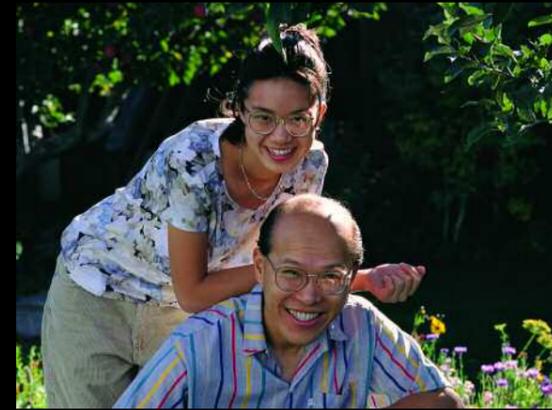


A Growing Group With Huge Potential



Serving the Banking Needs of the Budding Asian-American Population

By Nancy Feig

What is the fastest growing segment of the population? The most educated? The wealthiest?

It's Asian Americans, and although they make up a fairly small percentage of the United States population—roughly 5 percent—they are fast becoming a customer segment that banks across the country are eager to serve.

"Anybody in the financial services industry would be interested in this group," said Saul Gitlin, executive vice president of strategic services at Kang & Lee Advertising, which specializes in marketing to Asian Americans. "Any bank that falls within a 'critical' Asian region of the country—based on what is already happening in the market—that has no active Asian marketing, is late to the party," he added.

"It would definitely be a worthwhile proposition for any bank to look at this sector of the market," said Raymond

Tung, president of Asian-American Bank, a \$120 million asset bank in Boston that caters largely to the city's influx of immigrants from China, Hong Kong, and Taiwan. But, said Tung, serving the banking needs of the Asian-American community is easier said than done. "You must be sensitive to the special needs of the people," he said.

Although this market is largely regional, it is important for banks in established and emerging Asian-American communities to learn about its potential, say bankers and experts. "The people who are already (serving this market) feel that the other banks have missed the boat. They want to keep it secret. They've had a significant return on investment," said Bill Imada, chairman and chief executive officer of the IW Group. "The demographics speak for themselves," he said. Organizations that "say they're afraid to do anything in the marketplace because they will alien-

ate current customers" are endangering their future customer base, he added.

One doesn't have to look much further than the numbers from the U.S. Census Bureau to see that Asian Americans are becoming a group that can't be ignored. There are 13.1 million U.S. residents who say they are Asian or Asian in combination with one or more other races, according to census data from 2002. The number of people who are part of this group increased 9 percent in just two years, which is the highest growth rate of any racial group and four times faster than the general population.

The Census Bureau forecasts that the Asian-American population will increase 213 percent by 2050.

Banking Behavior Patterns

"The Asian-American population is pretty significant," according to Imada. "Its buying power is \$344 billion annually, and that's after taxes."

