



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

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2006

Institution: Woori America Bank
1250 Broadway
New York, NY 10001

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 the New York operations of Woori America Bank (“Woori”), 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, 2006.

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 ratings 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

Woori is rated “2,” indicating a satisfactory record of helping to meet community credit needs. This rating is based on the following factors:

Lending Test – “High Satisfactory”

- Woori’s level of lending during the evaluation period reflects good responsiveness to the credit needs of the assessment area.
- During the evaluation period, Woori originated a high percentage of its loans within its assessment area.
- The geographic distribution of Woori’s loans reflects excellent penetration throughout the assessment area.
- The distribution of Woori’s loans based on borrower characteristics is adequate based on good small business lending performance among businesses of different revenue categories and poor penetration in HMDA-reportable lending among borrowers of different income levels.
- Woori makes a relatively high level of community development loans, with \$6.5 million in loan commitments originated during the evaluation period.
- Woori makes limited use of innovative and/or flexible loan products in serving assessment area credit needs.

Investment Test - “Low Satisfactory”

- Woori has an adequate level of community development investments, totaling \$1.5 million as of this evaluation.

Service Test - “High satisfactory”

- Woori’s network of branches and ATM's and alternative delivery systems are accessible to all portions of the assessment area, including LMI geographies.
- Woori’s record of opening and closing of branches has not adversely affected the accessibility of its delivery systems particularly to LMI geographies and/or LMI individuals.
- Business hours and services do not vary in a way that inconveniences any particular portion of the assessment area, including LMI geographies and/or LMI individuals.

- Woori provides an adequate level of community development services.

This onsite 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:

Woori was formed in 1984 as a New York State chartered banking institution under the name of Korea Commercial Bank of New York, then a wholly-owned subsidiary of the Commercial Bank of Korea. In 1999, following the merger of Commercial Bank of Korea with Hanil Bank, its name was changed to Hanvit America Bank. In 2002, the bank became part of a new financial holding company, Woori Financial Group of South Korea ("WFG"), and its name finally changed to Woori America Bank. WFG was created in 2001 when the South Korean government consolidated its interests in five financial institutions into three bank subsidiaries. The largest of these three subsidiaries, Woori Bank, owns 100% of Woori America Bank.

Woori serves, primarily, the ethnic Korean communities in the New York metropolitan area and businesses owned by and/or serving those communities. Since its formation, Woori has expanded into other geographical markets, acquiring Panasia Bank in mid-2003. This acquisition increased the bank's presence in New Jersey and facilitated expansion into the states of Pennsylvania and Virginia.

The bank operates 15 full-service branches. Four branches are located within the assessment area, three in Queens and one in New York County where the main office is located as well. The remaining 11 retail branches are located outside of New York State.

Woori reported total assets of \$943.8 million as of December 31, 2006. Net loans and leases stood at \$709.3 million and deposits were \$830.4 million, which resulted in a loan-to-deposit ratio of 85.4%.

Based on the deposit market share report prepared by the Federal Deposit Insurance Corporation ("FDIC") as of June 30, 2006, Woori accounted for approximately 0.07% of the \$517.6 billion deposit pool in the assessment area and ranked 50th among 107 FDIC-insured institutions. It should be noted that Woori had considerably higher deposit-taking activity in Queens where, as of June 30, 2006, it captured 0.53% market share. Within the assessment area, Woori reported 58.5%, or \$198.5 million, of deposits in Queens County and 41.5%, or \$140.6 million in New York County. Overall, Woori had 44.6% of its total deposits booked within New York State.

Woori is primarily a commercial real estate lender. As of December 31, 2006, Woori's loan portfolio included 65.9% of commercial mortgage loans, 16.8% in 1-4 residential mortgage loans, and 16.3% in commercial and industrial loans. Over the course of two years, from year-end 2004 to year-end 2006, Woori's lending increased 53.9% (\$251 million). The most significant contributors to the growth were commercial mortgages and commercial and industrial loans. Woori has not been competitive in the 1-4 family residential mortgage market because of its inability to match rates offered by competitors and its limited product offerings. Since more than 80% of Woori's loan portfolio is concentrated in commercial mortgages and loans to small businesses, we relied more heavily on those loans when evaluating CRA performance.

