



## NARA BANCORP, INC.

March 6, 2009

Neil M. Barofsky  
Special Inspector General  
1500 Pennsylvania Ave., N.W., Suite 1064  
Washington D.C. 20220

Dear Mr. Barofsky,

This letter responds to your letter dated February 6, 2009, requesting information regarding the use by Nara Bancorp, Inc. and Nara Bank (collectively the "Company") of Troubled Asset Relief Program (TARP) funds and its compliance with the Emergency Economic Stabilization Act of 2008 (EESA) executive compensation requirements.

### **(1) Use of TARP Funds**

The Company originally anticipated three options for the use of the TARP funds: (b) (4) supporting organic growth, or bolstering loss coverage. The Board discussed and reviewed these three options at an October 29, 2008 special joint Board meeting. (The use of proceeds handout presented to the Board is attached as Exhibit A).

Presently, we anticipate using the TARP funds to provide an additional capital cushion for higher than anticipated loan losses, and to support growth in or acquisition of retail deposits, which in turn would support lending consistent with the intent of the TARP.

The full amount of the TARP funds was contributed by Nara Bancorp to Nara Bank ("the Bank"), the holding company's wholly-owned bank subsidiary. The cash contributed was not segregated from other cash funds of the Bank. The cash was invested in government agency securities equal to the approximate amount of the TARP funds received. The funds were not leveraged with borrowings to achieve a break-even or positive spreads, since to do so, would increase the level of the Bank's wholesale funds.

As requested, upon receipt of your letter, we immediately sent out a record preservation notice and dedicated a shared folder in order to segregate and preserve all documents referencing the use or anticipated use of TARP funds. The Company continues to save relevant documents in the computer shared drive and individually in folders and binders dedicated to TARP.

As indicated above, the TARP capital provides a buffer against future loan losses; however, we do not believe that the severity of anticipated losses would have impaired our capital levels had we not obtained the TARP investment.

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(b) (8) The UBPR loan to deposit ratio and the UBPR net non-core funding dependency ratio are two measures that we are striving to improve. The loan to deposit ratio at December 31, 2008 was approximately 106%, (b) (4)

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(b) (4) Our net non-core funding dependency ratio was 51% at

December 31, 2008, as a result of our use of brokered deposits, State Treasurer deposits, and FHLB advances. The FHLB advances are primarily long term advances, and the broker deposits and State Treasurer deposits are short term in nature, generally less than one year. However, we are striving to raise core deposits to reduce the level of brokered deposits over time.

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(b) (4) (b) (4)

The application for TARP was based in part on the capital market's assessment that it was meant for healthy banks, and that if a bank didn't apply for and receive TARP funds, it would be considered a bank at risk. We applied for TARP in that environment even though our capital levels were significantly above well-capitalized status. In response to your inquiry, therefore, we would be undertaking the same operating strategies as described in this letter had we not received the TARP funds.

## (2) Executive Compensation Requirements

The Company has reviewed the new requirements under the American Recovery and Reinvestment Act of 2009 (ARRA) and will comply with the Treasury regulations under it as they are developed.

Specific Plans and the Status of Implementation of those Plans for Addressing Executive Compensation Requirements Associated With the Funding

In connection with the Company's participation in the Capital Purchase Program (CPP) which closed on November 21, 2008, the Company immediately reviewed and began to address the compensation requirements of EESA.

The Human Resources and Compensation Committee (HRC Committee) of Nara Bancorp, Inc. met within 90 days after the purchase under the program, on January 28, 2009, to review the Senior Executive Officer (SEO) incentive compensation arrangements with the Company's Chief Risk Officer (CRO) to ensure that the SEO incentive compensation arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution. The CRO and the HRC Committee reviewed the compensation arrangements of the SEOs and confirmed that the arrangements do not contain features that encourage the SEOs to take unnecessary and excessive risks that threaten the value of the financial institution. (A copy of the HRC Committee minutes including the HRC Committee certification and handout summarizing the compensation arrangements of the SEOs are attached as Exhibit B).

