



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, 2004

Institution: Amerasia Bank
41-06 Main Street
Flushing, NY 11355

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 Amerasia Bank ("Amerasia") 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, 2004.

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

Amerasia 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***

The bank's LTD ratio is reasonable considering the bank's size, financial condition and the credit needs of the assessment area. The bank's average LTD ratio for the eight quarters since the prior evaluation ending December 31, 2004 was 80.2%, which was comparable to the peer group's average of 81.1%.

- ***Assessment Area Concentration***

The bank extended most of its loans in the assessment area. During the evaluation period, 81.0% of the number and 86.2% of the dollar volume of the bank's small business and HMDA-reportable loans were extended inside the assessment area.

- ***Geographic Distribution of Loans***

The geographic distribution of the bank's loans reflects reasonable dispersion among census tracts of different income levels. During the evaluation period, the bank extended 46.7% of its small business loans in LMI census tracts. The bank extended 32.0% of its HMDA-reportable loans in moderate-income census tracts, but did not extend any loans in low-income areas.

- ***Distribution by Borrowers Characteristics***

The distribution of the bank's small business loans reflects excellent penetration among businesses of different sizes. The bank extended 96.7% of its small business loans to businesses with annual revenues of \$1 million or less, while the aggregate's penetration rate was 39.6%. All of the bank's HMDA-reportable loans financed properties that are not owner-occupied. For this reason, these loans were not analyzed for this component of the evaluation.

- Neither the bank nor the New York State Banking Department received any complaints with respect to the institution's 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:

Chartered in 1988 by the New York State Banking Department, Amerasia is a commercial bank located in Flushing, Queens County.

The bank operates only one banking office, located in downtown Flushing and provides a full range of banking services mainly to the Chinese immigrant community. Supplementing the banking office is an automated teller machine ("ATM") located at the branch. The bank did not open or close any branches during the evaluation period.

According to Amerasia's Consolidated Report of Condition (Call Report) as of December 31, 2004 filed with the Federal Deposit Insurance Corporation ("FDIC"), the bank reported total assets of \$139.2 million, of which \$109.5 million were net loans and lease finance receivables. It also reported total deposits of \$124 million, resulting in a loan-to-deposit ratio of 88.3%.

The bank is primarily a commercial real estate lender. As of December 31, 2004, 55.8% of the bank's total gross loans outstanding were commercial mortgages. This level of commercial loans is similar to the previous evaluation's 59.0%. The other loan types of note were 1-4 family and multifamily mortgages at 13.2% and 12.8%, respectively.

The following table illustrates the bank's loan portfolio, based on Schedule RC-C of the bank's 2002, 2003 and 2004 year-end Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
LOAN TYPE	2002		2003		2004	
	\$ (000's)	%	\$ (000's)	%	\$ (000's)	%
1-4 Family Residential Mortgage Loans	11,123	12.4	9,830	9.8	14,675	13.2
Commercial & Industrial Loans	7,547	8.4	8,532	8.5	7,636	6.9
Commercial Mortgage Loans	52,994	59.0	58,916	58.6	62,010	55.8
Multifamily Mortgages	10,230	11.4	10,825	10.8	14,206	12.8
Consumer Loans	233	0.3	172	0.2	58	0.1
Agricultural Loans	225	0.3	452	0.4	428	0.4
Construction Loans	7,382	8.2	11,794	11.7	12,034	10.8
Total Gross Loans	89,734	100.0	100,521	100.0	111,047	100.0

The bank participates in governmentally guaranteed or sponsored loan programs including Small Business Administrative ("SBA") loans.

According to the latest available comparative deposit data dated June 30, 2004, the bank obtained a market share of 0.36% inside the assessment area, ranking it 72nd out of 108 deposit-taking institutions. In its home county of Queens, the bank had a market share of 0.33% and ranked 32nd out of 45 deposit-taking institutions.

The bank received a rating of "2," reflecting a satisfactory record of helping to meet

community credit needs at its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2002.

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

Assessment Area:

Economic and statistical data used in this evaluation were derived from various sources. The demographic data was obtained from the 2000 U.S. Census data. The 2003 and 2004 updated median family income figures were obtained from Department of Housing and Urban Development ("HUD") estimates.