The following chart is a summary of Woori's lending portfolio, based on Schedule RC-C of its 2004, 2005 and 2006 year-end Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
LOAN TYPE	12/31/2004		12/31/2005		12/31/2006	
	\$(000s)	%	\$(000s)	%	\$(000s)	%
Commercial Mortgage Loans	298,462	64.0	388,554	67.3	472,578	65.9
1-4 Residential Mortgage Loans	91,261	19.6	98,624	17.1	120,238	16.8
Commercial and Industrial Loans	69,763	15.0	86,276	15.0	116,778	16.3
Other Loans	3,986	0.9	583	0.1	374	0.0
Consumer Loans	2,135	0.4	1,942	0.3	1,942	0.3
Multifamily Mortgages	361	0.1	967	0.2	4,074	0.6
Construction and Land Dev.	0	0.0	0	0.0	985	0.1
Total Gross Loans	465,968	100.0	576,946	100.0	716,969	100.0

Woori participates in government guaranteed or sponsored loan programs such as the Small Business Administration (SBA) guaranteed loan program.

The previous CRA evaluation of Woori, conducted by the New York State Banking Department as of December 31, 2003, resulted in a rating of "2," reflecting a satisfactory record of helping to meet community credit needs.

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

Assessment Area:

Woori's assessment area is comprised of New York and Queens counties which are part of the Metropolitan Statistical Area ("MSA") 35644. Both counties are urban areas and have very diverse demographics. New York County remains to be one of the world's largest centers in trade, financial, media, fashion, and many other industries.

There are 969 census tracts in the assessment area, of which 72 are low-income, 207 moderate-income, 334 middle-income, 329 upper-income and 27 zero-income tracts.

Distribution of Census Tracts Within the Assessment Area								
County	Zero-Income	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total Census	LMI Tracts	
							#	%
New York	9	60	59	24	144	296	119	40.2
Queens	18	12	148	310	185	673	160	23.8
Total	27	72	207	334	329	969	279	28.8

During the evaluation period, the distribution of census tracts by geographic income level changed as a result of revisions made in 2004 by the U.S. Office of Management and Budget; however the total number of census tracts did not change.

The following table shows the distribution of census tracts within the assessment area prior to the OMB's revisions in 2004:

Distribution of Census Tracts Within the Assessment Area (as of 2003)								
County	Zero-Income	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total Census	LMI Tracts	
							#	%
New York	9	47	68	26	146	296	115	38.9
Queens	18	12	107	298	238	673	119	17.7
Total	27	59	175	324	384	969	234	24.1

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

Business Demographic Data: Service providers represent the largest industry in the assessment area, comprising 39.7% of total businesses. Retail trade is the second largest industry followed by finance, insurance, and real estate, accounting for 16% and 10.1%, respectively, of total businesses in the assessment area.

Unemployment Rates: The average annual unemployment rate for New York State was 5.8% in 2004 and declined to 5.0% in 2005 and 4.5% in 2006. Both counties in the assessment area had similar downward trends in their respective average annual unemployment rates. In 2004, 2005, and 2006, the corresponding unemployment rates were 6.3%, 5.2%, and 4.4%, respectively, for Queens County and 6.2%, 5.0%, and 4.2%, respectively, for New York County.

Additional statistical data pertaining to the demographics of the assessment area are provided in the following charts which are included in this performance evaluation report.

Chart #1: Shows population and income.

Chart #2: Shows housing demographics.

Chart #3: Shows business demographics.

