



PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BNB Hana Bank, National Association
Charter Number 20622

2024 Center Avenue Fort Lee, NJ 07024

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, nor should it 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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INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: *Satisfactory*.

The primary factors supporting this rating include:

- BNB Hana Bank, National Association (BNB or bank) met the credit needs of its assessment area at a satisfactory level for the overall review period. However, the bank significantly reduced lending activities in 2014 resulting in loan volumes which were not sufficient to meet the credit needs of the community for that period;
- The distribution of loans to businesses reflects reasonable penetration among small businesses in the bank's assessment area.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout census tracts of different income levels.
- The volume of community development (CD) loans over the review period had a positive impact on the assessment of lending; and
- The bank's quarterly average net loan-to-deposit ratio is reasonable.

Scope of Examination

This Performance Evaluation assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated BNB under the Small Bank (SB) performance criteria, which consisted of a Lending Test.

The Lending Test evaluates a bank's record of helping meet the credit needs of its AA through its lending activities. The evaluation period under the lending test covers the bank's performance from April 1, 2012 through December 31, 2014. Conclusions regarding BNB's lending performance are based on loans to businesses, as this is the bank's primary loan product, based on our review of the number and dollar amount of loans originated during the evaluation period. The evaluation period for the CD loans was March 13, 2012 through March 9, 2015.

In our evaluation of lending, we evaluated two periods separately, 2012 to 2013 and 2014. The separation is due to The Office of Management and Budget (OMB) revising the Metropolitan Area (MA) and census tract geographic definitions and boundaries in February 2013. Those revisions became effective for CRA purposes on January 1, 2014 and impact the 2014 data. This is referred to as the 2014 OMB MA changes. The 2010 Census information was used for the evaluation period.

Description of Institution

BNB Hana Bank, N.A., formerly Broadway National Bank, opened for business on September 16, 1986. BNB is a wholly owned subsidiary of Hana Bancorp, Inc., which is

a member of the Hana Financial Group, a large financial institution headquartered in Seoul, South Korea. Management relocated the main office from New York City to Fort Lee, New Jersey in September 2003, making BNB an interstate bank. BNB currently operates full service branches in Fort Lee and Palisades Park, New Jersey; a full service branch in New York City; and a Loan Production Office (LPO) in Flushing, New York. The bank relocated the 250 Fifth Avenue branch in New York City to 309 Fifth Avenue on December 8, 2014.

BNB had total assets of \$271.8 million at December 31, 2014. The bank's loan portfolio is composed of 93.97 percent commercial and multifamily real estate loans, 3.02 percent 1-4 family residential loans, 2.34 percent commercial & industrial loans, 0.64 percent other construction & development loans, and 0.02 percent other loans. Commercial real estate and business lending activities dominate the bank's loan portfolio, and are BNB's primary product lines. In addition to commercial lending activities, the bank offers personal, business, and online retail banking services to its customers. At December 31, 2014, the bank reported net loans of \$162.7 million, total deposits of \$228.3 million, net Tier 1 Capital of \$34.6 million, and Tier 1 Leverage Capital of 12.08 percent.

BNB's primary lending product is loans to businesses, specifically, Small Business Administration (SBA) loans. The bank faces substantial competition within its AA. The New York/New Jersey metropolitan area is a hub of financial activity, and includes some of the largest banking institutions in the global market. Historically, the bank has been a top-tier SBA lender in the New York and New Jersey areas, performing in line with other SBA preferred lenders such as TD Bank, JP Morgan Chase, Santander Bank.

The 2012-2013 review period carried significant weight in our evaluation, lending volumes showed modest declines, but were in line with levels considered for a satisfactory performance. However, in 2014, management significantly decreased lending efforts in all product types including its primary product, loans to businesses. This change in lending strategy contradicted previously approved strategic initiatives. We identified no internal factors prohibiting the bank from lending and there were no financial or legal impediments hindering BNB's ability to meet the needs of its customer base over the evaluation period. BNB received a "Satisfactory" rating during the previous CRA examination, dated March 12, 2012.

Selection of Areas for Full-Scope Review

BNB has one assessment area that covers eleven counties located in New York and New Jersey. These counties are located within two Metropolitan Divisions (MDs) that are part of the New York-Northern New Jersey-Long Island, NY-NJ-PA Multistate Metropolitan Statistical Area (MMSA) (35620). Ten of the counties are in the New York-White Plains-Wayne, NY-NJ MD (35644) and one county is located within the Newark-Union, NJ-PA-MD (35084).