The bank's assessment area is comprised of Queens, Manhattan and Kings Counties. There are 1,752 census tracts in the area, of which 191 were low-income, 504 were moderate-income, 569 were middle-income, 446 were upper-income and 42 were zero-income tracts.¹ The following table illustrates the distribution of census tracts within the assessment area:

Distribution of Census Tracts Within the Assessment Area													
County	Zero-Income Tracts		Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		LMI %		Total 2003 & 2004
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	
Kings	15	15	100	119	271	297	250	235	147	117	49.3	55.0	783
New York	9	9	47	60	68	59	26	24	146	144	41.9	43.2	296
Queens	18	18	12	12	107	148	298	310	238	185	20.4	26.4	673
Total	42	42	159	191	446	504	574	569	531	446	36.9	42.1	1,752

The assessment area appears reasonable based upon the location of bank's offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Selected Business Demographics

In 2003, the assessment area contained 430 thousand businesses, 61.9% of which reported revenues of \$1 million or less, 7.9% reported revenues greater than \$1 million and 30.1% did not report their revenues. Of all the businesses, 89.7% operated from a single location and 73.3% employed fewer than 50 persons.

In 2004, there were 432 thousand businesses operating in the assessment area. Of these 62.9% reported revenues of \$1 million or less, 7.8% reported revenues greater than \$1 million and 29.3% did not report their revenues. Of the total businesses in the assessment area, 90.2% operated from a single location and 74.5% employed fewer than 50 workers.

¹ The Office of Management and Budget recalculated Metropolitan Statistical Area/Metropolitan Division Median Family Income values based on 2000 Census data and the updated information was released in 2003 for use beginning in 2004. Therefore, although the number of census tracts in the bank's assessment area remains the same, the basis for geo-coding changed between 2003 and 2004 causing a change in the income level classification of some tracts.

The following table depicts the distribution of businesses by industry type inside the assessment area during the evaluation period:

Distribution of Businesses Within Assessment Area												
Type	Kings				New York				Queens			
	2003		2004		2003		2004		2003		2004	
	Count	% of Total										
Agriculture, Forestry & Fishing	333	0.3	326	0.3	506	0.2	505	0.2	396	0.4	407	0.4
Mining	18	0.0	17	0.0	102	0.0	97	0.0	29	0.0	29	0.0
Construction	5,902	5.5	6,101	5.6	4,043	1.8	4,096	1.9	7,530	7.4	7,745	7.5
Manufacturing	4,118	3.9	4,173	3.8	11,756	5.3	11,698	5.3	3,377	3.3	3,372	3.3
Communication	4,452	4.2	4,647	4.3	6,979	3.2	7,175	3.3	5,902	5.8	6,096	5.9
Wholesale Trade	6,296	5.9	6,510	6.0	15,945	7.2	15,852	7.2	5,777	5.7	5,882	5.7
Retail Trade	21,815	20.5	22,688	20.9	33,361	15.1	33,571	15.2	19,652	19.3	20,315	19.7
Finance, Insurance & Real Estate	8,310	7.8	8,727	8.0	24,587	11.1	25,030	11.4	7,937	7.8	8,328	8.1
Services	38,236	35.9	40,264	37.0	92,180	41.7	94,320	42.8	34,623	34.0	35,978	34.9
Public Administration	495	0.5	520	0.5	1,470	0.7	1,556	0.71	400	0.4	426	0.4
Non-Classified Establishments	16,542	15.5	14,834	13.6	30,217	13.7	26,539	12.0	16,296	16.0	14,488	14.1
Total	106,517	100.0	108,807	100.0	221,146	100.0	220,439	100.0	101,919	100.0	103,066	100.0

The following table shows the annual unemployment rates for the counties comprising the assessment area. The statewide rates are included for comparison.

Unemployment Rates				
	State-wide	Kings County	New York County	Queens County
2004	5.8	7.7	6.2	6.4
2003	6.4	9.0	7.5	7.4

The following is a listing of demographic charts included in the evaluation to show demographic and economic data for each county comprising the bank's assessment area.

Chart #1: Shows population and income.

Chart #2: Shows housing demographics.

Chart #3 Shows business demographics.

