



**NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION**

One State Street Plaza
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2009

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

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of the New York operations of Woori America Bank (“Woori”), prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2006.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA ratings and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall CRA Rating: "Satisfactory"

At its request, Woori was evaluated under the large bank performance standards in accordance with Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board. Woori's performance was evaluated under the lending, investment and service tests. This assessment period included calendar years 2007, 2008 and 2009. Woori is rated "2" indicating a "**Satisfactory**" record of helping to meet community credit needs. The rating is unchanged from the prior rating of "2," ("Satisfactory") based on the NYSBD Performance Evaluation dated December 31, 2006.

This rating is based on the following factors:

| Performance Levels | Woori | | |
|-----------------------------------|-------------------|-----------------|--------------|
| | Performance Tests | | |
| | Lending Test | Investment Test | Service Test |
| Outstanding | | X | |
| High Satisfactory | | | |
| Low Satisfactory | X | | X |
| Needs to Improve | | | |
| Substantial Non-Compliance | | | |

The major factors supporting this rating include:

Lending Test: "Low Satisfactory"

Lending Activity: "Low Satisfactory"

Woori's small business lending levels reflected an adequate responsiveness to the assessment area's credit needs given its size, the difficult economic conditions and lending environment that existed during the evaluation period.

Assessment Area Concentration: "Low Satisfactory"

Woori originated an adequate percentage of small business loans within the assessment area. Overall, during the evaluation period, Woori originated 54.7%, by number, and 57.0%, by dollar volume, of small business loans within the assessment area.

Geographic Distribution of Loans: "Low Satisfactory"

The geographic distribution of small business loans reflected adequate dispersion among census tracts of different income levels. During the evaluation period, Woori's penetration ratio of lending to businesses in low- and moderate-income geographies (based on number of loans) improved. In 2007, Woori's low- and moderate-income penetration ratios were less than the penetration ratios achieved by the market aggregate. However, in 2008, Woori's LMI penetration ratios surpassed the market aggregate rate. The 2009 market aggregate data were not available for comparison.

Distribution by Borrower Characteristics: “Outstanding”

Woori’s performance in small business lending reflected excellent penetration among businesses of different revenue sizes. Woori outperformed the market aggregate in 2007 and 2008. The 2009 market aggregate were not available for comparison.

Community Development Lending: “Low Satisfactory”

During the evaluation period, Woori originated \$4.8 million in community development loans inside Woori’s New York assessment area. This amount was a decrease of 26.1% when compared to the \$6.5 million originated during the prior evaluation period.

Investment Test: “Outstanding”

Amount of Qualified Investments: “Outstanding”

During the evaluation period, Woori made a total of \$ 12.7 million in community development investments, including \$11.6 in new money. This demonstrated an excellent level of community development investments.

Service Test: “Low Satisfactory”

Retail Services: “High Satisfactory”

Woori’s retail service delivery systems are accessible to essentially all portions of its assessment area. No branches in the New York Assessment area were closed or opened during the evaluation period. Woori’s business hours and services do not vary in a way that inconveniences certain portions of the assessment area. All four branches have staff who are bilingual in Korean and English.

Community Development Services: “Needs to Improve”

Woori provided a limited level of community development services over the evaluation period.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

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

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

The bank operates 18 full-service branches. Four branches are located within its New York assessment area; three branches are located in Queens and one is in New York County, where the main office is also located. The remaining 14 retail branches are located outside of New York State.

According to the Consolidated Report of Condition (the Call Report) as of December 31, 2009, filed with the Federal Deposit Insurance Corporation (“FDIC”), Woori reported total assets of \$1.1 billion. Net loans and leases stood at \$798.9 million and deposits were \$949.4 million, which resulted in a loan-to-deposit ratio of 84.2%.