In addition, the Company plans to create a TARP Executive Compensation Policy (Policy), which will be presented for review and approval by the HRC Committee in March 2009. The Policy will contain the following requirements during the term of the Company's participation in the CPP:

- The HRC Committee shall consist of only independent directors and shall meet at least semiannually with the CRO to discuss and review the relationship between the financial institution's risk management policies and practices and the SEO incentive compensation arrangements. The HRC Committee shall also review each compensation plan to ensure that it does not encourage manipulation of the reported earnings of the Company to enhance the compensation of any of its employees.
- The HRC Committee will hold a special meeting or discuss at a regularly scheduled meeting any instances of materially inaccurate financial statements, earnings, revenues, gains or materially inaccurate performance metric criteria of which the Company become aware or any criteria that are later found to be materially inaccurate. The HRC Committee will review all bonuses, incentive-based compensation, or equity-based compensation received by SEOs and other highly-compensated employees as well as any profits from sales of the company's securities to determine whether such compensation is subject to recovery or "clawback."
- The HRC Committee shall review and approve or disapprove before payment any bonus or incentive compensation proposed to be paid to an SEO to determine that the payout does not violate any provisions under TARP.
- The HRC Committee shall also call a meeting or discuss at the next regularly scheduled meeting whenever a SEO departs the Company for any reason, to confirm that the Company did not make a golden parachute payment to the SEO.

- The HRC Committee and the Chief Executive Officer (CEO) shall certify that Nara has completed the necessary reviews of the SEO incentive compensation arrangements in accordance with the TARP requirements. The CEO and the HRC Committee has provided all necessary certifications to date. (See Exhibit B and C). The HRC Committee will provide its certification in Nara Bancorp's annual proxy statement in the HRC Committee report. For the years following the first fiscal year certification, the CEO will provide a certification within 135 days after the completion of each fiscal year of the Company during any part of which the Company has participated in the CPP.
- The CCO shall preserve appropriate documentation and records to substantiate each certification for no less than six years after the date of the certification.
- The Tax Manager shall implement internal procedures to guarantee that no deduction is taken for remuneration for federal income tax purposes exceeding \$500,000 for each SEO for the most recently ended fiscal year as if section 162(m)(5) of the Internal Revenue Code applied to the financial institution. Such procedures shall include the tax manager maintaining a list of the current SEOs for the tax year, and tracking the compensation and tax deductions taken by the Company for each SEO in her normal course of tax preparation work for that year.
- Beginning with the 2009 Proxy Statement, the Company will include a non-binding proposal for the shareholders to vote to approve the compensation of the SEOs.

*Assessments Made of Loan Risks and Their Relationship to Executive Compensation*

The Company's compensation arrangements are consistent with promoting sound risk management and long-term value creation for shareholders. The HRC Committee has reviewed the SEO incentive compensation arrangements with the Company's CRO to ensure that the SEO incentive compensation arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution. In their review, the HRC Committee and the CRO also confirmed that the executive compensation arrangements of the Company with its SEOs do not encourage SEOs to take unnecessary loan risk.

For any employee whose compensation is either directly or indirectly tied to meeting certain loan goals, the loan risks are minimized through the Company's numerous controls, including the Company's Loan Policy and Lending Procedures. This policy and procedures document identifies the philosophies and objectives of the Board of Directors and Senior Management relating to the granting of credit. The policy and procedures have been developed to reflect sound banking practices, to comply with all

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applicable laws and regulations, and to provide a detailed framework of authority, accountability, and guidelines for the lending staff.

Moreover, the Company minimizes loan risk with its strict lending and approving authority delegated by the Board to the Committees and specified Bank officers based on loan size, aggregate debt, types of loans and the action being requested. In addition, the Company has two management level Loan Committees which meet regularly and approve or deny loan request within the lending authority delegated by the board. For larger loans, the committee will conduct post approval review of the loan.

