

CDCI ANNUAL USE OF CAPITAL SURVEY - 2012



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BankAsiana

Person to be contacted regarding this report:	Frank J. Gleeson	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	938	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,250,000	FDIC Certificate Number: (For Depository Institutions)	58525
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Sep 29, 2010	City:	Palisades Park
Date Repaid ¹ :	N/A	State:	New Jersey

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Total new loan volume for the two years ended December 31, 2012 was \$165.6 million compared to \$113.3 million for the two previous years prior to the CDCI capital.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	BankAsiana is ranked by the U.S. SBA as one of the top lenders in the states of New Jersey and New York. The Bank has sustained its strong focus in this area participating as a Preferred Lender. Through these efforts we have succeeded in serving our communities.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	BankAsiana has increased its investment in mortgage backed securities, in particular GNMA, FHLMC and FNMA securities.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	During the period from January 1, 2011 to December 31, 2012, BankAsiana has provided \$4.1 million for loan loss reserves and has increased its ratio of reserves to total loans from 1.56% to 2.07%.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	During the period from January 1, 2011 to December 31, 2012, BankAsiana experienced approximately \$2.6 million of net charged off loans. The Bank was able to provide for these losses through the increase to the loan loss reserves mentioned above.
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	In April 2011, BankAsiana successfully purchased an existed bank branch in Flushing, NY. This transaction allowed the Bank to cross state lines into the State of New York for future expansion opportunities.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The Bank's assets have grown \$50.5 million, or 33.8% during the period January 1, 2011 to December 31, 2012. In comparison, the Bank's level of equity capital has grown from approximately \$23.8 million to \$28.6 million including CDCI funding as of December 2012.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

None

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

As mentioned above, the Bank was successfully able to acquire a branch in the State of New York. In addition, the Bank was able to enhance its lending operations to further serve the Asian community which it serves. The Bank received approval from both regulators for this acquisition, and those approvals were partially based on the Bank's ability to raise the additional capital through the CDCI program. With this capital infusion, the Bank was able to demonstrate that it would continue to maintain a well-capitalized position.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

See the above.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.