



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Public Disclosure**

**April 30, 2007**

Community Reinvestment Act  
**Performance Evaluation**

**Asia Bank, National Association  
Charter Number: 18432**

**135-34 Roosevelt Avenue  
New York City, NY 11354**

**Office of the Comptroller of the Currency**

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**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Asia Bank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Asia Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

\* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Asia Bank's responsiveness to small business lending needs is excellent;
- A substantial majority of Asia Bank's loans were originated in its assessment area (AA);
- The geographic distribution of loans is adequate;
- Asia Bank's service delivery systems are readily accessible to individuals and geographies of different income levels; and
- Asia Bank has an adequate level of community development investments.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5

million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Asia Bank, N.A. is headquartered in Flushing, NY, Queens County, which is approximately 14 miles from New York City. The bank is an interstate bank with three full-service branches and one loan center in the counties of New York-Queens-King Counties located in New York State. There is also one full-service branch in the county of Montgomery located in Maryland. There were no branch closings or openings during our evaluation period. All of the branches, except for the Chinatown branch, have onsite ATMs.

Asia Bancshares, Inc, a one-bank holding company, wholly owns Asia Bank. There are no other subsidiaries or affiliates.

Asia Bank is a community bank that offers various products. These include checking accounts, savings accounts, personal and business loans, residential and commercial mortgages, letters of credit, money transfers, safe deposit boxes, and collections.

Asia Bank continues to experience growth. As of March 31, 2007, total assets were \$429 million which represents an eight percent increase from the prior year. Total deposits increased approximately eight percent from the prior year to \$375 million. Total loans increased slightly to \$276 million which represents a two percent increase from the prior year. As of March 31, 2007, net loans and leases represented 63 percent of total assets. The loan portfolio consists of commercial & industrial, consumer loans, home equity loans, multi-family loans, one to four family residential loans, construction & development, and business loans. Tier One capital was \$48 million.

Asia Bank operates in a competitive environment. The bank's competitors consist of the 60 banks located within the proximity of the branches. Amerasia, Eastbank, HSBC, City National, Bank, JP Morgan Chase Bank, Chevy Chase Bank, and Bank of America are among the competitors of the bank.

The bank has the financial capacity to assist in meeting the credit needs of its assessment area (AA). There are no legal, financial, or other factors which would impact the bank's ability to help meet the credit needs of its community.

Asia Bank's performance under the Community Reinvestment Act was last evaluated on May 10, 2004, based on the standards applicable to Large Banks. The bank's overall rating was "Satisfactory".

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and for loans to small businesses was from January 1, 2004 through December 31, 2006. The bank's primary loan products were commercial mortgages and small business loans in both assessment areas. The bank originated an insignificant amount of home mortgage loans during the evaluation period. The bank did not originate any small loans to farms; therefore this product was not included in our evaluation.

For community development loans, and investment and service tests, the evaluation period is from May 11, 2004 through April 30, 2007. This represents the end date of the prior CRA review through the start date of this current CRA review.

### Data Integrity

We performed an evaluation of Asia Bank's publicly filed information to verify the accuracy of the data from January 1, 2004, to December 31, 2006. The HMDA data was found to be accurate and reliable. Our findings on the Small Business data included minor errors that management corrected prior to the start of the CRA examination. The bank was not required to refile the data for 2004-2006 and the errors did not have a significant impact on the evaluation.

### Selection of Areas for Full-Scope Review

We performed a full-scope review of the metropolitan division of New York-Queens-Kings Counties, which is part of the New York-Wayne-White Plains Metropolitan Statistical Area (MSA # 35644). These counties fall under the New York-White Plains-Wayne, NY-NJ Metropolitan Division. This AA accounts for 90 percent of total bank deposits. The bank made 96 percent of its home mortgage loans and 95 percent of its small loans to businesses in this AA. The New York-Queens-Kings AA consists of 1,752 census tracts. Please refer to Appendix A for additional information.

We performed a full-scope review of the Montgomery AA. This AA is part of the Bethesda-Frederick-Gaithersburg, MD (MSA # 8840). This AA accounts for 10 percent of total bank deposits. The bank made approximately four percent of its home mortgage lending and five percent of its small loans to businesses in this AA. The Montgomery AA consists of 177 census tracts.

### Ratings

Given that a substantial majority of bank activities and deposits are performed in New York, the bank's overall rating is based primarily on the full scope review of the New York-Queens-Kings AA. For the lending test, more weight was placed on the loans to small business strategy as this represents the major lending strategy. In the 2004-2006 evaluation periods, home mortgage products accounted for approximately 21 percent of originated loans, and small loans to businesses accounted for 79 percent.