CHART # 1 2003 (2000 Census)

AMERASIA BANK																					
ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY & MSA																					
COUNTY	Total	Age 65		Age 16		Median Family	HUD MSA	Total	Total HH below		Total	Low		Moderate		Middle		Upper		LMI families in	
	Population	and over		and less		Income(MFI)	MFI	Households	poverty level		Families	income		income		income		income		LMI tracts	
	#	#	%	#	%	\$	\$	#	#	%	#	#	%	#	%	#	%	#	%	#	%
KINGS	2,465,326	282,658	11.5	587,575	23.8	39,349	51,900	881,006	211,538	24.0	588,870	199,851	33.9	100,237	17.0	98,099	16.7	190,683	32.4	206,724	68.9
NEW YORK	1,537,195	186,776	12.2	229,772	14.9	71,629	51,900	739,167	123,037	16.6	306,220	84,445	27.6	39,739	13.0	38,302	12.5	143,734	46.9	95,683	77.0
QUEENS	2,229,379	283,042	12.7	453,930	20.4	49,815	51,900	782,646	110,462	14.1	542,804	114,175	21.0	88,789	16.4	104,945	19.3	234,895	43.3	62,219	30.7
TOTAL A/A	6,231,900	752,476	12.1	1,271,277	20.4	50,174	51,900	2,402,819	445,037	18.5	1,437,894	398,471	27.7	228,765	15.9	241,346	16.8	569,312	39.6	364,626	58.1

CHART # 1 2004 (OMB Revisions)

AMERASIA BANK																					
ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY & MSA																					
COUNTY	Total	Age 65		Age 16		Median Family	HUD MSA	Total	Total HH below		Total	Low		Moderate		Middle		Upper		LMI families in	
	Population	and over		and less		Income(MFI)	MFI	Households	poverty level		Families	income		income		income		income		LMI tracts	
	#	#	%	#	%	\$	\$	#	#	%	#	#	%	#	%	#	%	#	%	#	%
KINGS	2,465,326	282,658	11.5	587,575	23.8	39,349	57,000	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
NEW YORK	1,537,195	186,776	12.2	229,772	14.9	71,629	57,000	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
QUEENS	2,229,379	283,042	12.7	453,930	20.4	49,815	57,000	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
TOTAL A/A	6,231,900	752,476	12.1	1,271,277	20.4	50,174	57,000	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 2003 (2000 Census)

AMERASIA BANK																				
ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY																				
COUNTY	Total Housing Units	1-4 family Units		Multifamily 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	455,859	49.0	474,122	50.9	238,290	25.6	10,032	4.2	67,293	28.2	94,577	39.7	66,388	27.9	670,996	72.1	50,139	5.4	235,737
NEW YORK	798,144	28,178	3.5	769,392	96.4	148,695	18.6	2,587	1.7	13,115	8.8	7,717	5.2	125,261	84.2	616,053	77.2	59,500	7.5	345,099
QUEENS	817,250	494,122	60.5	322,175	39.4	334,894	41.0	1,005	0.3	27,763	8.3	144,708	43.2	161,419	48.2	462,179	56.6	34,586	4.2	199,093
TOTAL A/A	2,546,260	978,159	38.4	1,565,689	61.5	721,879	28.4	13,624	1.9	108,171	15.0	247,002	34.2	353,067	48.9	1,749,228	68.7	144,225	5.7	258,256

CHART # 2 2004 (OMB Revisions)

AMERASIA BANK																				
ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY																				
COUNTY	Total Housing Units	1-4 family Units		Multifamily 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	455,859	49.0	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	50,139	5.4	235,737
NEW YORK	798,144	28,178	3.5	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	59,500	7.5	345,099
QUEENS	817,250	494,122	60.5	322,175	39.4	334,894	41.0	1,005	0.3	43,201	12.9	162,089	48.4	128,599	38.4	462,179	56.6	34,586	4.2	199,093
TOTAL A/A	2,546,260	978,159	38.4	1,565,689	61.5	721,879	28.4	18,254	2.5	133,633	18.5	262,082	36.3	307,910	42.7	1,749,228	68.7	144,225	5.7	258,256

CHART # 3 2003 (2000 Census)