Based on the deposit market share report prepared by the Federal Deposit Insurance Corporation (“FDIC”) as of June 30, 2009, Woori acquired approximately \$344.3 million or 0.07% of the \$469.6 billion deposit pool in the assessment area and ranked 54th among 111 FDIC-insured institutions. Of the total \$344.3 million deposits, Woori reported 61.6%, or \$212.3 million in Queens County and 38.4%, or \$132.1 million in New York County. It should be noted that Woori had considerably higher deposit-taking activity in Queens where it captured a 0.5% market share of the \$40.7 billion deposit pool. Overall, Woori had 35.1% of its total deposits booked within its assessment area in New York State.

The following chart is a summary of Woori’s lending portfolio, based on Schedule RC-C of its 2007, 2008 and 2009 year-end Call Reports:

| TOTAL GROSS LOANS OUTSTANDING | | | | | | |
|----------------------------------|------------|-------|------------|-------|------------|-------|
| LOAN TYPE | 12/31/2007 | | 12/31/2008 | | 12/31/2009 | |
| | \$(000s) | % | \$(000s) | % | \$(000s) | % |
| 1-4 Residential Mortgage Loans | 149,893 | 17.8 | 150,144 | 17.2 | 110,233 | 13.4 |
| Commercial and Industrial Loans | 116,989 | 13.9 | 64,336 | 7.4 | 134,196 | 16.3 |
| Commercial Mortgage Loans | 531,125 | 63.2 | 620,252 | 71.0 | 550,734 | 66.9 |
| Loans to depository institutions | 21,000 | 2.5 | 7,746 | 0.9 | 2,852 | 0.3 |
| Other Loans | 831 | 0.1 | 478 | 0.1 | 848 | 0.1 |
| Consumer Loans | 1,709 | 0.2 | 2,378 | 0.3 | 3,447 | 0.4 |
| Multifamily Mortgages | 10,239 | 1.2 | 16,061 | 1.8 | 10,880 | 1.3 |
| Construction and Land Dev. | 8,196 | 1.0 | 12,058 | 1.4 | 9,455 | 1.1 |
| Total Gross Loans | 839,982 | 100.0 | 873,453 | 100.0 | 822,645 | 100.0 |

As illustrated in the above chart, Woori is primarily a commercial real estate lender. As of December 31, 2009, 66.9% of Woori's loan portfolio consisted of commercial mortgage loans, 13.4% were 1-4 residential mortgage loans and 16.3% were commercial and industrial loans. During the evaluation period, Woori only originated 53 HMDA-reportable loans within New York State. Therefore, this CRA evaluation only evaluated small business loans.

Under CRA, based on its asset size, Woori would be considered a small intermediate institution. However, as permitted under Part 76.7(3) of the General Regulations of the Banking Board, an institution may elect (subject to certain conditions) to be assessed under 76.7(1), commonly referred to as the large bank CRA test, which consists of the lending, service and investment tests. Woori has elected to be evaluated under these tests.

There are no known legal impediments that adversely impacted the Woori's ability to meet the credit needs of its community. However, there was a significant decrease in the number of loan applications that Woori received,, as compared to prior years, which the bank attributed to the economic recession that occurred during the evaluation period. The bank indicated that many small businesses have closed and others are not willing to take on more debt at the risk of losing their business or becoming insolvent.

Assessment Area:

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

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

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

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

Demographic & Economic Data

The assessment area had a population of 3.8 million during the examination period. About 12.5% of the population were over the age of 65 and 18.2% were under the age of 16.

Of the 849,024 families in the assessment area, 25.1% were low-income, 16.0% were moderate-income, 17.3% were middle-income and 41.7% were upper-income families. There were 1,521,813 households in the assessment area, of which 15.34% had income below the poverty level and 4.9% were on public assistance.

The MSA median family income within the assessment area was \$57.7 thousand. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was \$64.8 thousand in 2009.

There were 1,615,394 housing units within the assessment area, of which 32.4% were one- to four-family units, and 67.5% were multifamily units. Thirty percent of the area's housing units were owner-occupied, while 64.2% were rental units. Of the 483.6 thousand owner-occupied housing units, 1.0% were in low-income tracts, 11.6% were in moderate-income tracts, while 35.0% were in middle-income tracts. The median age of the housing stock was 61 years and the median home value in the assessment area was \$271 thousand.

