

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## UCBH Holdings Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

---

**Operator**

Thank you, sir. (Operator Instructions) And our first question is from the line of Andrea Jao with Lehman Brothers. Please go ahead.

**Craig On**

Andrea, Good morning.

**Andrea Jao - Lehman Brothers**

Good morning, everyone.

**Craig On**

How are you?

**Andrea Jao - Lehman Brothers**

Pretty good, thank you. My question is could you remind us what exactly the steps were that you took to make sure that your loan review is thorough therefore giving you confidence that your provisioning will go down and what gives you confidence that non-performers will continue to be stable?

**Craig On**

John Kerr, can you pick that question please?

**John Kerr**

Well first of all our view has been fairly comprehensive in the all of the distressed areas and generally in California. We have created some sizeable special assets group to deal with the problem loans and with the lower generation of new business in the market particularly in construction that has freed up our underwriting staffs to manage the problems and get their arms around the loss potential.

As far as the NPLs are concerned some of this will depend on our ability to start moving some assets out of the portfolio and in combine with the charge-offs and so forth we should be able to provide some stability. It is however somewhat depended on our ability to realize on the assets and we are started to get some attraction in that regard.

**Andrea Jao - Lehman Brothers**

Okay.

**Tommy Wu**

John, could you also provide as of more color as to what we're doing in terms of within our loan portfolio on a monthly basis that just to put together very, very detail process on the review on an going basis because we believe that once, you do the appraisal at certain point in time because of the continued changes in the marketplace that may not be accurate two months from now. So, we have put in place a much stronger process in place to review our loan portfolio in the construction lending area?

**John Kerr**

Well to start within the construction portfolio, where we have weaknesses and particularly in the distressed markets and ADC loans, our side group is all over this and they meet weekly discuss every loan that we have in the portfolio and I attend most of those meetings. In terms of the large exposures in California, we do have a lot of condo construction loans mainly in the very urban parts of LA and Central San Francisco and we carried out the evaluation using FDIC approved formats and so forth to do a evaluation using external data from various sources and our knowledge of sales in the local market.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.