As part of the lending test, more weight was placed on distribution of loans by income level of the geography than on the distribution of loans by income level of the borrower, due to the definition of small business.

**Other**

During our review, we performed community contacts with a local chamber of commerce and a community center. These agencies specialize in providing support to local businesses, social services and development, and construction. The contacts indicated that the primary needs of the community are loans to small businesses, however, there are also housing needs for low- and moderate-income individuals. Our contacts believe that Asia Bank is a vital part of the community.

## **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

## Metropolitan Division

The New York City ("NYC") AA includes all of the New York counties that are within the New York-Wayne-White Plains MD #35644 in their entirety. This includes Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester. The AA complies with the CRA guidelines and does not arbitrarily exclude low- and moderate-income areas.

Asia Bank has designated 177 census tracts within Montgomery County as its AA. The area is part of the Bethesda-Frederick-Gaithersburg, MD #8840. The AA complies with the CRA regulation and does not arbitrarily exclude low- and moderate-income areas.

## Multistate Metropolitan Area Rating

### State of New York

**CRA Rating for New York: Satisfactory**

<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Low Satisfactory</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- The responsiveness to small business lending needs is excellent;
- Distribution of loans among the different geographies and among businesses of different sizes is good;
- The responsiveness of qualified investments to the needs of the AA is adequate; and
- Delivery systems are readily accessible to individuals and geographies of different income levels.

### Description of Institution's Operations in New York

#### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in New York is rated as "Outstanding". Based on a full-scope review, the bank's performance in the New York-Queens-Kings County MSA AA is excellent.

#### Lending Activity

Refer to Tables 1 Lending Volume in appendix D for the facts and data used to evaluate the bank's lending activity.

## **New York-Queens-Kings MSA AA**

Lending Activity in the New York-Queens-Kings MSA AA is excellent. The bank's lending patterns are reflective of the needs of the community. Approximately 94 percent of the bank's lending is conducted in this AA. Loans to Small businesses are among the identified credit needs of the community. During the evaluation period, the bank originated 209 loans in the New York-Queens-Kings MSA AA. Of this number, 166 were small loans to businesses and 43 were home mortgage loans.

Small loans to businesses constituted 79 percent of the bank's lending in the assessment area. Loans to businesses with revenue of \$1 million or less represented 98 percent of small loans to businesses. Additionally, the market share of loans to businesses with revenue of \$1 million or less exceeded the bank's overall market share.

The bank's lending to individuals is centered in home mortgage products. In the 2004-2006 evaluation periods, 21 percent of the bank's lending in the AA was in home mortgage products. Multifamily loans accounted for approximately 67 percent of home mortgage loans while home purchase loans accounted for approximately 30 percent.

Based on 2005 Peer Small Business Data, Asia Bank ranked 40th (with a 0.01% market share) out of 96 lenders in Kings County, 37<sup>th</sup> (with a 0.02 percent market share) out of 178 lenders in New York County, and ranked 27<sup>th</sup> (with a 0.05 percent market share) out of 78 in Queens County. Citibank, USA, N.A. and Capital One, F.S.B. ranked first and second respectively in all three counties.

Based on the 2007 HMDA Peer Mortgage Data, JPMorgan Chase Bank with a market share of 11 percent and Wells Fargo Bank, NA with a market share of seven percent ranked first and second out of 371 lenders. Asia Bank had a market share of 0.01 percent, ranking it 256<sup>th</sup> among the 371 lenders.

Based on the June 30, 2006 FDIC Deposit Market Share Report, Asia bank had a deposit market share of 0.06 percent, ranking it 53<sup>rd</sup> among the 110 deposit-taking institutions within this AA. The top five banks had an aggregate market share of 75.97 percent and included JPMorgan Chase Bank NA, Citibank National Association, HSBC Bank USA National Association, Bank of New York, and Bank of America, NA.

## **Distribution of Loans by Income Level of the Geography**

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in the New York-Queens-Kings MSA of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. Geographic distribution of home improvement loans is not discussed since no home improvement loans were originated by Asia Bank in the AAs.

The geographic distribution of home purchase loans is excellent. Based on 2000 census data, during the 2004-2006 evaluation periods, the bank made 15.38 percent of home purchase loans in low-income geographies. The volume of owner-occupied units in these geographies is very low with only 2.53 percent of owner-occupied units in low-income geographies, which provided limited opportunities for the bank.