In addition, the Company's Loan Review and Risk Monitoring System ensures that the requirements of the Bank's lending policy are followed, that the bank maintains an adequate allowance for loan and lease losses, and tests the effectiveness of the Bank's loan underwriting and credit risk management systems.

*Limitations on Executive Compensation in Line with Department of Treasury Guidelines*

The Company has taken steps to ensure that limitations have been placed on the executive compensation of its SEOs to be in line with the Department of Treasury Guidelines. The Company took comprehensive steps to assure compliance even before the closing of the preferred stock sale. The SEOs signed Consent Agreements pursuant to which they consented to the adoption of the amendments to their benefit plans and employment agreements to comply with EESA. (See Exhibit D). Solely to the extent, and for the period required by EESA, each SEO agreed to (a) be ineligible to receive compensation to the extent that the HRC Committee determines that the plan or agreement includes incentive for the SEO to take unnecessary and excessive risks that threaten the value of the Company; (b) forfeit any bonus or incentive compensation paid to the SEO based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate; and (c) be ineligible to receive any "golden parachute payment" in connection with the Senior Executive Officer's severance from employment.

The members of the HRC Committee also signed the Unanimous Written Consent in Lieu of Meeting to Amend Benefit Plans to Comply with Emergency Economic Stabilization Act, which resolved that SEOs Financial Performance Plan and Involuntary Separation Pay Arrangement is amended as of November 21, 2008. (See Exhibit D).

*Limitations Will Not be Offset by Other Changes to Other, Longer-term or Deferred Forms of Executive Compensation*

Based on the Company's review of its compensation arrangements, the Company has no plans to offset the limitations discussed above with other changes to other, longer-term or deferred forms of executive compensation. In the development of any new executive compensation arrangement during its participation in the TARP program, the Company will reevaluate the arrangement to ensure continued compliance with EESA and ARRA.

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**Certification and Conclusion**

I certify the accuracy of all of the above statements, representations, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Should you have any additional questions or comments, please do not hesitate to contact me at (b) (6)

Sincerely,

/s/ Alvin D. Kang

Alvin D. Kang  
Executive Vice President & Chief Financial Officer

Enclosures

# EXHIBIT A

TARP Capital Program  
Use of Proceeds

While there may be other uses for the proceeds, such as providing liquidity at the holding company level, there are three major uses of proceeds.

- (b) (4)

- (b) (4)
- (b) (4)



# EXHIBIT B

**NARA BANCORP, INC.**  
**MINUTES OF HUMAN RESOURCES & COMPENSATION COMMITTEE**  
**JANUARY 28, 2009**

A regular meeting of the Human Resources & Compensation Committee of Nara Bancorp, Inc. was held at the office of the Corporation at 3731 Wilshire Boulevard, 11<sup>th</sup> Floor, Los Angeles, CA, on Wednesday, January 28, 2009 at 12:40 p.m.

**PRESENT:** Scott Whang, Chair  
Howard Gould  
James Staes

**ABSENT:** Ki Suh Park

**OTHERS PRESENT:** Terry Schwakopf, Director  
Min Kim, President and CEO  
Alvin Kang, EVP and CFO  
John Hampton, SVP and CRO  
Juliet Stone, FVP and Corporate Counsel  
Kathrine Duncan, Corporate Services Officer and Secretary

A quorum was present and the meeting, having been properly noticed and duly convened, was ready to proceed with business. Mr. Whang called the meeting to order, as Chair.

**I. MINUTES**

*A. Items Presented*

- Draft Minutes of the Human Resources and Compensation Committee Meeting of September 23, 2008.

*B. Key Discussion Points*

- The Committee discussed the minutes as presented.
- Mr. Gould requested a clarification on a discussion item.

*C. Actions Taken*

- The Minutes of the Human Resources and Compensation Committee Meeting of September 23, 2008 was approved with the above change.

*D. Follow-up Items*

- None.

