Portfolio (Assessment Area) – as of 3/31/01					
Type	No. of Comm'ts	Comm't Amt (in millions)	Percentage	O/S (in millions)	Percentage
Affordable Housing	9	\$ 7.01	3.6	\$ 3.01	4.2
Community Service	72	\$189.9	96.4	\$ 68.1	95.8
Economic Develop.	1	\$.002		\$.002	
Revitalization/Stabilization	0				
Total	82	\$196.9	100.0	\$ 71.1	100.0

The chart above reveals a strong emphasis on financing community service activities, primarily in the form of loans and letters of credit.

A more detailed description of the bank's community development activity follows:

- **Community Development Lending**

As of March 31, 2001, AIB had assessment area-based community development loans and commitments totaling \$196.9 million, with \$71.1 million outstanding. In addition, AIB had a commitment totaling \$4.3 million, with \$4.2 million outstanding, outside its assessment area but within New York State. These figures include 11 new community development loans and commitments totaling \$62.6 million extended since the prior evaluation. Approximately \$37.0 million (59.1%) of new activities represented loans and \$25.6 million (40.9 %) were in the form of letters of credit. Ten loans were in support of community service activities and one loan was for affordable housing purposes.

The following is a brief description of community development loans extended since the prior evaluation in April 1999:

1) Carmel Richmond Nursing Home Inc (“CRNHI”) – In February 2000, AIB provided a \$2.7 million term loan facility for CRNHI. As of March 31, 2001, the outstanding amount was \$654 thousand. CRNHI is a nonprofit operator of a 300-bed skilled nursing home on Staten Island. The organization provides a 75-registrant adult day health care program and is sponsored by Catholic Charities, Archdiocese of New York.

2) Marian Woods, Inc (“MWI”) - In August 1999, AIB provided a \$11.5 million term loan for the construction of a 55-bed assisted living facility in Hartsdale, New York. As of March 31, 2001, the outstanding amount was \$11.4 million. MWI, established in 1998, is a nonprofit operator of an assisted living facility for five religious orders.

3) Pierrepont House for the Elderly (“PHE”) - In December 2000, AIB provided a letter of credit for \$6.3 million, with no current outstanding as of the evaluation date. PHE is a sole membership nonprofit corporation of Progress of People’s Development Corporation (POPDC) acting as an operating entity providing low- and moderate-income housing at the Pierrepont Building in Brooklyn. It provides 300 meals daily for the elderly and has a health clinic. PHE also receives HUD rent subsidies for operations and is a development arm of Catholic Charities, Diocese of Brooklyn.

4) Phoenix House Foundation, Inc./ Phoenix House Development Fund, Inc. (“Phoenix House”) - In March 2000, AIB provided a \$4.0 million line of credit for working purposes to Phoenix House. As of the evaluation date, the outstanding amount was \$1.0 million. Phoenix is a nonprofit provider of substance abuse treatment and residential, outpatient, education and prevention services for adults and adolescents in New York, New Jersey, California and Texas.

5) New York Foundling Charitable Corporation/ New York Foundling Hospital (“NY Foundling”) – In June 2000, AIB provided a \$4.0 million line of credit for working capital, of which \$3.0 million was outstanding as of the evaluation date. These two nonprofit organizations predominately serve low- and moderate-income individuals in the areas of education and healthcare.

6) Providence Health Services (“PHS”) - In September 1999, the bank provided a term loan of \$2.5 million for working capital to St Clare’s Hospital in New York City. As of March 31, 2001, \$500 thousand was outstanding. PHS is a nonprofit holding company for four hospitals and one nursing home sponsored by the Archdiocese of New York. The ultimate user of the funds is St Clare’s Hospital and Health Center, a nonprofit hospital, which derives most of its revenue from Medicare/ Medicaid patients.

7) St. Ann’s Garden (“St Ann’s”)- In May 1999, AIB provided a \$7.0 million term loan to help finance the development of 100 affordable senior housing units. As of the evaluation date, \$3.0 million was outstanding. St Ann’s is for-profit special purpose partnership set up and controlled by the Catholic Charities Diocese of Rockville Center, Long Island and a provider of 100 affordable senior housing units in the town of Brentwood, New York.

8) Pius XII Youth & Family Services, Inc (“Pius”) – In August 1999, AIB provided a \$500 thousand term loan to finance working capital of Marie Smith Urban Street Academy. As of the evaluation date, there was no amount outstanding. Pius was originally founded in 1958 as a home for neglected and dependent boys. This program is a nonprofit entity licensed by the New York State Department of Social Services to operate as a child care agency. Pius operates in 45 locations in the Hudson Valley and New York City and is affiliated with Catholic Charities of the Archdiocese of New York.

9) St Cabrini Home, Inc, West Park, New York (“St Cabrini”) – In June 1999, AIB provided

a \$4.3 million term loan to refinance existing debt and finance capital improvements to this Adult Care facility. As of the evaluation date, \$4.2 million was outstanding. St Cabrini is nonprofit Membership Corporation founded in 1890, and is sponsored by the Missionary Sisters of the Sacred Heart. St Cabrini is located outside the assessment area in Poughkeepsie in Dutchess County, New York. However, fifty percent of the patients of the St Cabrini are referred from New York City.

10) Jewish Board of Family and Children’s Services, Inc (“JBFCS”)- In August 2000, AIB provided a \$19.3 million letter of credit. As of the evaluation date, \$16.0 million was outstanding. Founded in 1978, JBFCS, is one of the nation’s largest nonprofit providers of mental health and social services through 167 community-based programs in New York City, Long Island and Westchester.