Based on the 2000 census data, with 2004 MSA boundaries, the bank made 38.46 percent of home purchase loans in moderate-income geographies in 2004-2006. The volume of owner occupied units in these geographies is low, with 18.50 percent of owner-occupied units in moderate income geographies, which provided opportunities for the bank. The bank's market share in these geographies is greater than its overall market share of home purchase loans in the AA.

Refinance loan geographic distribution is good. For the evaluation period, using the 2000 census data, the bank did not originate any home mortgage refinance loans in low- income geographies. For the evaluation using the 2000 census data, refinance loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in the MSA. In the MSA, Asia Bank's market share for moderate-income geographies is equal to its overall market share.

### **Multifamily Lending**

Refer to Table 5 in appendix D for the facts and data used to evaluate the geographic distribution of the bank's multifamily loans originations and purchases.

The geographic distribution of multifamily lending is excellent. Based on the 2000 census data with 2004 MSA boundaries, during the 2004-2006 evaluation period, Asia bank originated 29 multifamily loans. Multifamily loans to low-income geographies represented 27.59 percent of total bank loans. This reflects excellent penetration as low-income multifamily housing represents 14.15 percent. Asia bank's market share in low-income geographies is greater than its overall market share of multifamily loans in the AA.

Based on the 2000 census data, with 2004 MSA boundaries, multifamily loans to moderate-income geographies represented 45 percent of total bank loans. This reflects excellent penetration as moderate-income multifamily housing represents 30 percent. The bank's market share in moderate-income geographies is close to its overall market share of multifamily loans in the AA.

### **Small Loans to Businesses**

Refer to Table 6 in the New York-Queens-Kings MSA of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. Based on the 2000 census data, there were 31,348 businesses in low-income geographies. Low-income geographies represented seven percent of total non-farm businesses in the AA, providing

limited opportunities for the bank. Asia Bank originated 166 small loans to business in low-income geographies, which represented 15 percent of total bank loans to small businesses.

Based on the 2000 census data, small loans to businesses in moderate-income geographies represented 36 percent of total bank loans. There were 21 percent of businesses in the moderate-income geographies, which provided opportunities for the bank.

Small loans to businesses reflected a 0.07 percent and 0.02 percent market share of total low-income and moderate-income small business loans in the assessment area, respectively. Asia Bank's small business lending market share in low-income geographies exceeded its overall market share for the AA of 0.03 percent.

### ***Lending Gap Analysis***

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in Asia Bank's lending patterns.

### ***Inside/Outside Ratio***

An analysis of the bank's lending within its assessment areas was performed at the bank level as opposed to the individual AA levels. The in/out ratio overall is 70 percent. A substantial majority of the home mortgage loans and small loans to businesses were originated within the bank's assessment areas. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the New York-Queens-Kings MSA section of Appendix D for the data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The volume of home mortgage lending is insignificant; and analysis of such is not considered meaningful.

### ***Small Loans to Businesses***

Refer to Table 11 in the New York-Queens-Kings MSA of Appendix D for the data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. According to the 2000 census data, the percentage of the bank's small loans to businesses with revenues of \$1 million or less in the AA significantly exceeds the percentage of small businesses in the AA in 2004-2006. Small loans to business with revenues of \$1 million or less represented 98 percent of small loans to businesses in the AA.

## Community Development Lending

Refer to Table 1 Lending Volume in the New York-Queens-Kings MSA of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all Community Development (CD) loans.

CD lending had a positive impact on the Lending Test, and the originated loans were responsive to the needs of the AA.

Asia bank provided an adequate level of CD lending in the New York-Queens-Kings MSA AA. We discovered through internal research and community contacts that there are various opportunities for CD lending due to booming population growth. There is, however, strong competition for CD lending from larger banks in the AA.

We noted the following CD loans made in the New York-Queens-Kings MSA AA for the evaluation period:

- A \$300 thousand multi-family housing loan to a rental company for purchase of a six story rental property with 15 rent-stabilized and seven rent-controlled units. The property provides housing for a low-income geography.
- The bank made a \$400 thousand multi-family housing loan for completion of a 14-story condominium with 28 residential units. Upon completion, the project will provide housing for a moderate-income geography.

## Product Innovation and Flexibility

Asia bank does not make use of any innovative or flexible loan products to serve the needs of low- and moderate-income individuals in the AA.

## INVESTMENT TEST

The bank's performance under the investment test in the New York-Queens-Kings MSA is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the New York-Queens-Kings MSA AA is adequate.

