



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2008

Institution: Global Bank
30 East Broadway
New York, NY 10002

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 Global Bank (“GB”) 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 December 31, 2008.

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 (“LMI”) 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 of small banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

GB is rated 2, indicating a "Satisfactory" record of helping to meet community credit needs. This rating is based on the following factors:

- ***Loan-to-Deposit ("LTD") Ratio:*** GB's average LTD ratio was reasonable considering its size, business strategy, financial condition, and the credit needs of its assessment area.
- ***Assessment Area Concentration:*** GB extended a majority of its HMDA-reportable loans in the assessment area during the evaluation period.
- ***Geographic Distribution of Loans:*** The geographic distribution of GB's HMDA-reportable loans reflected a reasonable dispersion among census tracts of different income levels.
- ***Distribution by Borrower Characteristics:*** The distribution of GB's HMDA-reportable lending by borrower characteristics within the assessment area reflected a limited penetration among individuals of different income levels.
- Neither GB nor the New York State Banking Department received any complaints with respect to its CRA performance during the evaluation period.

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:

GB, a commercial bank, was chartered by the New York State Banking Department in February 28, 2007. GB's main office, which is its only branch, is located in the borough of Manhattan in New York County. In addition to GB's regular banking hours, it provides extended hours of service on Saturdays and Saturdays. Supplementing the banking office is an automated teller machine ("ATM"), which is in the main office.

The FDIC's latest available comparative deposit data dated June 30, 2008, shows that GB obtained a market share of 0.01% or \$52.7 million out of \$492 billion and ranked 97th among 115 deposit-taking institutions in New York County, Kings County and Queens County, New York.

GB competes against larger institutions with more resources and more branches inside its assessment area. Of the 1,450 branches in GB's assessment area, the three largest banks had a combined total of 503 branches, more than \$270 billion in deposits and a market share of 55.02%.

According to GB's December 31, 2008, Consolidated Report of Condition (the "Call Report") filed with the FDIC, GB reported total assets of \$95.8 million, of which \$60.5 million were net loans and lease finance receivables. It also reported deposits of \$83.1 million, resulting in a LTD ratio of 72.8%.

The following is a summary of GB's loan portfolio, based on Schedule RC-C of the year-end Call Reports for 2007 and 2008:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	2007		2008	
	\$000	%	\$000	%
1-4 Residential Mortgage Loans	10,735	73.3	46,431	76.3
Commercial Real Estate	3,781	25.8	13,541	22.2
Consumer Loans	128	0.9	251	0.4
Construction Loans	0	0.0	543	0.9
Other Loans	0	0.0	109	0.2
Total Gross Loans	14,644	100.0	60,875	100.0

As illustrated in the chart above, GB is primarily a residential mortgage lender with commercial mortgages comprising its secondary product.

GB offers retail and commercial products, which include checking accounts, NOW accounts, money market accounts, savings accounts, certificate of deposits, individual retirement accounts, home equity loans, lines of credit, commercial real estate loans, residential mortgages and other consumer loans.

GB does not participate in any government guaranteed or sponsored loan programs.

This is the first CRA Performance Evaluation conducted by the New York State Banking Department since GB commenced operations.

There are no known financial or legal impediments that adversely affected GB's ability to meet the credit needs of its community.

Assessment Area:

GB's assessment area comprises Kings County, New York County and Queens County. The counties are located in metropolitan division ("MD") #356404 and these counties contain 1,752 census tracts. The following shows the distribution of census tracts within GB's assessment area:

Distribution of Assessment Area Census Tracts by Income Level													
Counties	Low		Moderate		Middle		Upper		N/A		Total	LMI	
	#	%	#	%	#	%	#	%	#	%	#	#	%
Kings	119	15.2	297	37.9	235	30.0	117	14.9	15	1.9	783	416	53.1
Queens	12	1.8	148	22.0	310	46.1	185	27.5	18	2.7	673	160	23.8
New York	60	20.3	59	19.9	24	8.1	144	48.6	9	3.0	296	119	40.2
Total	191	10.9	504	28.8	569	32.5	446	25.5	42	2.4	1,752	695	39.7

The assessment area appears reasonable based upon the location of GB's office and its lending patterns. There was no evidence that GB had arbitrarily excluded LMI tracts from its assessment area.