**II. QUARTERLY REVIEW & APPROVAL OF CEO REIMBURSEMENTS**

*A. Items Presented*

- Summary of business related reimbursements requested by Ms. Kim during the fourth quarter of 2008.

*B. Key Discussion Points*

- The Committee reviewed and discussed the submitted business related reimbursements.

*C. Action Items*

- The Committee unanimously approved payment of CEO Reimbursements.

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**MINUTES OF HUMAN RESOURCES & COMPENSATION COMMITTEE**  
**JANUARY 28, 2009**

*D. Follow-up Items*

- None.

**III. DIRECTORS' BUSINESS EXPENSE POLICY**

*A. Items Presented*

- Directors' Business Expense Reimbursement Policy draft.

*B. Key Discussion Points*

- Mr. Gould commented on the inconsistency of approval and payment and requested "at least quarterly" be removed.

*C. Action Items*

- The committee approved the draft policy with the change noted above.

*D. Follow-up Items*

- None.

**IV. TARP COMPENSATION RESTRICTIONS REVIEW**

*A. Items Presented*

- Summary of TARP Compensation memo from Mr. Hampton and Ms. Duncan.

*B. Key Discussion Points*

- Ms. Duncan commented on the memo and the requirements of the Chief Risk Officer to meet with the HRCC.
- Mr. Gould asked Mr. Hampton if there are any risk issues with compensation paid to senior executive officers. Mr. Hampton responded that there were not any noted undue risks associated with the compensation structure that would encourage Senior Executive Officers (SEOs) to take unnecessary and excessive risks that threaten the value of Nara Bank.
- Furthermore, Ms. Stone noted that she had reviewed the SEO's incentive compensation agreements and that she did not find any provisions in the agreements that would incent SEOs to take unnecessary risks that threaten the value of the Bank, or that were contrary to requiring "clawback" of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate and prohibiting the financial institution from making any golden parachute payment to an SEO.
- Next, the Committee discussed the control mechanisms in place to monitor the Bank's compliance with the TARP executive compensation requirements. The Committee noted that all incentive bonuses are reviewed by the Committee before they are distributed and that the Committee would review the TARP requirements before distributing any bonus or incentive compensation paid to an SEO. Also, the Committee agreed to annually review past incentive compensation payments and new incentive arrangements or agreements on an annual basis. Ms. Duncan noted that (b) (6) our

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**MINUTES OF HUMAN RESOURCES & COMPENSATION COMMITTEE**  
**JANUARY 28, 2009**

Tax Manager, has agreed to closely monitor that our executive compensation tax deduction for each SEO does not exceed \$500,000.

- A second question was asked if the compensation is aligned with the shareholders' interests. Again, there was nothing that appeared contrary or encouraged excessive risks that would threaten the shareholders' interests.

**C. Action Items**

- The committee approved and certified that it reviewed with the senior risk officer the SEO incentive compensation arrangements and they do not encourage SEOs to take unnecessary and excessive risks that threaten the value of Nara Bank.

**D. Follow-up Items**

- None.

**V. TRAINING 2009 LABOR LAW CHANGES**

**A. Items Presented**

- 2009 Labor Law Changes Summary.

**B. Key Discussion Points**

- Ms. Duncan discussed the new 2009 Federal and State Labor Law changes and implementation of the requirements.

**C. Action Items**

- None.

**D. Follow-up Items**

- None.

**VI. 2009 HRCC CALENDAR**

**A. Items Presented**

- 2009 HRCC Calendar.

**B. Key Discussion Points**

- The committee reviewed the draft calendar. Mr. Whang requested the Charter to be moved to February to be included with the compensation items.

**C. Action Items**

- The committee agreed with the calendar with noted change above.

**D. Follow-up Items**

- None.

**VII. BONUS ACCRUAL POLICY**

**A. Items Presented**

- None.

**B. Key Discussion Points**

- The committee discussed the Bonus Accrual policy and when approval is required by the HRCC.