AMERASIA BANK											
BUSINESS DEMOGRAPHICS BY COUNTY											
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	106,517	69,497	65.2	5,235	4.9	31,785	29.8	77,928	73.2	99,599	93.5
NEW YORK	221,146	131,056	59.3	23,366	10.6	66,724	30.2	163,025	73.7	190,918	86.3
QUEENS	101,919	65,521	64.3	5,435	5.3	30,963	30.4	73,999	72.6	94,685	92.9
TOTAL A/A	429,582	266,074	61.9	34,036	7.9	129,472	30.1	314,952	73.3	385,202	89.7

CHART # 3 2004 (OMB Revisions)

AMERASIA BANK											
BUSINESS DEMOGRAPHICS BY COUNTY											
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	108,807	72,127	66.3	5,368	4.9	31,312	28.8	80,804	74.3	101,940	93.7
NEW YORK	220,439	132,311	60.0	23,072	10.5	65,056	29.5	164,325	74.5	190,968	86.6
QUEENS	103,066	67,271	65.3	5,460	5.3	30,335	29.4	75,894	73.6	95,959	93.1
TOTAL A/A	432,312	271,709	62.9	33,900	7.8	126,703	29.3	321,023	74.3	388,867	90.0

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

Amerasia'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 assessment period comprised 2003 and 2004. Examiners considered HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) as noted above. For the purpose of this evaluation, the bank's small business lending is given the most weight in determining performance levels.

Statistics utilized in this section were derived from various sources. In addition to bank-specific loan information submitted by the institution, aggregate data for HMDA-reportable and small business loans was obtained from the Federal Financial Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz, an external vendor.

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

The bank's LTD ratio is reasonable considering its size, financial condition and the credit needs of the assessment area.

The bank's average LTD ratio for the eight quarters since the prior evaluation ended December 31, 2004 was 80.2%, which was comparable to the peer group's average of 81.1%. The peer group consists of commercial banks with total assets between \$100 million and \$300 million in a metro area with two or fewer full service offices. These ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") prepared by the Federal Deposit Insurance Corporation ("FDIC").

The following table illustrates the bank's LTD ratios for the eight consecutive quarters since the previous evaluation:

Loan-to-Deposit Ratios									
	2003 Q1	2003 Q2	2003 Q3	2003 Q4	2004 Q1	2004 Q2	2004 Q3	2004 Q4	Aver.* LTD
Bank	77.7	78.8	75.5	78.7	79.1	82.1	81.6	88.3	80.2
Peer	78.5	78.2	78.9	80.85	81.7	82.9	83.5	84.0	81.1

* Average

- **Assessment Area Concentration: “Outstanding”**

The bank originated most of its loans within the assessment area.

During the evaluation period, 81.0% by number and 86.2% by dollar volume of the bank’s small business and HMDA-reportable loans were extended inside the assessment area.

The following table depicts the distribution of the bank’s small business and HMDA-reportable loans inside and outside the 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
	#	%	#	%		\$	%	\$	%	
Small Business										
2003	40	75.5	13	24.5	53	9,685	72.5	3,670	27.5	13,355
2004	20	74.1	7	25.9	27	4,917	82.7	1,025	17.3	5,942
Subtotal	60	75.0	20	25.0	80	14,602	75.7	4,695	24.3	19,297
HMDA-Reportable										
2003	15	100.0	0	0.0	15	7,905	100.0	0	0.0	7,905
2004	10	100.0	0	0.0	10	6,818	100.0	0	0.0	6,818
Subtotal	25	100.0	0	0.0	25	14,723	100.0	0	0.0	14,723
Total	85	81.0	20	19.0	105	29,325	86.2	4,695	13.8	34,020

- **Geographic Distribution of Loans: “Satisfactory”**

The geographic distribution of loans reflects reasonable dispersion among census tracts of different income levels.

Small Business Loans

The bank’s geographic distribution of small business loans reflects reasonable dispersion among census tracts of different income levels.

During the evaluation period, the bank extended 28 (46.7%) of its small business loans valuing \$6.6 million (45.4%) in LMI census tracts. During the same period, the market aggregate extended 23.0% by number and 20.8% by dollar volume of their small business loans in similar geographies.