There were 420.9 thousand non-farm businesses in the assessment area. Of these, 72.5% were businesses with reported revenues of less than or equal to \$1 million, 6.8% reported revenues of more than \$1 million and 20.7% did not report their revenues. Of all the non-farm businesses in the assessment area, 80.8% were businesses with less than fifty employees while 92.4% operated from a single location. The largest industries in the area were services (44.4%), followed by retail trade (15.4%) and finance,

insurance & real estate (10.4%) while 12.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, in 2009 the average unemployment rate for New York State increased significantly to 8.4%. The unemployment rates in Queens and New York Counties also increased significantly, and surpassed the statewide rate for the first time in the evaluation period. These unemployment rates are directly tied to the economic recession.

| Assessment Area Unemployment Rate | | | |
|--|-----------|--------|----------|
| | Statewide | Queens | New York |
| 2007 - Annual | 4.5 | 4.3 | 4.2 |
| 2008 - Annual | 5.3 | 4.9 | 4.7 |
| 2009 - Annual | 8.4 | 8.6 | 8.5 |

Source: New York State Department of Labor

Community Information

NYSBD contacted a nonprofit community development financial institution and its parent organization to discuss community needs and Woori's responsiveness. The organization was established in 1997 and provides affordable loans, comprehensive training and technical assistance to small businesses and entrepreneurs. The parent organization is dedicated to the provision of affordable housing and services to low- and moderate-income immigrants in New York City.

Affordable small business loans were identified as a primary community credit need by the organization. While there are banks that offer lending programs targeted for women, small businesses and minorities, the need is still great. Funding is getting more difficult for financial intermediaries; this limits their ability to provide lending to the community. The organization recognizes the concerns a bank may have regarding lending in the current market, but is willing to work with banks to reduce risk and help banks make profitable loans in the assessment area. Nevertheless, the organization did not have a relationship (positive or negative) with Woori.

During the examination, the bank stated that the volume of loans to small businesses has fallen due to the economic recession. Many small businesses have closed and others are not willing to take on more debt at the risk of losing their business or becoming insolvent.

PERFORMANCE TESTS AND ASSESSMENT FACTORS

At its request, Woori was evaluated under the large bank performance standards in accordance with Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board. Woori's performance was evaluated under the lending, investment and service tests. The following factors were also considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The assessment period included calendar years 2007, 2008 and 2009. Unless otherwise noted, this evaluation focuses on Woori's activities within its New York assessment area.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation ("FDIC"). Aggregate lending data were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2000 U.S. Census and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet reports and updated annually. Unemployment data were obtained from the New York State Department of Labor.

Woori received a rating of "2," reflecting a "Satisfactory" record of helping to meet community credit needs at its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2006.

Current CRA Rating: "Satisfactory"

I. Lending Test: "Low Satisfactory"

The bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Concentration; (3) Distribution by Borrower Characteristics (4) Geographic Distribution of Loans; (5) Community Development Lending; and (6) Innovative or Flexible Lending Practices. Examiners considered Woori's small business loans in evaluating factors (1), (2), (3) and (4) above. HMDA loans were not analyzed as there were only 53 HMDA loans originated in New York State over the 3-year evaluation period.

Lending Activity: “Low Satisfactory”

Woori’s small business lending levels reflected an adequate responsiveness to the assessment area’s credit needs given its size, the difficult economic conditions and lending environment¹ that existed during the evaluation period. According to the Institution Market Share Report, Woori ranked 47th, and 48th, among 195 and 189 lenders in 2007 and 2008, respectively within its assessment area. Woori obtained a market share of 0.01% based on the number of small business loans in both 2007 and 2008. The 2009 Market Share Report was not available.