CHART # 1

ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY																						
COUNTY	Total Population		Persons over 65		Persons under 16		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	
	#	%	#	%	#	%	\$	\$	#	#	%	#	#	%	#	%	#	%	#	%	#	%
QUEENS	2,229,379		283,042	12.7	453,930	20.4	49,815	59,200	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	59,200	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	3,766,574		469,818	12.5	683,702	18.2	57,682	59,200	1,521,813	233,499	15.3	849,024	212,861	25.1	135,480	16.0	147,010	17.3	353,673	41.7	185,295	53.2

CHART # 2

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	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
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	34,586	4.2
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	59,500	7.5
TOTAL A/A	1,615,394	523,827	32.4	1,091,567	67.6	483,589	29.9	4,884	1.0	55,855	11.6	169,208	35.0	253,594	52.4	1,078,232	66.7	94,086	5.8

CHART # 3

BUSINESS DEMOGRAPHICS BY COUNTY											
COUNTY	Number of Businesses (Non-Farm Only)	Businesses with Rev. of \$1 million or less		Businesses with Rev. of more than \$1 million		Bussinesses with no revenues reported		Businesses with less than 50 employees		Operating from a single location	
		#	%*	#	%*	#	%*	#**	%**	#**	%**
QUEENS	107,835	74,246	68.9	5,483	5.1	28,106	26.1	82,342	76.0	101,209	93.5
NEW YORK	239,031	149,307	62.5	23,087	9.7	66,637	27.9	178,656	74.6	211,138	88.1
TOTAL A/A	346,866	223,553	64.5	28,570	8.2	94,743	27.3	260,998	75.0	312,347	89.8

* Calculated based on total number of non-farm businesses

** Number may include farms. As such, percentages were calculated based on total number of businesses

PERFORMANCE TESTS AND ASSESSMENT FACTORS

This Performance Evaluation is based on a review of Woori's lending, investment and service activities within the assessment area under the performance tests and standards for large banks as provided for in Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board. The evaluation covers the years 2004, 2005 and 2006.

Statistics employed in this evaluation were derived from various sources. In addition to bank-specific loan information submitted by Woori, aggregate data for small business and HMDA-reportable loans were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and PCi Corporation's CRAWiz[®] software. Demographic information within the evaluation reflects data from the 2000 U.S. Census, supplemented by median family income estimates for 2004, 2005 and 2006 from the U.S. Department of Housing and Urban Development ("HUD").

I. Lending Test: "High Satisfactory"

The bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Concentration; (3) Geographic Distribution of Loans; (4) Borrower's Profile; (5) Community Development Lending; and (6) Innovative or Flexible Lending Practices. Examiners considered Woori's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) above. In analyzing Woori's overall performance, small business lending was given greater weight.

HMDA-reportable loan data mentioned in this Performance Evaluation represent actual originations. The evaluation of Woori's performance in small business lending was based on a sample of 69 small business loans, resulting in a 95% confidence level. Since more than 80% of Woori's loan portfolio is concentrated in commercial mortgages and loans to small businesses, we relied more heavily on those loans when evaluating CRA performance.

Lending Activity: "High Satisfactory"

Woori's lending levels reflect good responsiveness to the credit needs of its assessment area.

Since accurate market share data in HMDA-reportable and small business lending was not available, the loan-to-deposit ratio analysis was used instead in assessing Woori's lending activity performance. This analysis disclosed that Woori's LTD ratio is good considering its size, financial condition and the credit needs of the assessment area.

Woori's average LTD ratio for the prior 12 quarters since the previous evaluation is 77.9%, which is lower than the corresponding peer group average of 85.4%.¹ However, on a

¹ These ratios were calculated from information shown in Woori's Uniform Bank Performance Report ("UBPR") as prepared by the FDIC. Woori's peer group includes all insured commercial banks having assets between \$300 million and \$1 billion. The UBPR peer group is a national peer group and includes banks that may be operating in very different economic environments.

positive note, Woori's LTD ratios have been on a generally upward trend during the evaluation period, increasing from 66.9% as of March 31, 2004 to 85.4% as of the evaluation date. In addition, it is noted that of the total volume of HMDA-reportable and small business loans that Woori originated during the evaluation period, the percentage share of these loans that were originated in the assessment area is reasonable when compared to the ratio of Woori's assessment area deposits to its total deposits.