Details of Assessment Area:

Demographic & Economic Data

The following charts show demographic and economic data for each county in GB's assessment area. The information shown in Charts #1 and #2 is based on 2000 U.S. Census data. The information shown in Chart #3 is based on the 2008 business geodemographic data obtained from PCI Corporation, Inc. CRA wiz.

Chart #1: Shows population and income.

Chart #2: Shows housing demographics.

Chart #3: Shows business demographics.

Unemployment Rates:

According to the U.S. Department of Labor, Bureau of Labor Statistics, in 2007, the average unemployment rate for Kings County was 5.5%, for Queens County, it was 4.5%, and for New York County, it was 4.4%. The New York statewide average unemployment rate was 4.5% in 2007.

CHART # 1

GLOBAL BANK																						
ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY																						
COUNTY	Total Population	Age 65 and over		Age 16 and less		Median Family Income(MFI)	HUD MSA MFI	Total Households	Total HH below poverty level			Total Families	Low income		Moderate income		Middle income		Upper income		LMI families in LMI tracts	
	#	#	%	#	%	\$	\$	#	#	%	#	#	%	#	%	#	%	#	%	#	%	
KINGS	2,465,326	282,658	11.5	587,575	23.8	39,349	63,000	881,006	211,538	24.0	588,870	211,549	35.9	103,997	17.7	99,118	16.8	174,206	29.6	233,373	74.0	
QUEENS	2,229,379	283,042	12.7	453,930	20.4	49,815	63,000	782,646	110,462	14.1	542,804	123,580	22.8	94,780	17.5	108,206	19.9	216,238	39.8	84,937	38.9	
NEW YORK	1,537,195	186,776	12.2	229,772	14.9	71,629	63,000	739,167	123,037	16.6	306,220	89,281	29.2	40,700	13.3	38,804	12.7	137,435	44.9	100,358	77.2	
TOTAL A/A	6,231,900	752,476	12.1	1,271,277	20.4	50,174	63,000	2,402,819	445,037	18.5	1,437,894	424,410	29.5	239,477	16.7	246,128	17.1	527,879	36.7	418,668	63.1	

CHART # 2

<p style="text-align: center;">GLOBAL BANK ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY</p>																				
COUNTY	Total Housing Units	1-4 family Units		Mul ifamily Units		Owner-Occupied Units (O-O)		O-O Units in Low-income Tracts		O-O Units in Mod-income Tracts		O-O Units in Mid-income Tracts		O-O Units in Upp-income Tracts		Rental Units		Vacant/ Boarded-up Units		Medium House Value
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	\$
KINGS	930,866	456,744	49.1	474,122	50.9	238,290	25.6	13,368	5.6	77,659	32.6	92,885	39.0	54,378	22.8	670,996	72.1	880,727	94.6	235,737
QUEENS	817,250	495,075	60.6	322,175	39.4	334,894	41.0	1,005	0.3	43,101	12.9	162,122	48.4	128,633	38.4	462,179	56.6	782,664	95.8	199,093
NEW YORK	798,144	28,752	3.6	769,392	96.4	148,695	18.6	3,881	2.6	12,773	8.6	7,108	4.8	124,934	84.0	616,053	77.2	738,644	92.5	345,099
TOTAL A/A	2,546,260	980,571	38.5	1,565,689	61.5	721,879	28.4	18,254	2.5	133,532	18.5	262,115	36.3	307,944	42.7	1,749,228	68.7	2,402,035	94.3	258,256