Assessment Area Concentration: “Low Satisfactory”

Woori originated an adequate percentage of small business loans within the assessment area. Overall, during the evaluation period, Woori originated 54.7%, by number, and 57.0%, by dollar volume, of small business loans within the assessment area. As a multi-state bank, these percentages are calculated based on the amount of lending within Woori’s New York assessment area, as compared to lending in New York State.

In 2007, less than one-half of Woori’s lending (by number of loans) was within its assessment area. This record improved in 2008. In 2009, Woori’s percent of lending improved significantly, but this was based on a very small number of loans.

The following table shows the percentage of Woori’s small business loans originated inside and outside of the assessment area

| Distribution of Loans Inside and Outside of the Assessment Area | | | | | | | | | | |
|--|-----------------|-------------|-----------|-------------|------------|---------------------------------|-------------|---------------|-------------|---------------|
| Loan Type | Number of Loans | | | | | Loans in Dollars (in thousands) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | # | \$ | % | \$ | % | \$ |
| Small Business Loans | | | | | | | | | | |
| 2007 | 29 | 46.8 | 33 | 53.2 | 62 | 13,189 | 52.1 | 12,117 | 47.9 | 25,306 |
| 2008 | 28 | 53.8 | 24 | 46.2 | 52 | 12,586 | 54.6 | 10,484 | 45.4 | 23,070 |
| 2009 | 13 | 92.9 | 1 | 7.1 | 14 | 4,392 | 96.7 | 150 | 3.3 | 4,542 |
| Total | 70 | 54.7 | 58 | 45.3 | 128 | 30,167 | 57.0 | 22,751 | 43.0 | 52,918 |

Geographic Distribution of Loans: “Low Satisfactory”

The geographic distribution of small business loans reflected adequate dispersion among census tracts of different income levels.

During the evaluation period, Woori’s penetration ratio of lending to businesses in low- and moderate-income geographies (based on number of loans) improved. In 2007,

¹ 66% of small businesses in NY, CT, NJ and Pennsylvania reported sales/revenue declines over the last two years. US, Community Affairs Forum, Facts & Trends (New York: Federal Reserve Bank of New York, 2010) 3.

Woori's penetration ratio was 13.7. In 2008, this penetration ratio improved to 17.9%; it further increased to 23.1% in 2009. In 2007, Woori's 13.7% low- and moderate-income penetration ratios were less than the 16.8% low- and moderate-income penetration ratios achieved by the market aggregate. However, in 2008, Woori's low- and moderate-income penetration ratios surpassed the market aggregate rate of 16.2%. The 2009 market aggregate data were not available for comparison.

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

| Distribution of Small Business Loans by Geographic Income Level | | | | | | | | | |
|--|-------------|--------------|---------------|--------------|------------------|--------------|------------------|--------------|--------------------------|
| 2007 | | | | | | | | | Business |
| Geography Income Level | Bank | | | | Aggregate | | | | Demographics % |
| | # | % | \$000's | % | # | % | \$000's | % | |
| Low | 1 | 3.4 | 65 | 0.5 | 8,868 | 3.3 | 150,342 | 2.8 | 4.5 |
| Moderate | 3 | 10.3 | 1,765 | 13.4 | 35,807 | 13.5 | 609,050 | 11.4 | 13.9 |
| Middle | 14 | 48.3 | 6,929 | 52.5 | 59,356 | 22.3 | 1,041,735 | 19.5 | 19.8 |
| Upper | 11 | 37.9 | 4,430 | 33.6 | 158,917 | 59.8 | 3,421,636 | 64.1 | 60.1 |
| NA | | | | | 2,941 | 1.1 | 114,555 | 2.1 | 1.7 |
| Total | 29 | 100.0 | 13,189 | 100.0 | 265,889 | 100.0 | 5,337,318 | 100.0 | 100.0 |
| 2008 | | | | | | | | | Business |
| Geography Income Level | Bank | | | | Aggregate | | | | Demographics % |
| | # | % | \$000's | % | # | % | \$000's | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 7,325 | 3.5 | 134,692 | 2.8 | 4.5 |
| Moderate | 5 | 17.9 | 3,022 | 24.0 | 26,841 | 12.7 | 557,594 | 11.7 | 13.9 |
| Middle | 9 | 32.1 | 4,943 | 39.3 | 43,649 | 20.7 | 946,018 | 19.8 | 19.8 |
| Upper | 14 | 50.0 | 4,621 | 36.7 | 130,234 | 61.8 | 3,036,972 | 63.5 | 60.0 |
| NA | | | | | 2,598 | 1.2 | 109,137 | 2.3 | 1.8 |
| Total | 28 | 100.0 | 12,586 | 100.0 | 210,647 | 100.0 | 4,784,413 | 100.0 | 100.0 |
| 2009 | | | | | | | | | Business |
| Geography Income Level | Bank | | | | Aggregate | | | | Demographics % |
| | # | % | \$000's | % | # | % | \$000's | % | |
| Low | 1 | 7.7 | 105 | 2.4 | Not Available | | | | 4.5 |
| Moderate | 2 | 15.4 | 800 | 18.2 | | | | | 13.8 |
| Middle | 7 | 53.8 | 2,742 | 62.4 | | | | | 19.5 |
| Upper | 3 | 23.1 | 745 | 17.0 | | | | | 60.5 |
| NA | | | | | | | | | 1.7 |
| Total | 13 | 100.0 | 4,392 | 100.0 | | | | | 100.0 |