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**JANUARY 28, 2009**

- Mr. Kang commented that the bonus accrual calculation approval by the HRCC came out of the prior memorandum regulatory requirements, which were lifted in 2007.
- C. *Action Items*
- The committee agreed that the policy should be changed to include approval from the HRCC when the accrual is changed from the budgeted amount and at final distribution, since the Board approves the initial annual budget every year.
- D. *Follow-up Items*
- None.

**VIII. OTHER BUSINESS**

- The committee discussed the Compensation Discussion and Analysis for the Proxy. They recommended evaluating compensation from the three Korean Banks, two Asian/Chinese Banks, two California Banks, and two-three from major cities within the \$1- 5 billion categories.

There being no further business to discuss the meeting was adjourned at 1:05 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
(b) (6) Secretary

2/25/09  
Date

Approved by Committee

  
\_\_\_\_\_  
Scott Whang, Chair

Feb 25, '09  
Date



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**Date:** January 22, 2009  
**TO:** Human Resources & Compensation Committee  
**FROM:** (b) (6) SVP and Chief Risk Officer  
(b) (6), SVP and Chief Corporate Services Officer  
**SUBJECT:** Summary of TARP Compensation

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The following is the summary of the TARP requirements regarding compensation:

§30.2 Who is a senior executive officer ("SEO")

General definition is a SEO means a "named executive officer":

- Employed by the bank,
- Principal Executive Officer ("PEO")
- Principal Financial Officer ("PFO"),
- One of the three most highly compensated executive officers other than PEO or the PFO.

§30.3 What actions are necessary to participate in the Capital Purchase Program ("CPP")?

- Within 90 days, after the purchase under the CPP, the compensation committee must review the SEO incentive compensation arrangements with the senior risk officers [Chief Risk Officer ("CRO")] to ensure that the SEO incentive compensation arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the bank.
- The compensation committee with the CRO must discuss and review the relationship between the financial institution's risk management policies and practices and SEO incentive compensation and certify that it has completed the review annually
- Principal Executive Officer ("PEO") to certify that the compensation committee has reviewed the SEO incentive compensation arrangements with its senior risk officer to ensure they do not encourage the taking of unnecessary and excessive risks that could threaten the value of the institution.
- PEO to certify that the financial institution has complied with all of the CPP executive compensation requirements and limitations and to identify the financial institution's SEOs.
- Rule applies while the Treasury holds an equity or debt position acquired under the CPP.
- Preserve the appropriate documentation and records to substantiate each required certification for at least six years after the date of certification.

## MEMORANDUM

### §30.4 How do we comply?

1. The compensation committee should discuss with the CRO, the risks (including long-term as well as short-term risks) that the bank faces that could threaten the value of the bank. The compensation committee should identify the features in the CEO's incentive compensation arrangements that could lead CEOs to take such risks. Any such features should be limited in order to ensure that the CEOs are not encouraged to take risks that are unnecessary or excessive.
2. Requiring clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate
3. Prohibiting the financial institution from making any golden parachute payment (see definition below) to a senior executive
4. Agreeing not to deduct for tax purposes executive compensation in excess of \$500,000 for each CEO
5. Institute Control and Procedures for compliance with the above requirements

### How long do we comply with the executive compensation requirements?

- For as long as Treasury holds an equity or debt position in Nara Bancorp, Inc. (including preferred stock, warrant, or common stock).

### §30.5 How do we comply with the certification requirements?

- The compensation committee must provide the certifications (in the Committee Report in the Proxy) stating that it has reviewed, with the CRO, the CEO incentive compensation arrangements to ensure that the incentive compensation arrangements do not encourage CEOs to take unnecessary and excessive risks.

### §30.6 What actions are necessary for us to comply with the Emergency Economic Stabilization Act of 2008 (EESA)?

- We must require that CEO bonus and incentive compensation paid during the period that the Treasury holds an equity or debt position acquired the CPP are subject to recovery or "clawback" if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

### §30.9 What is a golden parachute payment?

- A "golden parachute payment" means any and all payment in the nature of compensation to (or the benefit of) a CEO made on account of an applicable severance from employment to the extent the aggregate present value of such payments equals or exceeds an amount equal to three times the CEO's base amount.