Refer to Table 14 in the New York-Queens-Kings MSA of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CD investments in the AA are adequate. Asia Bank has a good level of qualified CD investments. Although the bank has not purchased any additional CD investments since the last CRA performance evaluation, the bank has two investments that have an outstanding balance for consideration in the New York AA. The outstanding value of these investments totaled \$982 thousand as of March 31, 2007. These investments are backed by residential mortgages of primarily low- and moderate-income individuals, with a majority located within the bank's AA. The remaining mortgages are located in neighboring geographies. Given the relatively high level of low- and moderate-income families and the relatively high cost of

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housing in the New York AA, these investments are responsive to the community development needs of the community. These mortgage-backed securities are not considered innovative or complex.

Investment activities are good when considering Asia Bank's overall size, capacity, and level and extent of operations.

## **SERVICE TEST**

The bank's performance under the Service Test in the New York-Queens-Kings MSA is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the New York-Queens-Kings Counties is adequate.

### **Retail Banking Services**

Refer to Table 15 in the New York-Queens-Kings MSA of appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

All three full-service branches located in the New York-Queens-Kings Counties are within moderate-income tracts. There are no branches located in low-income geographies. There are no records of any opening or closing of branch offices; this had no effect on the low- and moderate-income geographies or individuals. Alternate delivery systems are available and effective for delivering retail banking services in moderate-income geographies to moderate-income individuals. The banking services are deposit services, loan services, and other services including direct deposit. The alternative systems are ATMs, Bank by Mail, and a loan center. The bank is located within close proximity to public transportation, such as buses and subways, which makes it more accessible to its population within the AA. Hours and services offered throughout the AA are typical and consistent among all branches. They are tailored to meet the convenience and need of the AA. All three of the branches offer extended business hours on Thursdays and Saturday hours at the branches.

New York-Queens-Kings counties have a growing Asian population, most of who fall into the moderate-income class. As a result, the branches have personnel who are fluent in Asian languages.

### **Community Development Services**

Asia Bank provides a poor level of CD services within the New York-Queens-King Counties, which negatively impacts the service test rating. While there are many opportunities in the New York metropolitan area to take part in CD services such as community based organizations and governmental entities with the potential to benefit the AA, the bank does not offer CD services in this AA.

## State Rating

### State of Maryland

**CRA Rating for Maryland: Needs to Improve**

**The lending test is rated: Needs to Improve**

**The investment test is rated: Low Satisfactory**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- Asia Bank's responsiveness to small business lending needs is poor;
- The level of qualified investments responsive to the identified needs in the AA is good;  
and
- Delivery systems are readily accessible to individuals and geographies of different income levels.

### Description of Institution's Operations in Maryland

Refer to the Market Profile for the State of Maryland in Appendix C for detailed demographics and other performance context information for this AA.

Asia Bank designates all of Montgomery County as its Maryland AA. Montgomery represents a portion of the Washington, DC-MD-VA-WV Metropolitan Statistical Area. The bank operates one branch in Rockville, MD (Montgomery County). This is a full-service branch with a 24-hour ATM. The bank offers a variety of deposit and credit products to meet consumer and commercial banking needs.

Asia Bank's activities are minimal in this AA. Lending activity in this AA during the evaluation period consisted of only eight small loans to businesses. Asia Bank originated one home mortgage in this AA during the evaluation period. One multi-family loan was originated during the evaluation period. Also, the bank does not offer small farm loans; therefore, related tables in Appendix D are not included.

Based on the FDIC's Summary of Deposit data as of June 30, 2006, Asia Bank had a deposit market share of 0.15%, ranking it last among the 36 deposit-taking institutions within this AA. The top five banks had an aggregate market share of 70.14% and included Chevy Chase Bank, Bank of America, Suntrust Bank, Wachovia Bank, and Sandy Spring Bank. Similar to deposits, competition for small business loans is also intense with 146 institutions in this market.

## **Scope of Evaluation in Maryland**

A full-scope review of the Maryland AA was conducted. The bank made four percent of its home mortgage loans and five percent of its small loans to businesses in this AA. Refer to Appendix A for additional information on the scope of the examination.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Maryland AA is rated "Needs to Improve". Based on a full-scope review, the bank's performance in the Washington, DC-MD-VA-WV MSA AA is poor.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the state of Maryland section of appendix D for the facts and data used to evaluate the bank's lending activity.