The following chart illustrates Woori's and its peer group's LTD ratios for the 12 quarters ended December 31, 2006:

Loan-to Deposit Ratios													
	2004				2005				2006				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Ave.
Bank	66.9	69.9	74.6	74.1	75.9	79.9	80.8	79.4	80.2	82.2	85.7	85.4	77.9
Peer	82.2	83.6	84.5	85.0	84.9	86.0	85.9	85.4	85.5	87.0	87.6	86.8	85.4

Assessment Area Concentration: “High Satisfactory”

Woori originated a good percentage of its loans within the assessment area. Overall, during the evaluation period, Woori originated 60.0%, by number, and 62.7%, by dollar volume, of its loans within the assessment area. It should be noted that Woori is a multistate bank; and as such, the loan universe used in calculating the aforementioned assessment area concentration ratios and those discussed below includes only the HMDA-reportable and small business loans originated within New York State.

Small Business Loans

The level of small business lending achieved by Woori within the assessment area is good. In 2004, Woori originated 60.0%, by number, of the small business loans sampled inside the assessment area. Woori's assessment area concentration ratio, by number of loans, increased considerably to 69.6% in 2005 and was maintained near this level in 2006 during which it fell slightly to 69.2%. Overall, 66.7% of the sample of small business loans originated during the evaluation period were made inside the assessment area.

HMDA-Reportable Loans

Woori originated an adequate percentage of its HMDA-reportable loans inside the assessment area. In 2004, Woori originated 45.0%, by number, of its HMDA-reportable loans within the assessment area. The level of lending within the assessment area did not improve much in 2005; however, it increased significantly in 2006 during which 71.4%, by number, of the HMDA-reportable loans originated that year were made inside the assessment area. Overall, based on number of loans, Woori originated 51.8% of its HMDA-reportable loans during the evaluation period within the assessment area.

The following table shows the percentage of Woori's small business and HMDA-reportable loans originated inside and outside of 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 Loans										
2004	12	60.0	8	40.0	20	7,117	60.4	4,663	39.6	11,780
2005	16	69.6	7	30.4	23	7,552	70.2	3,210	29.8	10,762
2006	18	69.2	8	30.8	26	8,051	79.0	2,138	21.0	10,189
Subtotal	46	66.7	23	33.3	69	22,720	69.4	10,011	30.6	32,731
HMDA-Reportable Loans										
2004	9	45.0	11	55.0	20	3,730	41.9	5,175	58.1	8,905
2005	10	45.5	12	54.5	22	6,741	50.8	6,517	49.2	13,258
2006	10	71.4	4	28.6	14	5,936	79.1	1,572	20.9	7,508
Subtotal	29	51.8	27	48.2	56	16,407	55.3	13,264	44.7	29,671
Total	75	60.0	50	40.0	125	39,127	62.7	23,275	37.3	62,402

Geographic Distribution of Loans: "Outstanding"

The geographic distribution of Woori's small business and HMDA-reportable loans reflects excellent penetration throughout the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion among census tracts of different income levels.

During the evaluation period, of the sample of small business loans originated within the assessment area, 32.6%, by number, were in LMI geographies. This level of performance is significantly better than the market aggregate's corresponding LMI penetration rate of 16.1%. Woori also consistently outperformed the market aggregate in each year of the evaluation period, achieving LMI penetration rates, based on number of loans, of 25.0% in 2004, 50.0% in 2005, and 22.2% in 2006. These ratios are well above the corresponding LMI penetration rates of 15.8%, 17.1%, and 15.8%, respectively, for the market aggregate.

The following table illustrates the distribution of Woori's and the market aggregate's small business loans by geography income level during the evaluation period:

Distribution of Small Business Loans by Geographic Income Level*								
2004								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	3,949	3.3	116,837	2.7
Moderate	3	25.0	1,690	23.7	15,205	12.5	504,004	11.7
Middle	6	50.0	3,049	42.8	25,243	20.8	762,916	17.8
Upper	3	25.0	2,378	33.4	75,232	62.0	2,802,547	65.2
NA					1,769	1.5	109,636	2.6
Total	12	100.0	7,117	100.0	121,398	100.0	4,295,940	100.0
2005								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	2	12.5	950	12.6	3,711	3.3	112,859	2.7
Moderate	6	37.5	2,290	30.3	15,742	13.8	464,288	11.0
Middle	4	25.0	1,242	16.4	25,556	22.4	857,400	20.2
Upper	4	25.0	3,070	40.7	67,600	59.3	2,702,689	63.8
NA					1,353	1.2	98,732	2.3
Total	16	100.0	7,552	100.0	113,962	100.0	4,235,968	100.0
2006								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	8,027	3.2	147,356	3.1
Moderate	4	22.2	2,145	26.6	31,607	12.6	561,913	12.0
Middle	6	33.3	3,946	49.0	52,705	21.0	924,960	19.7
Upper	8	44.4	1,960	24.3	155,801	62.0	2,963,071	63.2
NA					3,014	1.2	93,040	2.0
Total	18	100.0	8,051	100.0	251,154	100.0	4,690,340	100.0

* Geography income levels are based upon 2000 Census data on median family income figures for the MSA where the business is located. 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%.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans among census tracts of different income levels is excellent. During the evaluation period, Woori originated 31.0% by number and 36.8% by dollar value of its HMDA-reportable loans in LMI geographies. These ratios are well above the 16.8% and 16.5% LMI penetration rates, by number and dollar value of loans, respectively, achieved by the market aggregate during the evaluation period. It should be noted that a year-by-year analysis of Woori's performance was not done as this would not be meaningful given the small number of HMDA-reportable loans Woori originated in each year of the evaluation period.

The following table illustrates the distribution of Woori's and the market aggregate's HMDA reportable loans by geography income level during the evaluation period:

Distribution of HMDA-reportable Loans by Geographic Income Level*								
2004								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	1,362	1.8	687,754	2.5
Moderate	0	0.0	0	0.0	10,704	13.8	3,602,214	13.1
Middle	1	11.1	240	6.4	28,713	37.0	7,531,452	27.4
Upper	8	88.9	3,490	93.6	36,578	47.2	15,514,445	56.5
NA					164	0.2	107,083	0.4
Total	9	100.0	3,730	100.0	77,521	100.0	27,442,948	100.0
2005								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	1	10.0	1,900	28.2	1,457	1.9	777,545	2.5
Moderate	7	70.0	3,741	55.5	11,886	15.3	4,383,764	14.3
Middle	0	0.0	0	0.0	31,125	40.1	8,832,583	28.8
Upper	2	20.0	1,100	16.3	33,105	42.6	16,623,671	54.2
NA					98	0.1	57,671	0.2
Total	10	100.0	6,741	100.0	77,671	100.0	30,675,234	100.0
2006								
Geography Income Level	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	1,708	2.3	828,728	2.7
Moderate	1	10.0	404	6.8	11,330	15.4	4,334,439	14.3
Middle	3	30.0	2,000	33.7	30,747	41.8	9,612,369	31.7
Upper	6	60.0	3,532	59.5	29,713	40.4	15,475,992	51.1
NA					65	0.1	42,999	0.1
Total	10	100.0	5,936	100.0	73,563	100.0	30,294,527	100.0

* 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, moderate-income is 50% to <80% of the MSA median income, middle-income is 80% to <120%, and upper-income is at least 120%.

Distribution by Borrower Characteristics: "Low Satisfactory"

The distribution of Woori's loans based on borrower characteristics is adequate.

Small Business Loans

Woori's performance in small business lending reflects adequate penetration among businesses of different revenue sizes. At this evaluation, loan size was used as the basis for evaluating Woori's performance under this assessment factor.

In 2004, none of the small business loans sampled that Woori originated in the assessment area had loan amounts less than \$100 thousand. In 2005, the percentage of Woori's small business loans in this loan size category improved to 31.3% but declined to 22.2% in 2006. Although the aforementioned ratios are well below the market aggregate's, it should be noted that the principal lenders in the assessment area are major small business credit card lenders, which explains the very high percentage of loans that were originated by the market aggregate in the \$100 thousand and under loan size category. As an example, in 2006, the average loan size for highest-ranked small business lender which had a market share of over 49% of all the business loans in the assessment area was only \$5 thousand.