In 2003, the bank extended one small business loan in a low-income census tract. This translated in a penetration ratio of 2.5% by number and 2.6% by dollar volume. For the

market aggregate, 4.1% by number and 3.4% by dollar volume of small business loans were in low-income areas. In moderate-income areas, the bank extended 22 loans and achieved a penetration ratio of 55.0% by number and 52.7% by dollar volume. The market aggregate small business lending in moderate-income areas was 17.5% by number and 15.9% by dollar volume.

In 2004, the bank did not extend any of its small business loans in a low-income area and extended five loans (25.0%) for \$1.3 million (26.2%) in moderate-income geographies. The market aggregate extended 5.2% by number and 4.8% by dollar volume of their small business loans in low-income census tracts. In moderate-income areas, the market aggregate penetration ratios of small business loans were 19.3% by number and 17.5% by dollar volume.

The following chart provides a summary of the bank's small business lending distribution during the evaluation period:

Distribution of Small Business Loans by Geographic Income Level*								
2003								
Geography Income Level	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
Low	1	2.5	250	2.6	6,580	4.1	158,553	3.4
Moderate	22	55.0	5,100	52.7	28,144	17.5	748,193	15.9
LMI Total	23	57.5	5,350	55.2	34,724	21.6	906,746	19.3
Middle	10	25.0	3,294	34.0	38,203	23.7	930,268	19.8
Upper	7	17.5	1,041	10.7	85,792	53.3	2,749,208	58.4
N/A	0	0.0	0	0.0 -	2,360	1.5	122,510	2.6
Total	40	100.0	9,685	100.0	161,079	100.0	4,708,732	100.0
2004								
Geography Income Level	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
Low	0	0.0	0	0.0	8,493	5.2	255,848	4.8
Moderate	5	25.0	1,286	26.2	31,427	19.3	939,033	17.5
LMI Total	5	25.0	1,286	26.2	39,920	24.5	1,194,881	22.3
Middle	10	50.0	2,716	55.2	38,399	23.6	1,077,433	20.0
Upper	3	15.0	635	12.9	82,597	50.7	2,981,295	55.4
N/A	2	10.0	280	5.7	2,054	1.2	121,527	2.3
Total	20	100.0	4,917	100.0	162,970	100.0	5,375,136	100.0
2 Year Total	60	100.0	14,602	100.0	324,049	100.0	10,083,868	100.0
2 Year LMI Total	28	46.7	6,636	45.4	74,644	23.0	2,101,627	20.8

*Geography income level is based upon 2000 Census data on median family income figure where the business is located. Low-income is defined as <50% of the MSA median income, moderate-income is 50% to <80%, middle-income is 80% to <120% and upper-income is at least 120%.

HMDA Reportable Loans

The geographic distribution of HMDA-reportable loans reflects reasonable dispersion among census tracts of different income levels.

During the evaluation period, the bank extended 32.0% of the number and 43.7% of the dollar volume of its HMDA-reportable loans inside moderate-income census tracts. None of the bank's HMDA-reportable loans were in low-income tracts. For comparison, the market aggregate extended 22.0% by number and 21.3% by dollar volume of total HMDA-reportable loans in LMI census tracts.

In 2003, the bank extended three (20%) of its 15 HMDA-reportable loans inside moderate-income areas. In terms of the dollar volume, this was 24.0% of the bank's total HMDA-reportable lending for 2003. To compare, 2.7% by number and dollar volume of the market aggregate HMDA-reportable loans were in low-income areas. In moderate-income areas, the market aggregate performance was 15.5% by number and 14.7% by dollar volume.

In 2004, the bank extended one-half of its 10 HMDA-reportable loans inside moderate areas and achieved a penetration ratio of 66.6% based on dollar volume. In comparison, the market aggregate extended 4.8% number and 5.0% by dollar volume of HMDA-reportable loans inside low-income areas. In moderate-income areas, the market aggregate performance was 22.1% by number and 20.7% by dollar volume.