Distribution by Borrower Characteristics: "Outstanding"

Woori's performance in small business lending reflected excellent penetration among businesses of different revenue sizes. Woori outperformed the market aggregate in 2007 and 2008. The 2009 market aggregate were not available for comparison. Woori achieved small business loan penetration ratios of 86.2%, and 64.3% by number, and 90.5% and 72.1% by dollar volume in 2007 and 2008 respectively. These ratios were well above the corresponding small business loan penetration ratios of 29.3%, and 19.2% by number and 36.2%, and 26.8% by dollar volume in 2007 and 2008 respectively, for the market aggregate.

The following table shows the distribution by loan size of Woori's and the market

aggregate's small business loans during the evaluation period:

| Distribution of Small Business Loans by Business Revenue Size | | | | | | | | | |
|---|-----------|--------------|---------------|--------------|----------------|--------------|------------------|--------------|------------------------|
| Revenue Size | 2007 | | | | | | | | Business Demographics |
| | Bank | | | | Aggregate | | | | |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| \$1 million or less | 25 | 86.2 | 11,939 | 90.5 | 77,855 | 29.3 | 1,931,996 | 36.2 | 67.2 |
| Over \$1 million | 4 | 13.8 | 1,250 | 9.5 | | | | | 8.0 |
| No Revenue Info | 0 | 0.0 | 0 | 0.0 | | | | | 24.8 |
| Total | 29 | 100.0 | 13,189 | 100.0 | 265,889 | 100.0 | 5,337,318 | 100.0 | 100.0 |
| Revenue Size | 2008 | | | | | | | | Business* Demographics |
| | Bank | | | | Aggregate | | | | |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| \$1 million or less | 18 | 64.3 | 9,080 | 72.1 | 40,377 | 19.2 | 1,281,484 | 26.8 | 66.1 |
| Over \$1 million | 8 | 28.6 | 2,297 | 18.3 | | | | | 7.1 |
| No Revenue Info | 2 | 7.1 | 1,209 | 9.6 | | | | | 26.8 |
| Total | 28 | 100.0 | 12,586 | 100.0 | 210,647 | 100.0 | 4,784,413 | 100.0 | 100.0 |
| Revenue Size | 2009 | | | | | | | | Business* Demographics |
| | Bank | | | | Aggregate | | | | |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| \$1 million or less | 10 | 76.9 | 3,362 | 76.5 | Not Available | | | | 72.5 |
| Over \$1 million | 3 | 23.1 | 1,030 | 23.5 | | | | | 6.8 |
| No Revenue Info | 0 | 0.0 | 0 | 0.0 | | | | | 20.7 |
| Total | 13 | 100.0 | 4,392 | 100.0 | | | | | 100.0 |