### **Washington, DC-MD-VA-WV MSA**

Asia Bank's lending levels reflect poor responsiveness to AA credit needs. During the evaluation period, the bank only originated eight small loans to businesses and one home mortgage loan in this AA during the evaluation period.

Based on 2005 Peer Small Business Data, Asia Bank ranked 49th (with a 0.01% market share) out of 92 lenders in Montgomery County. First National Bank of Omaha and Virginia Commerce Bank ranked first and second, respectively.

Based on the 2006 HMDA Peer Mortgage Data, Countrywide Home Loans with a market share of nine percent and Countrywide Bank, FSB with a market share of eight percent ranked first and second out of 537 lenders. Asia Bank had a market share of less than 0.01 percent.

### **Distribution of Loans by Income Level of the Geography**

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in the state of Maryland section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. Geographic distribution of home purchase loans, home mortgage refinance loans, and home improvement loans are not discussed since no home purchase, home refinance or home improvement loans were originated by Asia Bank in the AA. Therefore, an analysis was not meaningful.

## **Multifamily Lending**

Refer to Table 5 in appendix D for the facts and data used to evaluate the geographic distribution of the bank's multifamily loans originations and purchases. Asia Bank did not originate any multifamily loans in low-income geographies, therefore an analysis would not be meaningful.

The geographic distribution of multifamily lending in moderate-income geographies is excellent. Based on the 2000 census data, during the 2004-2006 evaluation period, Asia Bank originated one multifamily loan. Multifamily loans to moderate-income geographies represented 100 percent of total bank loans. This reflects excellent penetration as moderate-income multifamily housing in the AA represents 1.33 percent.

### ***Small Loans to Businesses***

Refer to Table 6 in the state of Maryland section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

From 2004 to 2006, the geographic distribution of small loans to businesses was good. Based on 2000 U.S. census data, the bank did not make any loans to low-income geographies. However, only 0.36 percent of businesses in the AA are in low-income geographies based on the same data.

The bank originated 50 percent of its small loans to businesses in moderate-income geographies. This percentage of Asia Bank's small loans to businesses in the Montgomery, MD AA is greater than 23 percent of businesses in moderate-income geographies in the AA. The bank's market share of small business loans in the moderate-income geographies was also greater than the bank's overall market share of small loans to businesses in this AA.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the state of Maryland section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. Analysis of the borrower distribution of home mortgage loans for the Montgomery, MD AA would not be meaningful. Asia Bank did not originate any home purchase loans, home refinance loans or home improvement loans in this AA during the assessment period.

### ***Small Loans to Businesses***

Refer to Table 11 in the state of Maryland of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

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The borrower distribution of small loans to businesses for the Montgomery, MD AA is excellent. According to 2000 census data, the bank's ratio of 100% indicates that all of its small loans to small businesses (business with revenues of \$1 million or less) in the Montgomery, MD AA significantly exceeds the ratio, 69 percent, of small businesses in this AA. The distribution in the size of the loans indicates that most of the bank's loans to small businesses were \$250,000 to \$1 million; however, the 38 percent of these loans were for \$100,000 or less.

**Community Development Lending**

Refer to Table 1 Lending Volume in the state of Maryland section of appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans.

CD lending had a negative impact on the Lending test, as no CD loans were made in the Montgomery, MD AA for the evaluation period.

**Product Innovation and Flexibility**

Asia Bank does not make use of any innovative or flexible loan products to serve the needs of low- and moderate-income individuals in the AA as they made no community development loans.

**INVESTMENT TEST**

The bank's performance under the investment test in Maryland is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Washington, DC-MD-VA-WV MSA is adequate.

Refer to Table 14 in the state of Maryland section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period the bank made two qualified investments totaling \$865 thousand:

- A \$479 thousand FNMA mortgage-backed investment purchased in April 2007. The security is backed by a pool of mortgage loans to low- and moderate-income individuals in low- and moderate-income census tracts.
- A FHLMC mortgage-backed investment purchased in June 2004. The balance outstanding was \$386 thousand. The security was found to be a qualified investment during the last period's review.

The securities are considered qualified CD investments as the majority of the mortgages in the pools benefit low-income and moderate-income individuals.

## **SERVICE TEST**

The bank's performance under the Service Test in Maryland is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Washington, DC-MD-VA-WV MSA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Maryland section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The only full-service branch located in Montgomery County is within a moderate-income tract. There are no branches in low-income geographies. There is no record of any opening or closing of a branch office; this had no effect on the low- and moderate-income geographies or individuals. The bank addresses the needs of the community in this AA. Alternate delivery systems include deposit services, loan services, and other services including direct deposit. The alternative systems are ATMs, Bank by Mail, and a loan center. Hours and services offered are typical. The bank is tailored to meet the convenience and needs of the AA. The branch offers extended business hours on Thursdays and has Saturday hours.

