

NARA BANCORP, INC.
AUDIT COMMITTEE CHARTER

(Rev. March 19, 2003)

MISSION

The Audit Committee is appointed by the Board of Directors of Nara Bancorp, Inc. (the "Company") to act on behalf of the Board in fulfilling the Board's oversight responsibility with respect to the Company's accounting and reporting practices and the audits of the financial statements and assist in assuring (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements and (3) the independence and performance of the internal and external auditors of the Company.

MEMBERSHIP

The Committee shall not be less than 3 members. The members of the Audit Committee shall be appointed by the Board of the Company. The Committee may act as a joint committee with the audit committee of the Board of Directors of Nara Bank.

The members of the Audit Committee shall each be "independent," as such term is defined in the Sarbanes-Oxley Act of 2002 (the "Act") and regulations promulgated thereunder and under the rules of the NASDAQ National Market. If the Committee is acting as joint committee with the audit committee of Nara Bank, the members shall also each be "independent" as determined by the Board of Nara Bank under Federal Deposit Insurance Corporation Regulation 363.5, and shall not include any large customers of Nara Bank.

Each Committee member shall be able to read and understand financial statements. In addition, at least one member must have banking or related financial management experience and to the extent required by applicable laws, rules and regulations, at least one member of the Committee shall satisfy the applicable Nasdaq financial experience requirements as in effect from time to time.

FREQUENCY OF MEETINGS

Meetings of the Committee will be held at least quarterly and such other times as shall be required by the Chairman of the Audit Committee of the Company, or by a majority of the members of the Committee. If requested by the Chairman of the Committee, the meetings shall be attended by the Chief Executive Officer, the Chief Financial Officer, the Chief Credit Officer, Director of Legal Affairs, internal auditor, the Company's independent external auditor, and such other persons whose attendance is appropriate to the matters under consideration.

OUTSIDE ADVISORS

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee as deemed appropriate by the Committee. The Committee shall have authority to pay all fees and expenses of such outside advisors as it deems appropriate.

KEY RESPONSIBILITIES

The Committee is charged by the Board with the responsibility to:

1. Appoint, oversee and provide for the compensation of the Company's independent external auditor, oversee the work of the independent external auditor (including resolution of any disagreements between management and the independent external auditor regarding financial reporting), evaluate the performance of the independent external auditor and, if so determined by the Committee, replace the independent external auditor; it being acknowledged that the independent external auditor is accountable to the Committee and ultimately to the Board. The independent external auditor shall report directly to the Committee.
2. Review the independent external auditor's report relating to reportable conditions on the internal control structure and financial reporting practices and approve in advance any non-audit service permitted by the Act that its independent external auditor renders to the Company, unless such prior approval may be waived because of permitted exceptions under the Act. This approval may be delegated to a member of the Committee, who may act on behalf of the Committee in this regard and report any such matters approved at the next Committee meeting.
3. Receive and evaluate the written disclosures and the letter that the independent external auditor is required to deliver to the Committee regarding the independent external auditor's independence, discuss with the independent external auditor its independence, and, if determined by the Committee as part of its evaluation of such written disclosures and letter, take appropriate action concerning independence of the independent external auditor.
4. Review and discuss with independent external auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockowners if distributed prior to the filing of Form 10-K) and review and consider with the independent external auditor the matters required to be discussed by the applicable Statement of Auditing Standards ("SAS"), including critical accounting policies and practices, alternate treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosure and the treatment preferred by the independent external auditor; and other material written communications between the independent external auditor and the management of the Company. The Committee will resolve any disagreements between management and the independent external auditor of the Company. Based on these discussions, the Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Annual Report on Form 10-K (or the Annual Report to Shareowners).
5. Review, prior to the filing thereof, the Company's interim financial results to be included in the Company's quarterly reports on Form 10-Q and the matters required to be discussed by the applicable SAS. The Committee, through its Chairman or the Committee as a whole, will also review press releases submitted by management in connection with the release of quarterly, annual, or special financial statements.
6. Prepare the Committee report required by the Regulations to be included in the Company's annual proxy statement.
7. Meet at least once each year in separate sessions with management, the internal auditor and the independent external auditor to discuss matters that any of them or the Committee believes could significantly affect the financial statements and should be discussed privately.

8. Have such meetings with management, the independent external auditor and the internal auditor as the Committee deems appropriate to discuss the concept and design of the Company's information and reporting systems and the steps management has taken to address significant issues concerning those matters, and to discuss significant financial risk exposures facing the Company and the steps management has taken to monitor and control such exposures.
9. Review significant changes to the Company's accounting principles and practices proposed by the independent external auditor, the internal auditor or management.
10. Review the scope and results of internal audits and evaluate the performance of the internal auditor and, if so determined by the Committee, hire or terminate personnel and approve budgets, which authority it may exercise directly or indirectly by reviewing and acting upon recommendations of management.
11. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.
12. Establish a procedure for receipt, retention and treatment of any complaints received by the Company about its accounting, internal accounting controls or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters at such time as mandated by the Act.
13. Review and approve all covered transactions pursuant to Regulation W issued by the Federal Reserve Board.
14. Provide minutes of Committee meetings to the Board, and report to the Board on any significant matters arising from the Committee's work.
15. Review and monitor, as appropriate, unless already being reviewed by the Board, any compliance programs and corrective actions regarding any deficiencies noted by auditors or examiners as well as significant findings of any examination by regulatory authorities or agencies and corrective actions regarding any deficiencies noted in regulatory examinations.
16. At least annually, evaluate the performance of the Committee, review and reassess this Charter and, if appropriate, recommend changes to the Board.

ADDITIONAL AUTHORITY

By adopting this Charter, the Board delegates to the Committee full and exclusive authority to:

1. Perform each of the responsibilities of the Committee described above.
2. Appoint a chair of the Committee, unless a chair is designated by the Board.
3. Engage outside counsel and other advisers as the Committee determines necessary to carry out its responsibilities.
4. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to the Company's independent external auditor and any legal counsel or other advisers engaged by the Committee.
5. Obtain advice and assistance from internal legal or other advisors.