The following table shows the distribution by loan size of Woori's and the market aggregate's small business loans during the evaluation period:

Distribution of Small Business Loans by Loan Size								
2004								
Loan Size	Bank				Aggregate			
(\$ in thousands)	#	%	\$(000's)	%	#	%	\$(000's)	%
<= \$100	0	-	0	-	114,898	94.6	2,022,350	47.1
>\$100 - <=\$250	3	25.0	515	7.2	3,654	3.0	643,933	15.0
>\$250 - <=\$1,000	9	75.0	6,602	92.8	2,846	2.3	1,629,657	37.9
Total	12	100.0	7,117	100.0	121,398	100.0	4,295,940	100.0
2005								
Loan Size	Bank				Aggregate			
(\$ in thousands)	#	%	\$(000's)	%	#	%	\$(000's)	%
<= \$100	5	31.3	162	2.1	107,825	94.6	2,018,353	47.6
>\$100 - <=\$250	4	25.0	690	9.1	3,309	2.9	592,822	14.0
>\$250 - <=\$1,000	7	43.8	6,700	88.7	2,828	2.5	1,624,793	38.4
Total	16	100.0	7,552	100.0	113,962	100.0	4,235,968	100.0
2006								
Loan Size	Bank				Aggregate			
(\$ in thousands)	#	%	\$(000's)	%	#	%	\$(000's)	%
<= \$100	4	22.2	325	4.0	245,730	97.8	2,653,718	56.6
>\$100 - <=\$250	3	16.7	610	7.6	2,748	1.1	497,716	10.6
>\$250 - <=\$1,000	11	61.1	7,116	88.4	2,676	1.1	1,538,906	32.8
Total	18	100.0	8,051	100.0	251,154	100.0	4,690,340	100.0

HMDA-Reportable Loans

The distribution of Woori's HMDA-reportable loans among borrowers of different income levels is poor. During the evaluation period, Woori did not extend any HMDA-reportable loan to LMI borrowers. In comparison, 5.8%, by number, of the HMDA-reportable loans originated by the market aggregate during the evaluation period were extended to LMI borrowers. It should be noted, however, that Woori's poor performance is reflective of the high cost of housing in the assessment area where, during the evaluation period, home prices have soared to levels that are not affordable to LMI borrowers.

The following table illustrates the distribution of HMDA-reportable loans among borrowers of different income levels during the evaluation period:

Distribution of HMDA-reportable Loans by Borrower Income Level								
2004								
Borrower	Bank				Aggregate			
Income Level	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	836	1.1	95,334	0.3
Moderate	0	0.0	0	0.0	4,951	6.4	684,554	2.5
Middle	4	44.4	1,515	40.6	14,162	18.3	2,753,971	10.0
Upper	5	55.6	2,215	59.4	50,265	64.8	18,444,305	67.2
N/A					7,307	9.4	5,464,784	19.9
Total	9	100.0	3,730	100.0	77,521	100.0	27,442,948	100.0
2005								
Borrower	Bank				Aggregate			
Income Level	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	531	0.7	63,246	0.2
Moderate	0	0.0	0	0.0	3,786	4.9	527,369	1.7
Middle	0	0.0	0	0.0	10,941	14.1	2,219,231	7.2
Upper	2	20.0	1,100	16.3	56,304	72.5	22,232,337	72.5
N/A	8	80.0	5,641	83.7	6,109	7.9	5,633,051	18.4
Total	10	100.0	6,741	100.0	77,671	100.0	30,675,234	100.0
2006								
Borrower	Bank				Aggregate			
Income Level	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0	0	0.0	467	0.6	65,156	0.2
Moderate	0	0.0	0	0.0	2,587	3.5	352,221	1.2
Middle	0	0.0	0	0.0	8,202	11.1	1,594,222	5.3
Upper	9	90.0	5,723	96.4	56,587	76.9	22,975,708	75.8
N/A	1	10.0	213	3.6	5,720	7.8	5,307,220	17.5
Total	10	100.0	5,936	100.0	73,563	100.0	30,294,527	100.0

Community Development Lending: “High Satisfactory”

Woori has a relatively high level of community development loans with \$6.5 million in loan commitments originated during the evaluation period. These commitments support affordable housing and help revitalize and stabilize LMI areas. It should be noted that at the previous evaluation, Woori did not have any qualified community development loans.