# MEMORANDUM

## Summary of SEO Compensation

SEO	Employment Contract	Change of Control	Long Term Incentive	Bonus	Stock	Other
PEO	Expires 11/26/2009 includes bonus (see bonus column); severance pay = 12 months base; change of control = One year base, plus pro-ration of bonus and unvested options to vest	See Contract	\$40,000 for ten (10) years tied to performance of Return on Equity of 12.11% and Return on Assets of 1.17%%; Earnings per share of 1.11%	Tied to Net Earnings, Average Equity, Return on Equity, Average Assets, Return on Assets, and Earnings per Share	Discretion of Board	Deferred Comp
PFO	NA	Expires 7/13/2011 includes One year base plus prorated bonus and unvested options to vest	\$40,000 for five (5) years tied to performance of Return on Equity of 12.11% and Return on Assets of 1.17%%	Performance Incentive Plan ("PIP") tied to Return on Equity (35%), Return on Assets (35%); and individual goals (30%)	Discretion of Board	None
Eastern Regional Manager	NA	NA	\$30,000 for ten (10) years tied to performance of Return on Equity of 12.11% and Return on Assets of 1.17%%	PIP tied to Return on Equity (10%), Return on Assets (10%); Business Unit Budget (60%) and individual goals (20%)	Discretion of Board	None
District Manager	NA	NA	NA	PIP tied to Return on Equity (10%), Return on Assets (10%); Business Unit Budget (60%) and individual goals (20%)	Discretion of Board	None
IT Manager	NA	NA	NA	PIP tied to Return on Equity (25%), Return on Assets (25%); and individual goals (50%)	Discretion of Board	None



## MEMORANDUM

### Summary

The SEO compensation and incentive compensation do not encourage unnecessary and excessive risks that threaten the value of the Bank.

### Certification

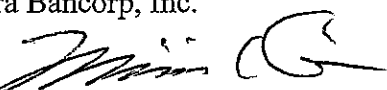
The compensation committee certifies that it has reviewed with senior risk officers the SEO incentive compensation arrangements and has made reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution.

# EXHIBIT C

## 120 DAY CERTIFICATION

I, Min Kim, certify, based on my knowledge, that the compensation committee of Nara Bancorp, Inc. reviewed within 90 days of the Department of the Treasury's purchase of the preferred stock and warrant to purchase common stock of Nara Bancorp, Inc. under the Capital Purchase Program the incentive compensation arrangements of the senior executive officers, as defined in subsection 111(b)(3) of the Emergency Economic Stabilization Act of 2008 and regulations and guidance issued thereunder (SEOs), of Nara Bancorp, Inc. with senior risk officers of Nara Bancorp, Inc. to ensure that the SEO incentive compensation arrangements do not encourage the SEOs to take unnecessary and excessive risks that threaten the value of Nara Bancorp, Inc.

Date: February 4, 2009

By:   
Min Kim, President and CEO  
Nara Bancorp, Inc.