All of the bank's full service branches are located in the New York-White Plains-Wayne, NY-NJ MD (35644) within the multi-state New York-Northern New Jersey-Long Island

Multistate Metropolitan Statistical Area (MMSA) (35620). The bank's lending and community development activities extend into Essex County of the Newark-Union NJ-PA MD (35084), since this county is contiguous to its main office location in Fort Lee, New Jersey and part of the MMSA. For review purposes, we performed a full-scope review of each MD (35644 and 35084) designated within the bank's AA.

Ratings

The overall rating is a blend of the two full-scope reviews. More weight was placed on the bank's performance in the New York-White Plains-Wayne, NY-NJ MD because all of the bank's branches and deposits are located in this AA, and it is where a majority of the bank's lending originated. Less weight was placed on the bank's performance in Essex County of the Newark-Union, NJ-PAMD due to the bank's limited activity in this AA. The lending activity in 2012-2013 had the greatest significance to conclusions.

Conclusions with Respect to Performance Criteria

BNB's performance under the Lending Test is "**Satisfactory**". More weight was placed on the bank's performance in the New York-White Plains-Wayne, NY-NJ MD since activities in the Newark-Union, NJ-PA MD were limited to Essex County. The Lending Test findings reflect both the 2012-2013 and the 2014 performance. We considered the impact of the poor 2014 performance on the overall rating, as it mirrors the bank's current lending practices, but concluded that the bank's performance over the entire review period **meets the standard for a satisfactory performance**. The combination of a satisfactory level of small business lending for the 2012-2013 period and the **positive impact** of community development loans over the evaluation period meets the standards for satisfactory performance.

BNB's loan-to-deposit ratio is **reasonable** and a **majority** of loans originated was made inside the bank's AA. The geographic distribution of BNB's business loans reflects **reasonable dispersion** among geographies and the bank's borrower distribution reflects **reasonable penetration** among businesses of different sizes.

Loan-to-Deposit Ratio

BNB's quarterly average loan-to-deposit ratio is **reasonable** given the bank's size, financial condition and the credit needs of the AA. The bank's quarterly average net loan-to-deposit ratio over the twelve quarters since the last CRA evaluation was 74.61 percent. During this period, BNB's performance ranged from a low of 72.58 percent on September 30, 2014 to a high of 77.98 percent on March 31, 2014.

BNB's quarterly average net loan-to-deposit ratio compares favorably with five other financial institutions of similar size, location and product offerings. BNB ranks third among six similarly situated banks. The average net loan-to deposit ratios for the other five banks over the same twelve quarters averaged 70.08 percent and ranged from a low of 57.42 percent to a high of 85.71 percent.

Lending in Assessment Area

For the full evaluation period, BNB, by number of loans and dollar amount, originated a **majority** of its CRA business reportable loans inside its AA. Based on our sample, 52 or 61.90 percent of the loans by number and \$41.7 million or 54.37 percent by dollar volume were within the bank’s AA. **BNB meets the standard for satisfactory performance** under this criterion. The following table’s detail the banks' lending in the AA during the two evaluation periods by number and dollar amount of loans.

2012-2013 Lending in BNB’s Assessment Area (dollar amounts in thousands)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside AA		Outside AA		Total	Inside AA		Outside AA		Total
	#	%	#	%		\$	%	\$	%	
Business	41	55.40%	27	36.49%	68	\$33,631	52.75%	\$27,873	43.73%	\$61,504
CD	5	6.76%	1	1.35%	6	\$1,770	2.78%	\$472	0.74%	\$2,242
Total	46	62.16%	28	37.84%	74	\$35,401	55.53%	\$28,345	44.47%	\$63,746

Source: 2012-2013 CRA Data based on 2010 Census

2014 Lending in BNB’s Assessment Area (dollar amounts in thousands)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside AA		Outside AA		Total	Inside AA		Outside AA		Total
	#	%	#	%		\$	%	\$	%	
Business	5	50%	4	40%	9	\$6,127	47.39%	\$6,640	51.37%	\$12,767
CD	1	10%	0	0	1	\$160	1.24%	\$0	0%	\$160
Total	6	60%	4	40%	10	\$6,287	48.63%	\$6,640	51.37%	\$12,927

Source: 2014CRA Data based on 2010 Census

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank’s (bank) or Federal saving association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Multistate Metropolitan Area Rating

New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA

CRA Rating for the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA¹: *Satisfactory*.