CHART # 3

<p align="center">GLOBAL BANK 2008 - BUSINESS DEMOGRAPHICS BY COUNTY</p>											
COUNTY	Number of Businesses	Businesses with Rev. of \$1 million or less		Businesses with Rev. of more than \$1 million		Businesses with no revenues reported		Businesses with less than 50 employees		Operating from a single location	
		#	%	#	%	#	%	#	%	#	%
KINGS	150,537	103,840	69.0	5,727	3.8	40,970	27.2	111,564	74.1	144,089	95.7
QUEENS	129,154	90,641	70.2	5,567	4.3	32,946	25.5	98,313	76.1	122,487	94.8
NEW YORK	280,475	180,217	64.3	23,614	8.4	76,644	27.3	208,882	74.5	253,942	90.5
TOTAL A/A	560,166	374,698	66.9	34,908	6.2	150,560	26.9	418,759	74.8	520,518	92.9

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

GB's performance was evaluated according to the Small Bank performance criteria, which include the following: (1) Loan-to-Deposit Ratio and other Lending-Related Activities; (2) Assessment Area Concentration; (3) Geographic Distribution of Loans; (4) Distribution by Borrower Characteristics; and (5) Action Taken in Response to Written Complaints Regarding CRA.

The evaluation period covers calendar years 2007 and 2008. Examiners considered HMDA-reportable data in evaluating factors (2), (3) and (4), as noted above.

Although GB is a HMDA loan reporter, its total assets of \$31.9 million in 2007 were below the asset threshold of \$36 million for HMDA loan reporting. Therefore, GB did not collect loan data for its HMDA loans in 2007. However, in 2008, GB originated 54 HMDA-reportable loans totaling \$31.3 million.

Aggregate data for HMDA-reportable loans was obtained from the Federal Financial Institutions Examination Council ("FFIEC") and PCi Corporation, Inc., CRA wiz an external vendor. However, the market aggregate loan data was not available for 2008.

The demographic data cited in this report were taken from the 2000 U.S. Census data, with updated median family income ("MFI") figures provided by the U. S. Department of Housing and Urban Development ("HUD").

- **Loan-to-Deposit Ratio Analysis: "Satisfactory"**

GB's average LTD ratio is reasonable considering its size, business strategy, financial condition, and the credit needs of its assessment area.

Loan-to-Deposit Ratios									
	Yr.1 (Q1)	Yr.1 (Q2)	Yr.1 (Q3)	Yr.1 (Q4)	Yr.2 (Q1)	Yr.2 (Q2)	Yr.2 (Q3)	Yr.2 (Q4)	Average LTD
Bank	0.00	16.64	25.79	62.94	74.56	98.50	79.54	72.85	61.55
Peer	0.00	71.46	85.88	89.32	93.12	98.90	95.77	93.08	89.65

As illustrated above, the national peer's average LTD ratio for the seven calendar quarters of the evaluation period was significantly above GB's average. GB is in peer group 2007, which includes all FDIC-insured institutions with assets less than \$750 million, operating in a metropolitan area, and having one to three full service offices. It is worth noting that GB sold three loans to Indy Mac Bank totaling \$1.4 million during the current evaluation period.

- **Assessment Area Concentration: "Satisfactory"**

As illustrated in the chart below, GB extended a majority of its HMDA-reportable loans within its assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2008	44	75.9	14	24.1	58	22,993	73.4	8,338	26.6	31,331
Total	44	75.9	14	24.1	58	22,993	73.4	8,338	26.6	31,331

A county-by-county breakdown of GB's HMDA-reportable loans shows that GB extended 47.7% of its 44 HMDA-loans in Kings County, 38.6% in New York County, and 13.6% in Queens County.

- **Geographic Distribution of Loans: "Satisfactory"**

The geographic distribution of GB's HMDA-reportable loans among census tracts of different income levels was reasonable.