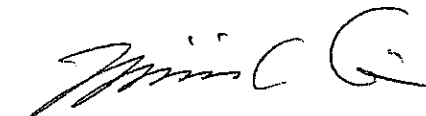
## FIRST FISCAL YEAR CERTIFICATION

I, Min Kim, certify, based on my knowledge, that: (i) The compensation committee of Nara Bancorp, Inc. has met at least once within 90 days of closing the Capital Purchase Program with the U.S. Treasury with senior risk officers to discuss and review the relationship between the risk management policies and practices of Nara Bancorp, Inc. and the incentive compensation arrangements of the senior executive officers, as defined in subsection 111(b)(3) of the Emergency Economic Stabilization Act of 2008 (EESA) and regulations and guidance issued thereunder (SEOs), to ensure that the SEO incentive compensation arrangements do not encourage the SEOs to take unnecessary and excessive risks that threaten the value of Nara Bancorp, Inc.; (ii) The compensation committee of Nara Bancorp, Inc. has certified to the review of the SEO incentive compensation arrangements required under (i) above; (iii) Nara Bancorp, Inc. has required that SEO bonus and incentive compensation be subject to recovery or "clawback" by Nara Bancorp, Inc. if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria; (iv) Nara Bancorp, Inc. has prohibited any golden parachute payment, as defined in the regulations and guidance issued under section 111(b) of EESA, to a SEO; (v) Nara Bancorp, Inc. has instituted controls and procedures to limit the deduction for remuneration for federal income tax purposes to \$500,000 for each SEO for the most recently ended fiscal year as if section 162(m)(5) of the Internal Revenue Code applied to Nara Bancorp, Inc.; and (vi) The following individuals are the SEOs for the current fiscal year, which is subject to change once we compute performance based bonuses for 2008: Min J. Kim, President & CEO, Alvin D. Kang, EVP & CFO, Kyu S. Kim, EVP & Regional Manager, Myung Hee Hyun, SVP & Chief Operations Administrator, Anna Chung, SVP & SBA Manager, and Mona Chui, SVP & IT Manager.

Date: \_\_\_\_\_

2/11/09

By: \_\_\_\_\_



Min Kim, President and CEO

# EXHIBIT D

**NARA BANCORP, INC.  
HUMAN RESOURCES AND COMPENSATION COMMITTEE**

**UNANIMOUS WRITTEN CONSENT IN LIEU OF MEETING  
TO AMEND BENEFIT PLANS TO COMPLY  
WITH EMERGENCY ECONOMIC STABILIZATION ACT**

November 20, 2008

**RECITALS**

WHEREAS, Nara Bancorp, Inc. (the "Company") has entered or will enter into a Securities Purchase Agreement with the United States Department of Treasury (the "Agreement") as part of the Capital Purchase Program under the Emergency Economic Stabilization Act of 2008 ("EESA");

WHEREAS, pursuant to Section 1.2(d)(iv) of the Agreement, the Company is required to amend its "Benefit Plans" with respect to its "Senior Executive Officers" (as such terms are defined in the Agreement) to the extent necessary to comply with Section 111 of EESA; and

WHEREAS, the applicable "Benefit Plans" are the plans in which any Senior Executive Officer participates, or is eligible to participate, and the agreements to which any Senior Executive Officer is a party, that either: (i) provide for incentive or bonus compensation based on the achievement of performance goals tied to or affected by the Company's financial results ("Financial Performance Plans") or (ii) provide for payments or benefits upon an "applicable severance from employment" within the meaning of EESA ("Involuntary Separation Pay Arrangements").

**RESOLUTIONS**

RESOLVED, that each Financial Performance Plan and Involuntary Separation Pay Arrangement is hereby amended effective as of the date of entry into the Agreement as follows:

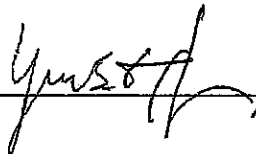
1. Compliance With Section 111 of EESA. Each Financial Performance Plan and Involuntary Separation Pay Arrangement is hereby amended by adding the following provision as a final section to such arrangement:

"Compliance With Section 111 of EESA. Solely to the extent, and for the period, required by the provisions of Section 111 of the Emergency Economic Stabilization Act of 2008 ("EESA") applicable to participants in the Capital Purchase Program under EESA and the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008: (a) each "Senior Executive Officer" within the meaning of Section 111 of EESA and the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008 who participates in this plan or is a party to this

agreement shall be ineligible to receive compensation hereunder to the extent that the Executive Compensation Committee of the Board of Directors of the Company determines this plan or agreement includes incentives for the Senior Executive Officer to take unnecessary and excessive risks that threaten the value of the financial institution; (b) each Senior Executive Officer who participates in this plan or is a party to this agreement shall be required to forfeit any bonus or incentive compensation paid to the Senior Executive Officer hereunder during the period that the Department of the Treasury holds a debt or equity position in the Company based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate; and (c) the Company shall be prohibited from making to each Senior Executive Officer who participates in this plan or is a party to this agreement, and each such Senior Executive Officer shall be ineligible to receive hereunder, any "golden parachute payment" in connection with the Senior Executive Officer's "applicable severance from employment," in each case, within the meaning of Section 111 of EESA and the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008."