The Lending test is rated: *Satisfactory*.

The primary factors supporting this rating include:

- BNB's borrower and geographic distribution reflects reasonable penetration and dispersion across business sizes and geographies; and
- BNB's volume of CD loan originations has an overall positive impact on the lending test.

Description of institution's operations in New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA

The bank has one assessment area that covers eleven counties located in New York and New Jersey. These counties are located within two MDs that are part of the New York-Northern New Jersey-Long Island, NY-NJ-PA Multistate Metropolitan Statistical Area (MMSA) (35620). Ten of the counties are in the New York-White Plains-Wayne, NY-NJ MD (35644) and one county is located within the Newark-Union, NJ-PA MD (35084). The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Since the bank's assessment area contains counties that fall under two different MDs, the bank has two assessment areas for analytical purposes. The reason the analysis is conducted at the MD level is that different median family income values are used to determine low-to-moderate income for borrowers and geographies in each MD. The two assessment areas are described below.

¹This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

New York-White Plains-Wayne, NY-NJ MD

The bank's primary MD is a portion of the New York-White Plains-Wayne, NY-NJ MD (35644). In New York City, the bank designated the whole counties of Bronx (The Bronx), Queens, Kings (Brooklyn), New York (Manhattan), and Richmond (Staten Island). In New Jersey, BNB designated the whole counties of Bergen, Hudson and Passaic. In White Plains, BNB designated the whole counties of Westchester and Rockland. Richmond County was added to the AA in early 2014 when management designated all five boroughs of New York City as the bank's market area. The table below includes a summary of the demographic information about this MD.

Demographic Information for the New York-White Plains-Wayne, NY-NJ MD 35644					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	2,790	11.83	24.23	28.71	32.76
Population by Geography	11,007,811	13.52	26.17	26.17	33.91
Owner-Occupied Housing by Geography	1,573,273	2.68	13.06	28.23	56.03
Businesses by Geography	897,216	7.50	17.43	22.29	50.38
Farms by Geography	6,947	2.86	10.05	20.28	66.13
Family Distribution by Income Level	2,526,510	26.31	15.68	16.21	41.80
Household Distribution by Income Level	1,060,897	23.77	36.57	24.97	14.69
Census Median Family Income (MFI)		\$64,171	Median Housing Value		\$512,089
HUD-Adjusted MFI: 2013		\$63,000	Unemployment Rate		6.7%
Families Below the Poverty Level		16%			

Source: 2010 US Census and 2013 HUD updated MFI

The 2010 U.S. Census reported the total population of the MD at 11,007,881 living within 2,790 census tracts. Of the 2,790 census tracts, 330 (12 percent) are low-income geographies, 676 (24 percent) are moderate-income geographies, 801 (29 percent) are middle-income geographies and 914 (33 percent) are upper-income geographies. There are 69 tracts (2 percent) not classified into any income geographies. We did not note any significant changes in the distribution of income geographies across this MD from 2013 to 2014.

The 2010 median income was \$64,171 and the 2013 HUD updated median family income is \$66,000. The census indicated that about 26 percent of families live in low-income tracts followed by 16 percent living in moderate-income tracts. A little over 16 percent of the low-income families are living in middle-income tracts while 42 percent of the families are in upper-income tracts.

There are 897,216 businesses in the AA. A majority of the businesses, 50 percent, are located in upper-income geographies followed by 22 percent in middle-income, 17 percent in moderate-income and 8 percent in low-income areas. There are 3 percent of businesses that are not located in any income geographies.

The bank operates three full service branches in this MD. These branches offer a full line of traditional banking products and services. The main office in Fort Lee, New Jersey is open weekdays from 8:00AM until 5:00PM and from 8:00AM to 12:00PM on Saturday. The branch in Palisades Park, New Jersey is open weekdays from 8:00AM to 5:00PM and from 9:00AM to 1:00pm on Saturday. The branch in New York City is open weekdays from 9:00AM to 5:00PM. There are full service automated teller machines (ATMs) located in all branch offices.