The following table shows the distribution of GB's HMDA-reportable loans compared with the percentage of owner-occupied housing units within the assessment area.

Distribution of HMDA-reportable Loans by Geographic Income Level*									
Geographic Income Level	% Owner Occupied Housing Units	2008							
		Bank				Aggregate			
		#	%	\$000	%	#	%	\$000	%
Low	2.5	2	4.5	1,030	4.5	Not Available			
Moderate	18.5	8	18.2	3,500	15.2				
Middle	36.3	11	25.0	5,860	25.5				
Upper	42.7	23	52.3	12,603	54.8				
Total	100.0	44	100.0	22,993	100.0				

*Geographic income level is based upon 2000 U.S. Census data for median family income figures for the MSA of the mortgaged property. Low-income is defined as <50% of the MSA median, moderate-income is 50% to <80% of the MSA median income, middle-income is 80% to <120% and upper-income is at least 120%.

As illustrated in the chart above, the distribution of GB's HMDA-reportable loans among LMI census tracts was reasonable, given the percentage of owner-occupied housing units located within LMI tracts.

The county-by-county geographic distribution of GB's HMDA-reportable lending in LMI geographies indicated that, of the total loans GB extended in LMI tracts, 60.0% were made in Kings County, 30% were in New York County, and 10% were in Queens County.

- **Distribution by Borrower Characteristics: “Needs to Improve”**

HMDA-reportable Loans

The distribution of GB’s HMDA-reportable loans among individuals of different income levels was poor.

The following table shows the distribution of GB’s HMDA-reportable loans among individuals of different income levels as well as the total percentage of families by income level residing in the assessment area.

Distribution of HMDA-reportable Loans by Borrowers Income Level*									
Borrower Income Level	Total % of Families	2008							
		Bank				Aggregate			
		#	%	\$000	%	#	%	\$000	%
Low	29.5	0	0.0	0	0.0	Not Available			
Moderate	16.7	0	0.0	0	0.0				
Middle	17.1	2	4.5	294	1.3				
Upper	36.7	39	88.6	21,369	92.9				
Not Applicable	0.0	3	6.8	1,330	5.8				
Total	100.0	44	100.0	22,993	100.0				

Borrower income level is based upon the U.S. Department of Housing and Urban Development’s annual estimate of median family income (“MFI”) figures for the MSA of the mortgaged property. Low-income is defined as <50% of the MSA MFI, moderate-income is 50% to <80%, middle-income is 80% to <120% and upper-income is at least 120%.

As illustrated in the chart above, GB extended a substantial majority of its HMDA-reportable loans to upper-income borrowers. The high cost of housing in the assessment area limited the opportunity of GB to extend loans for one- to four-family homes to LMI borrowers. Nevertheless, GB needs to develop a plan that will allow it to include LMI borrowers into its lending and customer base.

- **Action Taken In Response to Written Complaints With Respect to CRA**

Since GB’s commenced operations on March 12, 2007, neither GB nor the New York State Banking Department has received any written complaints regarding GB’s CRA performance.

- **Discrimination and other Illegal Practices**

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

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

Evidence of prohibited discriminatory or other illegal credit practices.

There were no regulatory compliance or fair lending examinations conducted since GB commenced operations.

- **Process 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.

As of the evaluation date, GB has not done anything to ascertain the credit needs of its community. GB must undertake efforts to identify the community needs and tailor its business strategy to meet those needs.

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.

GB advertised its credit services in a local Chinese free daily newspaper (Ming Pao (NY)), and distributed flyers.

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.

GB's board of directors reviewed the institution's CRA performance report during its monthly board meetings.

- **Other Factors**

Other factors that in the judgment 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.

None.

GLOSSARY

Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

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:

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- 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;

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- ❖ 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.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

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 non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located 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 non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

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 non-metropolitan median family income. In all

instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans to LMI geographies or borrowers.

Small Business Loans

Loans to businesses with original amounts of \$1 million or less.