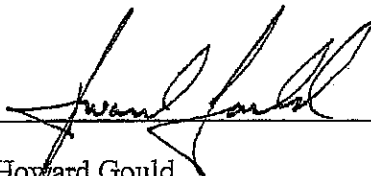
2. Continuation of Affected Plans. Except as expressly or by necessary implication amended hereby, each Financial Performance Plan and Involuntary Separation Pay Arrangement shall continue in full force and effect.

Agreed to and acknowledged as of the 20<sup>th</sup>  
day of November, 2008:



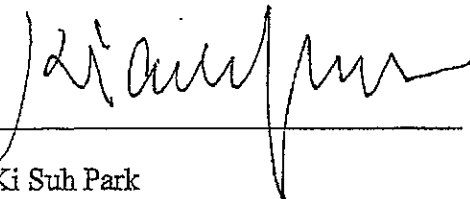
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Scott Whang, Chair



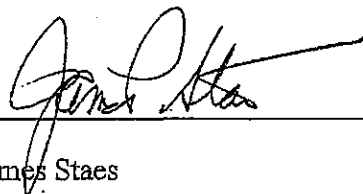
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Howard Gould



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Ki Suh Park



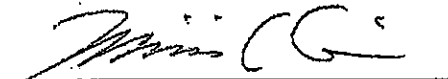
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James Staes

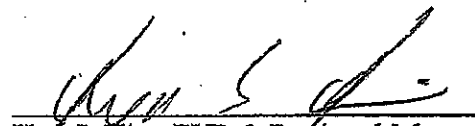
CONSENT


We, the undersigned, hereby do consent to the adoption of the amendments to the "Benefit Plans" as defined in and as described in the attached "Unanimous Written Consent in Lieu of Meeting to Amend Benefit Plans to Comply With Emergency Economic Stabilization Act adopted as of November 20, 2008, by the Human Resources and Compensation Committee of the Nara Bancorp, Inc. Board of Directors, as and to the extent, and for the period, required by the provisions of Section 111 of the Emergency Economic Stabilization Act of 2008 ("EESA") applicable to participants in the Capital Purchase Program under EESA and the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.


Agreed to and acknowledged  
as of the 20 day of November, 2008:

  
Min J. Kim, President & CEO

  
Alvin D. Kang, EVP & CFO

  
Kyu S. Kim, EVP & Regional Manager

  
Myung Hee Hyun, SVP & Chief Operations  
Administrator

  
Anna Chung, SVP & SBA Manager

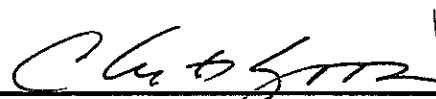
  
Mona Chui, SVP & IT Manager



CONSENT

We, the undersigned, hereby do consent to the adoption of the amendments to the "Benefit Plans" as defined in and as described in the attached "Unanimous Written Consent in Lieu of Meeting to Amend Benefit Plans to Comply With Emergency Economic Stabilization Act adopted as of November 20, 2008, by the Human Resources and Compensation Committee of the Nara Bancorp, Inc. Board of Directors, as and to the extent, and for the period, required by the provisions of Section 111 of the Emergency Economic Stabilization Act of 2008 ("EESA") applicable to participants in the Capital Purchase Program under EESA and the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.

Agreed to and acknowledged  
as of the 2 day of March, 2009:



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Christine Oh, SVP & Controller