According to the June 30, 2013 FDIC Summary of Deposit Market Share report, BNB's deposit market share within the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA is 0.02 percent, ranking BNB 138 out of 226 institutions in the AA. BNB's primary competitors are JP Morgan Chase (966 offices, 34 percent market share), Bank of New York (one office, 9 percent) Bank of America (461 offices, 7 percent), Citibank (293 offices, 6 percent) and HSBC (165 offices, 5 percent).

There is a diversified mix of businesses within the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA. Many national and international corporations have headquarters in the area. The financial services industry continues to dominate this area. Other industries include advertising, publishing and garment production. The retail sector is a major employer along with health care and social care. In addition, light manufacturing and the wholesale trades provide a significant level of job opportunities.

According to the 2013 Bureau of Labor Statistics data, the unemployment rate for the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA is 6.6 percent. The unemployment rate for the state of New York was 7.7 percent, the unemployment rate for the state of New Jersey was 8.2 percent and the unemployment rate for the state of Pennsylvania was 7.4 percent. The national unemployment rate was 6.7 percent as of December 31, 2013.

Newark-Union, NJ-PA MD

The bank’s second MD is a portion of the Newark-Union, NJ-PA MD (35084). BNB designated all 210 census tracts in Essex County as its AA. Even though there are no branches or ATMs in Essex County, this county is contiguous to the bank’s AA and part of the MMSA. The table below provides a summary of demographic information for this MD.

Demographic Information for the Newark-Union, NJ-PA MD 35084 AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	210	30.95	33.33	12.86	21.90
Population by Geography	783,969	25.94	33.05	13.21	27.20
Owner-Occupied Housing by Geography	130,969	10.47	23.68	17.81	48.04
Businesses by Geography	64,322	19.60	24.92	13.66	41.02
Farms by Geography	631	9.03	13.47	18.38	59.11
Family Distribution by Income Level	182,826	32.47	17.89	17.60	32.04
Household Distribution by Income Level	92,073	38.04	41.29	9.89	10.76
Census Median Family Income (MFI)		\$87,598	Median Housing Value		\$365,615
HUD-Adjusted MFI: 2013		\$90,100	Unemployment Rate		6.6%
Families Below the Poverty Level		15%			

Source: 2010 US Census and 2013 HUD updated MFI

The 2010 U.S. Census reported the total population of the AA at 783,969 and 210 census tracts. Of the 210 census tracts, 65 (31 percent) are low-income geographies, 69 (33 percent) are moderate-income geographies, 27 or (13 percent) are middle-income geographies and 46 (22 percent) are upper-income geographies. There are three tracts (1 percent) not classified into any income geographies. During 2014, the percentage of low-income geographies increased 14 percent, as nine additional tracts fell into this category, compared to 2013.

The 2010 median-income for this MD was \$87,598 and the 2013 HUD updated median family income is \$90,100. According to the census, families are distributed across the MD census tracts as follows: 32 percent live in low-income tracts, 18 percent in moderate-income tracts, 18 percent in middle-income tracts and 32 percent in upper-income tracts. The distribution of low-income families across census tracts from 2013 to 2014 in this MD did not change significantly.

According to the 2010 business demographics, there are 64,322 businesses in the MD. A majority of the businesses, 41 percent, are located in upper-income geographies, followed by 25 percent in moderate-income areas, 20 percent in low-income areas and

14 percent in middle-income areas. The bank has no branches or Automated Teller Machines (ATMs) located in this AA.

Scope of Evaluation in the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA

BNB operates in two MDs that are part of the multistate the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA (35620). The two MDs consist of the New York-White Plains-Wayne, NY-NJ MD (35644) AA and Newark-Union, NJ-PA MD (35084) AA. A full-scope review was performed for each MD. We sampled 100 percent of business loans for the New York-White Plains-Wayne, NY-NJ MD and Newark-Union, NJ-PA MD to assess borrower and geographic distribution. Our evaluation period for this test was April 1, 2012 through December 31, 2014.

During our review, we contacted two local community organizations to gain an understanding of BNB's operating environment. We spoke with a senior member of management from both organizations regarding the economic and demographic characteristics of the area, such as the income level, and credit needs of the community. Both organizations stated that their priorities include providing affordable housing opportunities and promoting small business growth. Both organizations also noted that their primary client base is low-income individuals and families. Within their service areas, the contacts stated that the Northwest Bronx and Bergen area of Jersey City are experiencing gentrification. This change is due to the increase in income levels for local residents resulting in higher housing costs. Both organizations noted that financial institutions in their local area are proactive in meeting the credit needs of the community overall. One contact stated financial institutions are not making enough loans to the non-profit sector.