The following is a brief description of Woori’s qualified community development loans:

Ridgewood Realty of L.I., Inc. – During the evaluation period, Woori extended several loans totaling \$2.1 million to this real estate development corporation which used the money to finance the purchase of several multifamily affordable housing properties located in LMI census tracts in Queens County.

Icarus Associates – In 2005, Woori extended a \$1.9 million loan to this borrower for the purpose of refinancing the borrower’s existing mortgage on a 41-unit, affordable rental housing property located in a low-income census tract in New York County.

Crescent Street, LLC – In 2004, Woori extended a \$2.5 million loan to this borrower for the purpose of refinancing the borrower’s existing mortgage on a two-story, mixed use

commercial building that houses seven offices and a restaurant. The loan includes a cash-out portion that was used in upgrading the property which is located in a moderate-income geography in Queens County. The offices and restaurant located in the property provide jobs to residents in the community which helps revitalize and stabilize the area.

Innovative or Flexible Lending Practices: “Low Satisfactory”

Woori makes limited use of innovative and/or flexible lending products in serving assessment area needs. Woori is a participating lender in the Small Business Administration (“SBA”) guaranteed loan program. During the evaluation period, Woori originated 26 SBA loans totaling \$4.2 million.

Woori also offers a secured credit card program for individuals with bad, limited or no credit history and for students and non-residents who are unable to obtain valid Social Security numbers. This program requires a 150% security deposit that is non-interest bearing and returned to the borrower 30 days after the account is closed. During the evaluation period, Woori issued 3,160 cards with an aggregate credit limit of \$19.7 million under this program.

II. Investment Test: “High Satisfactory”

The investment test evaluates a banking institution’s record of helping to meet the needs of its assessment area through qualified investments. Investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; 4) the degree to which the qualified investments are not routinely provided by private investors.

Investment Activity: “Low Satisfactory”

Woori has an adequate level of community development investments. At this evaluation, qualified investments, including grants of \$128 thousand, totaled \$1.5 million, all of which represents new money. It should be noted that at the prior evaluation, Woori had only \$20 thousand in qualified investments.

Woori’s qualified investments include the following:

Mortgage-backed Securities – During the evaluation period, Woori invested in a FNMA pool of mortgage loans to LMI borrowers. Five of the loans in this pool, totaling \$984 thousand, were extended to LMI families residing in the assessment area.

Community Capital Bank – In 2005, Woori opened a certificate of deposit for \$300 thousand at this institution. CCB is a Community Development Financial Institution that serves all five counties in New York City. CCB was acquired by Carver Federal Savings Bank (“Carver”) in 2006. Based in Harlem, Carver has the same mission as that of CCB, which is to expand wealth enhancing opportunities in the communities it serves. Carver’s branches and stand-alone, 24/7 ATM centers are mostly located in LMI neighborhoods.

Union Settlement Federal Credit Union (“Union”) – In 2005, Woori made a \$100 thousand, non-member deposit in this credit union. Based in East Harlem in New York County, Union provides low interest loans and low cost services to its members who are mostly low-income earners and residents of the community.

During the evaluation period, Woori extended \$82 thousand in grants to various community development organizations in the assessment area such as the Community Preservation Corp., Neighborhood Housing Services, New York City Habitat for Humanity, Harlem Business Alliance, and the Greater Jamaica Development Corp. Additionally, Woori provided \$46 thousand in scholarship grants to needy students from LMI families in the assessment area.

III. Service Test: “High Satisfactory”

The service test evaluates a banking institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of a banking institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

Retail Services: “High Satisfactory”

Accessibility of Delivery Systems

Woori’s retail service delivery systems are accessible to essentially all portions of the assessment area.