The following table illustrates the distribution of HMDA-related loans during the evaluation period:

Distribution of HMDA-Reportable Loans by Geographic Income Level*								
2003								
Geography Income Level	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
Low	0	0.0	0	0.0	4,148	2.7	1,174,969	2.7
Moderate	3	20.0	1,895	24.0	23,707	15.5	6,396,128	14.7
LMI Total	3	20.0	1,895	24.0	27,855	18.2	7,571,097	17.4
Middle	7	46.7	4,015	50.8	47,843	31.3	11,206,266	25.9
Upper	5	33.3	1,995	25.2	76,567	50.0	24,193,498	55.8
N/A	0	0.0	0.0	0.0	724	0.5	407,271	0.9
Total	15	100	7,905	100	152,989	100	43,378,132	100
2004								
Geography Income Level	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
Low	0	0.0	0	0.0	5,673	4.8	1,961,003	5.0
Moderate	5	50.0	4,538	66.6	26,374	22.1	8,173,793	20.7
LMI Total	5	50.0	4,538	66.6	32,047	26.9	10,134,796	25.7
Middle	5	50.0	2,280	33.4	42,344	35.5	11,282,381	28.5
Upper	0	0.0	0.0	0.0	44,580	37.4	18,038,235	45.5
N/A	0	0.0	0.0	0.0	230	0.2	125,598	0.3
Total	10	100	6,818	100	119,201	100	39,581,010	100
2 Year Total	25	100.0	14,723	100.0	272,190	100.0	82,959,142	100.0
2 Year LMI Total	8	32.0	6,433	43.7	59,902	22.0	17,705,893	21.3

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

- **Distribution by Borrower Characteristics: “Outstanding”**

The distribution of loans based on borrower characteristics reflects excellent penetration among businesses of different sizes.

All of the bank’s HMDA-reportable loans were secured by properties that are not owner-occupied. For this reason, a distribution analysis of these loans was not conducted.

Small Business Loans

During the evaluation period, the bank extended 96.7% by number and 95.5% by dollar volume of its small business loans to small businesses. For comparison, just 40.0% by both number and dollar volume of the market aggregate’s small business loans were extended to small businesses.

The following chart provides a summary of the bank’s small business lending distribution based on borrower revenues during the evaluation period:

Distribution of Small Business Loans by Business Revenue Size								
2003								
Revenue Size	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
\$1million or less	38	95.0	9,030	93.2	64,459	40.0	1,883,223	40.0
Over \$1 million	2	5.0	655	6.8				
No Revenue Info	0	0.0	0	0.0				
Total	40	100.0	9,685	100.0	161,079	100.0	4,708,732	100.0
2004								
Revenue Size	Bank				Aggregate			
	#	%	\$(000's)	%	#	%	\$(000's)	%
\$1million or less	20	100.0	4,917	100.0	63,955	39.2	2,094,506	39.0
Over \$1 million		-		-	N/A	N/A	N/A	N/A
No Revenue Info		-		-	N/A	N/A	N/A	N/A
Total	20	100.0	4,917	100.0	162,970	100.0	5,375,136	100.0
2 Year Total	60	100.0	14,602	100.0	324,049	100.0	10,083,868	100.0
Total <\$1 million	58	96.7	13,947	95.5	128,414	39.6	3,977,729	39.4

In 2003, the bank extended 95% by number and 93.2% of its small business loans to small businesses. These percentages were significantly above market aggregate small business lending ratios, which was 40.0% by both number and dollar volume.

In 2004, 100% of the bank's small business loans were extended to small businesses. For the market aggregate, 39.2% of small business loans went to small businesses.

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

Since the latest CRA evaluation on December 31, 2002, neither the bank nor the New York State Banking Department received any written complaints regarding the bank's CRA performance.

- **Services**

An employee who speaks English and several Chinese dialects has been hired by the bank to better serve the institution's customers.

- **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 the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The concurrent regulatory compliance and fair lending examinations conducted by the New York State banking Department indicate satisfactory adherence to anti-discrimination and other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

- **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.

The bank ascertains the credit needs of its community through active involvement in local community organizations. For example, the bank is a member of the Chinese American Bankers Association, and the Flushing Chamber of Business Association. In addition, a senior officer of the bank serves as a director of the Taiwan Merchant Association of Greater New York.

Furthermore, the bank encourages employees to attend meetings and events of local charitable and cultural organizations.

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.

The bank markets its credit services through advertisements in local newspapers, radio, and television and through direct contact with the community. The loan department staff also calls on local merchants and promotes the bank's credit facilities at social and community meetings.

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.

The bank's board of directors annually reviews the institution's CRA policy and performance.

- **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 noted.

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;

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- ❖ 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.

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.