Conclusions with Respect to Performance Tests in New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA

LENDING TEST

The bank's performance under the lending test in New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA is rated "**Satisfactory**". The geographic distribution of BNB's business loans reflects **reasonable dispersion** among geographies and the bank's borrower distribution reflects **reasonable penetration** among businesses of different sizes. The overall number and amount of CD loan originations over the evaluation period had a **positive impact** on the assessment of lending.

More weight was placed on the bank's performance in the New York-White Plains-Wayne, NY-NJ MD due to the bank's limited activity in Essex County of Newark-Union, NJ-PA MD. The findings reflect both the 2012-2013 and the 2014 performance. The lending activity in 2012-2013 had the greatest significance to conclusions. The bank did not lend sufficient volumes of small business loans in the 2014 performance year. However, review of SBA lending statistics within the bank's AA reveals other similarly

situated SBA lenders in NY and NJ experienced slightly lower volume of lending between 2013 and 2014.

All criteria of the Lending Test are documented below:

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects **reasonable penetration** among businesses of different sizes. The distribution of loans to businesses in 2012-2013 reflects **reasonable penetration** among businesses of different sizes. BNB originated 68 business loans during 2012 and 2013 with approximately 37 or 54 percent, originated in the AA. The distribution of loans to businesses in 2014 reflects **poor penetration** among businesses of different sizes. BNB originated four small business loans in its AAs in 2014, which represents a significant decline over past performance despite the demand for small business loans remaining consistent. The distribution of loans to businesses over the entire evaluation period for New York-White Plains-Wayne, NY-NJ MD and the Newark-Union, NJ-PA MD, was reasonable. BNB meets the standard for **satisfactory performance** in this criterion.

2012-2013 Performance in the New York-White Plains-Wayne NY-NJ MD (35644)

The distribution of loans to businesses reflects **reasonable penetration** among businesses of different sizes. BNB originated 37 business loans in this MD. Originated and purchased loans made to small businesses totaled 67.57 percent or 25 of the bank’s loans to businesses. Small businesses are businesses with gross annual revenues of one million dollars or less. This is considered reasonable compared to demographic data that show 72.23 percent of the area’s businesses are considered small businesses.

Borrower Distribution of Loans to Businesses in the New York-White Plains-Wayne NY-NJ MD 35644				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	72.23	5.46	22.31	100%
% of Bank Loans in AA by #	67.57	32.43	00.00	100%
% of Bank Loans in AA by \$	24.98	75.02	00.00	100%

Source: 2012-2013 Business Demographic Data

2012-2013 Performance in Newark-Union NJ-PA MD (35084)

The distribution of loans to businesses reflects **reasonable penetration** among borrowers of different sizes. BNB originated a small volume of loans, four (4) in total, in Essex County. Loans made to small businesses totaled three (3) or 75 percent. This is considered reasonable compared to the 71.94 percent of the area’s businesses are considered to be small business.

Borrower Distribution of Loans to Businesses in the Newark-Union NJ-PA MD 35084				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.94	5.11	22.95	100%
% of Bank Loans in AA by #	75.00	25.00	00.00	100%
% of Bank Loans in AA by \$	53.51	46.49	00.00	100%

Source: 2012-2013 Business Demographic Data

The distribution of loans to businesses in 2014 reflects **poor penetration** among borrowers of different sizes. BNB originated nine business loans during 2014. Of the nine business loans, five were made inside the AA, of which four were to small businesses. A small volume of loans, four loans in total, was originated in the New York-White Plains-Wayne, NY-NJ MD. While the ratio of business loans at 75 percent is near the percentage of businesses, this number consists of only three small business loan originations with annual gross revenue of one million dollars or less. The bank originated one small business loan in Essex County during 2014 to a borrower with annual gross revenue of one million dollars or less.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects **reasonable dispersion** throughout census tracts of different income levels. The geographic distribution in the New York-White Plains-Wayne, NY-NJ MD was **reasonable**. The geographic distribution for loans over the evaluation period for the Newark-Union, NJ-PA MD was **poor**. BNB meets the standard for **satisfactory performance** in this criterion. There were no conspicuous gaps identified within BNB’s AA.