Community Development Lending: “Low Satisfactory”

During the evaluation period, Woori originated \$4.8 million in community development loans inside Woori’s New York assessment area. This amount was a decrease of 26.1% when compared to the \$6.5 million originated during the prior evaluation period. There was no outstanding community development loan balance from the prior evaluation period. Management indicated that it was challenging for Woori to compete with large commercial banks in originating community development loans because Woori primarily serves the market niche of Korean communities.

| Community Development Loans | | | | |
|-----------------------------|------------------------|--------------|--|-------|
| Purpose | This Evaluation Period | | Outstandings from Prior Evaluation Periods | |
| | # of Loans | \$000 | # of Loans | \$000 |
| Economic Development | 2 | 4,050 | Not Applicable | |
| Affordable Housing | 1 | 735 | | |
| Total | 3 | 4,785 | | |

Below are highlights of the qualified community development loans Woori made during the evaluation period.

- In 2009, Woori extended a \$3.0 million loan to fund the refinance of a four-story

commercial property with twenty-eight offices and retail spaces. The property is located in a moderate-income neighborhood in Queens County. The bank extended the loan at a lower prevailing interest rate than the bank's internal pricing guideline. The borrower received an interest rate reduction of 1.0% for the next five years and an origination fee reduction of 0.25%. The offices and retail businesses located in the property provide jobs to residents in the community and contribute to economic development of the area.

- In 2007, Woori extended a \$735 thousand loan for the purchase of a three-story multi-family dwelling with six residential units. The property is located in a moderate-income neighborhood. The bank made the loan at a lower than internal pricing guideline; the borrower also received an interest rate reduction of 1.0% for the next three years.
- In 2009, Woori provided a \$1.1 million loan to a commercial real estate company for the purpose of providing economic development for the moderate-income neighborhood of the lower east side in Manhattan. The property houses a pizzeria, hair salon and art studio. The bank offered the loan at 4.5%, which included an interest rate reduction of 1.5% for that geography, and a .25% origination fee reduction. The business activity provided jobs and increased consumer spending in the area.

Innovative or Flexible Lending Practices: "High Satisfactory"

Woori made good use of innovative and/or flexible lending products in serving assessment area needs. Woori was a participant in several loan programs administered by the Small Business Administration (SBA), which offer flexible underwriting guidelines in comparison to conventional underwriting requirements. Woori participated in the 7(a) loan guaranty program, SBA Express program, and SBA's America's Recovery Capital Loan program. During the evaluation period, Woori originated 51 SBA loans totaling \$14.7 million through these programs.

II. Investment Test: "Outstanding"

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

Amount of Qualified Investments: "Outstanding"

During the evaluation period, Woori made a total of \$ 12.7 million in community development investments, including \$11.6 in new money. This demonstrated an excellent level of community development investments. The bank also made \$174

thousand in grants, which was a one hundred fold increase from the grants made during the prior evaluation period.

Below are highlights of Woori’s community development investments.

Woori made a \$5.0 million deposit with Carver Federal Savings Bank. Based in Harlem, Carver has been designated as a Community Development Financial Institution (CDFI). Carver’s branches and stand-alone, 24/7 ATM centers are mostly located in low- and moderate-income neighborhoods.

Woori maintained a \$3.0 million deposit with City National Bank of NJ (CNB). CNB is a CDFI and the only African-American owned and operated commercial bank in the states of New Jersey and New York. Within New York State, CNB has branches in New York, Kings and Nassau Counties. CNB’s primary mission is to provide its immediate community with loans and other banking services, which may not be available through larger institutions. CNB places a particular emphasis on commercial lending, church lending and small business loans.

Woori placed a \$2.0 million deposit with the Lower East Side People’s Federal Credit Union LESPFCU). LESPFCU is a CDFI that primarily serves employees and volunteers of the Lower East Side People’s Mutual Housing Association, Neighborhood Economic Development Advocacy Project, the Urban Homesteading Assistance Board and People’s Center for Economic Independence. It also offers memberships to low- and moderate-income individuals in New York City.