### **Community Development Services**

Asia Bank provides a poor level of CD services within the Washington, DC-MD-VA-WV MSA, which negatively impacts the service test rating. While there are many opportunities in the Maryland area to take part in CD services, the bank does not offer CD services in its AA.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/04 to 12/31/06) Investment and Service Tests and CD Loans: (05/11/04 to 04/30/07)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Asia Bank Flushing, NY	Home Mortgages, Small Loans to Businesses, CD Loans, Qualified CD Investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NONE		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York-Queens-Kings Montgomery, MD	Full Scope Full Scope	

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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<b>RATINGS ASIA BANK, N.A.</b>				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
ASIA BANK, N.A.	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
State:				
NEW YORK	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
MARYLAND	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

ASIA BANK, N.A. (10000018432) (Included)

### Asia 2004-2006 New York

Demographic Information for Full Scope Area: Asia 2004-2006 New York						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,752	10.90	28.77	32.48	25.46	2.40
Population by Geography	6,231,900	12.27	33.15	29.77	24.76	0.05
Owner-Occupied Housing by Geography	721,879	2.53	18.50	36.31	42.66	0.00
Business by Geography	471,979	6.64	21.28	22.04	48.73	1.31
Farms by Geography	1,400	4.64	15.29	27.79	51.86	0.43
Family Distribution by Income Level	1,437,894	29.52	16.65	17.12	36.71	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	663,887	20.29	42.77	26.74	10.19	0.00
Median Family Income		49,461	Median Housing Value	258,256		
HUD Adjusted Median Family Income for 2006		59,200	Unemployment Rate (2000	4.5%		
Households Below Poverty Level		19%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2006 HUD updated MFI

Asia Bank’s full scope AA consists of Queens, New York, and Kings Counties. These counties represent three of the five boroughs of New York City, and are otherwise referred to as Queens, Manhattan, and Brooklyn, respectively. Asia Bank operates one full-service branch in New York County and two full-service branches in Queens County. The bank has two ATMs at its Elmhurst branch and one at its Flushing branch. Although there are no branches in Kings County, it is considered part of the AA because it does provide loans to residents of this county and because of the close proximity of its branches to this county. This AA is located in the New York-Wayne-White Plains Metropolitan Statistical Area (MSA # 35644). There are a total of 1,752 census tracts in this AA. The AA conforms to CRA regulations and does not arbitrarily exclude low- or moderate-income geographies.

The economies of these three counties are stable. Although the New York economy has experienced a negative trend in job growth and stabilization of residential construction, per capita income has increased and non-residential products, such as the Atlantic Yards project in Brooklyn, helps to stabilize the New York economy. Kings County is the fastest growing county. The populations of Queens, New York, and Kings Counties include households of a variety of income levels, and as such, this AA contains adequate representation of low-, moderate-, medium-, and upper-income tracts. The New York AA’s households are characterized as 30.77% upper-income, 28.88% middle-income, 29.75% moderate-income, and 10.60% low-income. This AA has 19% of its households below the poverty level.

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The 2004-2006 weighted average median family income (MFI) for the New York AA was \$49,461. While this MFI is relatively high, much of this is driven by the billions of dollars paid out in bonuses and salaries to employees of financial services firms on Wall Street. Although, this income is expected to provide an overall benefit to the New York economy as much of this is expected to be spent on housing, products, and services in New York.

In the AA, banking competition is very strong for loans, deposits, CD loans, and investments; however, considering that 40 percent of households in the AA are of low- and moderate-income, there are adequate community development opportunities for small institutions with a limited presence. The bank ranked 53 out of 110 institutions with a 0.06% deposit market share in 2006. As of June 30, 2005, the three major competitors in the same MSA were JP Morgan Chase Bank, N.A. with a 36 percent market share, Citibank, N.A. with a 22 percent market share, and HSBC Bank USA, N.A. with an eight percent market share.