11) Incarnation Children’s Center (“ICC”)- On January 27, 2000, AIB provided a term loan totaling \$500 thousand to renovate ICC’s premises. As of the evaluation date, \$493 thousand was outstanding. ICC is an 18–bed residential health care center that caters to HIV infected children.

Small Business Loans

The bank, on an accommodation basis, originated 46 small business loans totaling \$11.9 million within its assessment area in 1999, 23 loans totaling \$3.7 million in 2000, and 3 loans totaling \$175 thousand for the period ended March 31, 2001.

Consumer Loans

In addition, AIB originated 29 consumer loans totaling \$1.1 million within its assessment area in 1999, 36 loans totaling \$2.2 million in 2000, and 4 loans totaling \$64.7 thousand for the period ended March 31, 2001.

• Qualified Investments

For the twenty-seven month period ended March 31, 2001, AIB had \$167.3 thousand in qualified investments, comprised exclusively of grants. The bank provides financial support to nonprofit and charitable organizations that engage in a range of community development activities.

The following is a partial listing of the grantees.

- Neighborhood Housing Services;
- Children’s Aid Society;
- Fifth Avenue, Inc;
- St Vincent de Paul Center;

- Associated Catholic Charities;
- St Patrick's Home;
- Panis Vitae Fund;
- Lourdes Noreen Mckeen Residence;
- Vision of Hope;
- Habitat for Humanity;
- St Christopher Otile;
- United Way;
- Catholic Charities Appeal;
- Partnership for the Homeless;
- Pius XII Nursing Home; and
- Supportive Housing Network.

- **Community Development Services**

AIB's officers have established relationships with a wide range of individuals, organizations and agencies concerned with community development and revitalization. The following is a brief description of the bank's community development services:

- 1) Catholic Charities USA ("CCUSA")– The Executive Vice President of the bank's Mergers and Acquisitions Unit (MAU) serves on the Executive Cabinet of CCUSA, a nationwide not-for-profit organization, which receives approximately \$2.0 billion annually in federal, state and city funding.
- 2) Catholic Charities of Brooklyn and Queens- The Senior Vice President of the MAU, serves on the development board of this nonprofit provider of social services.
- 3) Franciscan Sisters of the Poor Foundation for Children ("Franciscan Foundation")- The Senior Vice President of the MAU assists with fundraising so that poor people, especially children, can have access to medical care.
- 4) Partnership for the Homeless- The Vice-President of the New York Unit lectures to community groups on conventional financing for their projects. He has worked with the Partnership for the Homeless.
- 5) Counseling Services to Community Groups- The Vice President of the Housing Unit provides counseling services to community groups in New York City on how to apply for tax credits to fund their projects.
- 6) Clare Association New York- The Vice President and Assistant CRA Officer serves on this board of this nonprofit organization.

Discrimination or Other Illegal Practices

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

There were no practices noted that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance report dated July 20, 2001, conducted concurrently with this assessment indicates a satisfactory performance in terms of adherence to antidiscrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

III. Other Factors

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

AIB is a wholesale institution and does not offer banking services to the general public. However, the bank ascertains the credit needs of its community through its contacts with financial intermediaries, charitable organizations, community development groups, and direct client contact with small businesses.

The bank also participates in meetings and seminars organized by various community groups, including the South Bronx Overall Economic Development Corporation, Neighborhood Housing Services of New York City, Inc., The New York City Housing Partnership, Catholic Charities, USA, and the Archdiocese of New York. Such contacts have given the bank the opportunity to provide grants and technical support to various communities groups.

In addition, AIB sponsors and participates in various meetings, events and conferences for healthcare, childcare and education.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

As a wholesale bank, AIB does not engage in extensive marketing programs for any of its credit products. The majority of publications in which the bank advertises are targeted to Irish and Catholic readers. Publications used include the Yellow Pages, The Irish Echo and the Irish Voice. In addition, the bank purchases advertising space in journals produced by

nonprofit organizations that are involved in community development activities such as affordable housing and social services within its assessment area. AIB sponsors and co-sponsors events designed to create awareness of its services.

The extent of participation by the banking institution’s board of directors /trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

AIB’s senior management is actively involved in developing, implementing, and monitoring its CRA program. CRA leadership is provided by the President and Chief Executive Officer who participates in the bank’s CRA Coordinating Committee which also includes two Senior Vice Presidents, four Vice Presidents from the areas of financial services, risk management, and other areas specifically related to CRA compliance. The CRA Coordinating Committee meets quarterly and issues a report to the Senior Management Committee. The bank has a Senior Management Committee-appointed CRA Officer and assistant CRA Officer who are charged with the day-to-day implementation and administration of the CRA program. The CEO is a member of the board of directors and reports on all United States activities to AIB’s board in Dublin, Ireland.

Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

During the twenty-seven month period ended March 31, 2001, the Housing Group Consulting Services Unit provided various consulting services related to affordable housing for which it was paid below-market rates. AIB worked with local, state and federal agencies, which resulted in the generation of low-income housing tax credits of \$14.5 million within its assessment area and \$2.6 million outside its assessment area but within New York State. The loans that the bank generated under these programs have been accounted for under the **“Community Development Lending”** section, above.

The Executive Vice President of the Mergers and Acquisitions Unit lectures on “Financial Management by Non-Profit Organizations” at the Graduate Business School of Fordham University in New York.

AIB employees are very involved in their communities and participate regularly in fundraising activities for a broad range of charitable organizations.

GLOSSARY

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;

- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

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Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Individuals/Persons

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

Wholesale Institution

The term “wholesale institution” means a banking institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect. When evaluating a wholesale institution’s CRA performance, the Banking Department looks primarily at its record of helping to meet the credit needs of its assessment are through community development lending, qualified investments and community development services.