During the evaluation period, Woori extended \$174.3 thousand in grants to various community development organizations in the assessment area such as the Community Preservation Corp., Neighborhood Housing Services, New York City Habitat for Humanity, SCORE-NYC and the Greater Jamaica Development Corp. Woori also established the Woori Scholarship Foundation in 2004 to support low- and moderate-income high school graduates that are pursuing a college education but have limited financial resources. Each eligible student can be awarded a \$1,000 to \$2,000 scholarship. During the evaluation period, in the New York assessment area, Woori provided \$98 thousand in scholarships to students from low- and moderate-income families in the assessment area.

| Community Development Grants | | |
|-------------------------------------|-----------|---------------|
| | # | \$000 |
| CD Grants | | |
| Affordable Housing | 22 | \$ 17 |
| Economic Development | 10 | \$ 6 |
| Community Services | 49 | \$ 146 |
| R&S | 7 | \$ 6 |
| Total | 88 | \$ 174 |

Innovativeness or Complexity of Qualified Investments: “Needs to Improve”

During the evaluation period, Woori made little use of innovative and/or flexible investments in serving assessment area needs. Instead, Woori largely relied on making deposits into CDFIs. Although rated “Needs to Improve,” this factor did not have significant weight in the overall rating of the investment Test, particularly because the volume of community development investments was “Outstanding” and the other investment test factors were all “High Satisfactory.”

Responsiveness of Qualified Investments to Credit and Community Development Needs: “High Satisfactory”

Based largely on the volume of investments, Woori showed significant responsiveness to credit and community development needs.

Degree to Which Qualified Investments Are Not Routinely Provided by Private Investors: “High Satisfactory”

Deposits in CDFIS are not routinely provided by private investors.

III. Service Test: “Low Satisfactory”

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

Retail Services: “High Satisfactory”

Accessibility of Delivery Systems: High Satisfactory

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

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

Change in Branch Locations: “Satisfactory”

No branches in the New York Assessment area were closed or opened during the evaluation period.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs: Satisfactory

Woori's business hours and services do not vary in a way that inconveniences certain portions of the assessment area. Two branches in Queens remain open until 5:00 PM on weekdays; two of its four branches offer Saturday hours. Three branches have ATMs that are accessible 24 hours a day, and one branch offers accessibility from 7am to 7pm. All four branches have staff who are bilingual in Korean and English.

Community Development Services: "Needs to Improve"

Woori provided a limited level of community development services over the evaluation period.

- Seminars on banking accounts and products - In December 2009, branch managers conducted seminars for low- and moderate-income individuals at Korean Community Services of NYC. The seminars focused on account opening and banking products.

IV. Additional Factors

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

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

Discrimination and other illegal practices

- Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

NYSBD noted no practices that were intended to discourage applications for the types of credit offered by the institution.

- Evidence of prohibited discriminatory or other illegal credit practices

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its

community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

Woori ascertained the credit needs of its community through interactions with current and prospective customers. Woori loan officers regularly visited businesses in the community to inquire about their credit needs and to offer the bank's products and services. In an effort to determine if Woori could originate more residential mortgage loans, contacts were maintained with local realtors to help understand community housing needs.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

Woori's marketing efforts continued to focus on the Korean-American community. Woori advertised its products and services regularly in local newspapers such as the *Korea Daily* and the *Korea Times*. Its advertisements were also aired on *Radio Korea* and shown on local Korean cable television shows. In addition, lobby display signs were occasionally used to promote deposit or credit specials.

Other factors that, in the judgment of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

None

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;

- ❖ Developing secondary market vehicles or programs;
- ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

| Income level of individual or geography | % of the area median income |
|--|------------------------------------|
| Low-income | Less than 50 |
| Moderate-income | At least 50 and less than 80 |
| Middle-income | At least 80 and less than 120 |
| Upper-income | 120 or more |

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.