The New York AA has a diversified mix of businesses and contains the headquarters of many national and international corporations. Historically, downtown Manhattan has been dominated by the financial services industry. Industries operating in the midtown Manhattan area include advertising, publishing, and garment production. The retail sector is a major employer along with health and social care. The major employers in the AA are the New York-Presbyterian Healthcare System, Citigroup, Inc., JP Morgan Chase and Company, Verizon Communications, Inc., Federated Department Stores, Inc., Continuum Health Partners, Columbia University, Time-Warner, Inc., North-Shore Long Island Jewish Health System, New York University, Mount Sinai Medical Center, Personal Touch Home Care, Inc., Consolidated Edison, Inc., Saint Vincent Catholic Medical Centers, Montefiore Medical Center, Morgan Stanley, Medisys Health Network Inc., Memorial Sloan-Kettering Cancer Center, Bank of New York Company, and Merrill Lynch and Company, Inc.

Affordable housing opportunities are limited within the AA. Real estate market studies generally indicate that the cost of housing in New York City has continued to increase despite the slowdown exhibited elsewhere in the nation. As per the community contacts, there have been housing shortages due to the increase in population in the AA.

**Asia 2004-2006 Montgomery MD**

Demographic Information for Limited Scope Area: Asia 2004-2006 Montgomery MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	177	1.13	23.16	39.55	36.16	0.00
Population by Geography	873,341	0.97	23.03	42.00	34.00	0.00
Owner-Occupied Housing by Geography	223,008	0.38	14.09	44.17	41.36	0.00
Business by Geography	76,053	0.36	22.92	40.89	35.83	0.00
Farms by Geography	1,258	0.48	15.18	44.99	39.35	0.00
Family Distribution by Income Level	226,024	17.70	17.89	22.34	42.07	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	80,440	1.76	35.50	44.64	18.11	0.00
Median Family Income HUD Adjusted Median Family Income for 2006 Households Below Poverty Level		79,252 98,400 5%	Median Housing Value Unemployment Rate (2000 US Census)	230,387 1.72%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2006 HUD updated MFI

Asia Bank’s full scope AA consists of Montgomery County, Maryland. Asia Bank operates only one full-service branch in Montgomery County. There is one ATM in the full-service branch. This AA is located in the Washington, DC-MD-VA-WV Metropolitan Statistical Area (MSA # 8840). There are a total of 177 census tracts in the AA. The AA does not arbitrarily exclude low- or moderate- income geographies.

The economy of Montgomery County is stable. The county experienced a 1.3 percent job growth in 2006. The professional and businesses service sector experienced a growth of 5.3 percent in 2006 with employment in computer services, financial services, health services, and household services. The population in the county has remained stable. This AA contains low-income tracts representing 0.86 percent of households, moderate-income tracts representing 23.58% of households, middle- income tracts representing 42.76% of households, and upper-income representing 32.80% of households. Five percent of the households fall below the poverty level.

The 2004-2006 weighted average median family income (MFI) for the Montgomery County AA is \$79,252. The high education and skill level of the county employees is a main attribute to the MFI. In addition, federal employment plays a vital role in the county with 40,000 employees offering professional and scientific services. The leading center in biotechnology nationwide is in Montgomery County. Professional and technical service firms employ approximately 65,000 workers in legal, research and development, engineering and architectural services, management consulting, advertising, and accounting services.

With 24 percent of households considered low- and moderate-income, banking competition is strong for loans, deposits, CD loans, and investments. Community development opportunities exist in the AA. The bank ranked 28<sup>th</sup> out of 36 institutions with a 0.15 percent market share in June 30, 2006. The three major competitors are Chevy Chase Bank FSB with a market share of 25 percent, Bank of America NA with a market share of 13 percent, and Suntrust Bank with a market share of 13 percent.

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According to the Economic Development Report Card for Montgomery County, 2006, the largest concentration of small biotech firms in the nation are in Montgomery County. The county continues its effort to retain and recruit businesses. Expansion projects include the American Speech Language Hearing Association and the Lockheed Martin Center for Leadership Excellence. The major employers with 2,600 employees and over are National Institutes of Health, Adventist Healthcare, Food and Drug Administration, Lockheed Martin, National Naval Medical Command, National Oceanic and Atmospheric Administration, Giant Food, Marriott International, Montgomery College, Holy Cross Hospital, IBM, and National Institute of Standards and Technology.

Affordable housing in this AA is limited. As per the economic development of Montgomery County, the level of new completions of homes is not in pace with the demand. The county experienced a sharp decrease in housing sales and construction as inventories of unsold homes increased. The current challenges facing the county are adequate housing and improving transportation.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of

the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Tables of Performance Data**

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**STATE OF NEW YORK  
(NEW YORK-QUEENS-KINGS COUNTIES)**

**STATE OF MARYLAND  
(MONTGOMERY COUNTY)**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NEW YORK AND MARYLAND						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area (2006):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Asia 2004-2006 New York	95.87	43	27,959	166	68,327	0	0	2	700	209	96,286	90.00
<b>Limited Review:</b>												
Asia 2004-2006 Montgomery MD	4.13	1	540	8	2,450	0	0	0	0	9	2,990	10.00

\* Loan Data as of December 31, 2006. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2006 to December 31, 2006.