2012-2013 Performance in the New York-White Plains-Wayne NY-NJ MD (35644)

The bank’s geographic distribution of loans in 2012-2013 reflects **excellent dispersion** throughout census tracts of different income levels. The bank made 90 percent of its small business loans in the New York-White Plains-Wayne NY-NJ MD. The bank originated 20 percent of its business loans to businesses located in low-income census tracts which exceeds 7.50 percent of loans to businesses located in low-income tracts. The bank originated 24 percent of its business loans to businesses located in moderate-income tracts, which exceeded the ratio of 17.43 percent of loans to businesses located in moderate-income tracts. This is considered excellent because the percentage of BNB business loans made in low- and moderate-income census tracts exceeds the percentage of businesses that are located in these geographies.

2012-2013 Geographic Distribution of Loans to Businesses in the New York-White Plains-Wayne NY-NJ MD 35644								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	7.50	20.00	17.43	24.00	22.29	40.00	50.38	16.00

Source: 2012-2013CRA Data based on 2010 Census

2012-2013 Performance in Newark-Union NJ-PA MD (35084)

The bank’s geographic distribution of business loans in 2012-2013 reflects **poor dispersion** throughout the census tracts of different income levels. Our sample indicated that three or 67 percent of the business loans were made to upper-income areas. While the bank originated 33.33 percent of its business loans to businesses located in low-income census tracts, which exceeds the 19.60 percent of loans to businesses located in low-income tracts, this percentage consists of only one loan. In addition, the bank did not originate any business loans to businesses located in moderate-income tracts in 2012 or 2013.

2012-2013 Geographic Distribution of Loans to Businesses in the Newark-Union NJ-PA MD 35084								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	19.60	33.33	24.92	0.00	13.66	0.00	41.02	66.67

Source: 2012-2013 CRA Data based on 2010 Census

The bank’s geographic distribution of business loans in 2014 reflects **poor dispersion** throughout the census tracts of different income levels. The bank did not originate any its business loans to businesses located in low-income census tracts within either MD. The bank originated 33.33 percent of its business loans to businesses located in moderate-income census tracts in the New York-White Plains-Wayne, NY-NJ MD. The bank percentage exceeds the 19.52 percent of loans to businesses located in moderate-income tracts; however, this reflects only one loan origination. The one origination in Essex County was to a business located in an upper-income tract.

Number and Amount of Community Development Loans

The overall number and amount of CD loan originations over the evaluation period had a **positive impact** on the assessment of lending. BNB originated seven CD loans for a total of \$2.4 million. The dollar amount of loan originations for the purpose of community development was significant considering the bank’s lending capacity. BNB’s CD lending performance was responsive to the community development needs of its AA by providing CD loans.

2012-2013 Performance in the New York-White Plains-Wayne, NY-NJ MD (35644)

BNB originated three community development loans totaling \$875 thousand to promote economic development and revitalization/stabilization efforts in LMI geographies.

2012-2013 Performance in Newark-Union, NJ-PA MD (35084)

BNB originated two community development loans totaling \$895 thousand to promote economic development in LMI communities.

2012-2013 Performance outside the AA

BNB originated one community development loan totaling \$472 thousand outside of the bank's AA in the Camden, NJ MD (15804) to promote economic development in LMI communities.

2014 Performance in the New York-White Plains-Wayne, NY-NJ MD (35644)

BNB originated one loan for community development totaling \$160 thousand. This loan was a refinance of a multi-family property to provide affordable housing in a LMI community.

Responses to Complaints

BNB Hana Bank, National Association has not received any CRA-related complaints covering the review period with respect to its performance.

Appendix A: Scope of Examination

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”).

Time Period Reviewed	Lending Test: (04/01/12 to 12/31/14) Community Development Loans: (03/13/12 to 03/09/15)	
Financial Institution	Products Reviewed	
BNB Hana Bank, National Association (BNB) Fort Lee, NJ	Business Loans Community Development Loans	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New York-Northern New Jersey-Long Island, NY-NJ-PA Multistate MSA 35620 <ul style="list-style-type: none"> - New York-White Plains-Wayne, NY-NJ #35644 - Newark-Union, NJ-PA #35084 	Full-Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

Overall Bank:	Lending Test Rating	Overall Bank/State/ Multistate Rating
BNB Bank, N.A.	Satisfactory	Satisfactory
New York-Northern New Jersey- Long Island, NY-NJ-PA	Satisfactory	Satisfactory