



## **First Maryland Bancorp reports net income of \$95.7m for first quarter 1998**

**21st April 1998**

Allied Irish Banks, p.l.c. (AIB) today announced that its wholly owned US subsidiary, First Maryland Bancorp (FMB), has reported \$95.7m in net income, for the first quarter ended March 31, 1998 compared to \$34.1m for the quarter ended March 31, 1997. The results include a \$37.5m after-tax gain from the sale of the company's consumer credit card business and a \$17.3m after-tax benefit from the repositioning of the investment securities portfolio. Excluding these items, the company's underlying earnings for the first quarter were \$40.9m, a 20% increase on 1997. Underlying tangible earnings, which exclude the amortisation of goodwill amounted to \$53.3m, a 50% increase on 1997.

On February 25, FMB sold its consumer credit card business to Bank of America, N.A. The sale resulted in a pre-tax gain of \$60m. In accordance with Irish GAAP, AIB included this gain in its 1997 year-end results released on February 18, 1998 and FMB has included the gain in its first quarter 1998 results. FMB's residential mortgage origination businesses were sold at book value effective February 13 and thus did not materially affect the company's first quarter earnings.

FMB's underlying performance was highlighted by double digit growth in commercial lending, the leasing business, and retail lending, while trust and investment advisory income was up 21%. Asset quality remained strong with non-performing assets amounting to \$88.8m (0.51% of total assets). Non-performing loans of \$72.5m were covered 223% by total provisions of \$161.3m.

First Maryland Bancorp is the holding company for the First National Bank of Maryland, Dauphin Deposit Bank and The York Bank. Headquartered in Baltimore, First Maryland operates nearly 300 branches and more than 400 ATMs from southern Pennsylvania through Maryland and the District of Columbia and into northern Virginia. At March 31, 1998 total assets were \$17.4 billion.