\*\*\* Deposit Data as of May 14, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: NEW YORK AND MARYLAND				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Asia 2004-2006 New York	13	100.00	2.53	15.38	18.50	38.46	36.31	15.38	42.66	30.77	0.01	0.05	0.01	0.00	0.00	
<b>Limited Review:</b>																
Asia 2004-2006 Montgomery MD	0	0.00	0.38	0.00	14.09	0.00	44.17	0.00	41.36	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT      Geography: NEW YORK AND MARYLAND      Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Asia 2004-2006 New York	0	0.00	2.53	0.00	18.50	0.00	36.31	0.00	42.66	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Asia 2004-2006 Montgomery MD	0	0.00	0.38	0.00	14.09	0.00	44.17	0.00	41.36	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NEW YORK AND MARYLAND				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Asia 2004-2006 New York	1	100.00	2.53	0.00	18.50	100.00	36.31	0.00	42.66	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Asia 2004-2006 Montgomery MD	0	0.00	0.38	0.00	14.09	0.00	44.17	0.00	41.36	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: NEW YORK AND MARYLAND						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006									
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Asia 2004-2006 New York	29	96.67	14.15	27.59	30.16	44.83	20.77	10.34	34.91	17.24	0.22	0.44	0.16	0.33	0.12		
<b>Limited Review:</b>																	
Asia 2004-2006 Montgomery MD	1	3.33	1.33	0.00	43.88	100.00	41.97	0.00	12.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: NEW YORK AND MARYLAND					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total*	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Asia 2004-2006 New York	166	95.40	6.64	15.06	21.28	36.14	22.04	19.28	48.73	29.52	0.03	0.07	0.02	0.05	0.02						
<b>Limited Review:</b>																					
Asia 2004-2006 Montgomery MD	8	4.60	0.36	0.00	22.92	50.00	40.89	25.00	35.83	25.00	0.01	0.00	0.02	0.01	0.01						

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2006).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK AND MARYLAND						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families1	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Asia 2004-2006 New York	13	100.00	29.52	0.00	16.65	0.00	17.12	100.00	36.71	0.00	0.00	0.00	0.00	0.01	0.00
<b>Limited Review:</b>															
Asia 2004-2006 Montgomery MD	0	0.00	17.70	0.00	17.89	0.00	22.34	0.00	42.07	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 92.3% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

1 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW YORK AND MARYLAND						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families2	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Asia 2004-2006 New York	0	0.00	29.52	0.00	16.65	0.00	17.12	0.00	36.71	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Asia 2004-2006 Montgomery MD	0	0.00	17.70	0.00	17.89	0.00	22.34	0.00	42.07	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

2 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK AND MARYLAND					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total*	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Asia 2004-2006 New York	1	100.00	29.52	0.00	16.65	0.00	17.12	0.00	36.71	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Asia 2004-2006 Montgomery MD	0	0.00	17.70	0.00	17.89	0.00	22.34	0.00	42.07	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2005 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 100.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES      Geography: NEW YORK AND MARYLAND      Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total*	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Asia 2004-2006 New York	166	95.40	65.55	98.19	11.45	24.10	64.46	0.03	0.06
<b>Limited Review:</b>									
Asia 2004-2006 Montgomery MD	8	4.60	69.08	100.00	37.50	0.00	62.50	0.01	0.03

\* Based on 2005 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2006).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NEW YORK AND MARYLAND				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Asia 2004-2006 New York	2	982	0	0	2	982	31.50	0	0	
<b>Limited Review:</b>										
Asia 2004-2006 Montgomery MD	2	1,330	2	865	4	2,195	68.5	0	0	

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS    Geography: NEW YORK AND MARYLAND    Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2006																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Asia 2004-2006 New York	90.00	4	80.00	0.00	100.0	0.00	0.00	0	0	0	0	0	0	12.27	33.15	29.77	24.76
<b>Limited Review:</b>																	
Asia 2004-2006 Montgomery MD	10.00	1	20.00	0.00	100.0	0.00	0.00	0	0	0	0	0	0	0.97	23.03	42.00	34.00