Woori operates four branches in its assessment area. Three are in Queens County of which two are located in moderate-income areas. The fourth branch is in New York County, located in a middle-income area that was, prior to the revisions made in 2004 by the OMB, adjacent to an LMI census tract. All four branches have automated teller machines. Additionally, alternative delivery systems such as banking by mail, toll-free banking by phone and online internet banking services are available for convenient access to banking services during non-banking hours.

Change in Branch Locations

The bank’s record of opening and closing of branches has not adversely affected the accessibility of its delivery systems.

Since the prior evaluation, the bank has opened one branch in an upper income tract in Bayside, Queens County. No branch was closed during the evaluation period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Woori's business hours and services do not vary in a way that inconveniences certain portions of the assessment area. Two branches in Queens remain open until 5:00 PM on weekdays, and three of its four branches offer Saturday hours. All four branches have staff who are bilingual in Korean and English.

Community Development Services: "Low Satisfactory"

Woori provides an adequate level of community development services. During the evaluation period, officers and staff of the bank shared their financial expertise conducting financial literacy training programs for LMI individuals and providing technical assistance to small businesses in the assessment area. Examples include the following:

- *The Korean Community Services of Metropolitan New York (KCS)* – During 2006, a senior executive officer of Woori Bank participated in a series of workshops sponsored by this community service organization. The workshops provided information to LMI Korean-American individuals on how to open and manage bank accounts, write checks, and build good credit. The various deposit products offered by Woori and the bank service fees it charges were also explained at these workshops.
- *The Korean American Nail Salon Association of New York* – In 2004, a Woori director/officer participated in a seminar sponsored by this association during which he presented the bank's SBA lending, home and commercial mortgage programs to members of the Association.
- *The NY Society of Korean Businessmen's Association* – A Woori director helped the association in developing business brochures for small businesses in New York on how to obtain business licenses and establish corporations.
- In July and August 2006, several Woori employees hosted workshops at a church in Corona and Flushing, New York. The workshops were held to provide general banking knowledge to Korean and Chinese American senior citizens and explain to them the bank's direct deposit, remittance, and currency exchange services

IV. 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 and fair lending examinations conducted concurrently with this evaluation indicate satisfactory adherence to anti-discrimination and other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

V. 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.

Woori ascertains the credit needs of its community through its dealings with its current and prospective customers. Woori loan officers regularly visit businesses in the community to inquire about their credit needs and to offer the bank's products and services. Contacts are also maintained with local realtors to better understand community housing 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

Woori's marketing efforts continue to focus on the Korean-American community. Woori advertises its products and services regularly in local newspapers such as the *Korea Central Daily News* and the *Sunday Korea Times* and on printed souvenir programs that are handed out at fundraising events. Its advertisements are also aired on *Radio Seoul WZRC* and shown on local Korean cable television shows.

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

Woori's board of directors establishes all the policies and procedures and oversees the implementation thereof by management. Woori has a Compliance Committee that is responsible for monitoring compliance with all federal and state banking laws and regulations, including CRA. The committee reports to the board and meets quarterly. Minutes of the committee meetings indicate appropriate review and monitoring of CRA-related issues.

VI. 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:

- 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.

Demand-Adjusted Penetration Rate

The number of owner-occupied loans made by the institution (or aggregate as appropriate) in a geographic area per thousand owner-occupied housing units in that area. Mathematically, it is arrived at by dividing the number of owner-occupied housing units into the number of loans made and then multiplying by 1,000.

Demand-Adjusted Penetration Ratio

A ratio that depicts geographic penetration of loans by comparing demand-adjusted lending in LMI areas with non-LMI areas; mathematically, it is arrived at by dividing the demand-adjusted penetration rate in non-LMI areas into the demand-adjusted penetration rate in LMI areas and then expressed as a percentage.

A ratio of 100% means that the institution (or aggregate as appropriate) made an equal number of loans proportionally in LMI and non-LMI areas. Less than 100 percent would indicate less lending in LMI areas on the same basis compared to non-LMI areas, whereas over 100 percent would indicate a greater level of lending in LMI areas versus non-LMI areas.

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 2000 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 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 nonmetropolitan 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 nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

Small Business Loans

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