



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2012

Institution: United International Bank
41-60 Main Street
Flushing, NY 11355

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of United International Bank (“UIB”) prepared by the New York State Department of Financial Services (the “Department” or “DFS”). The evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2012.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Financial Services implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve record of meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

UIB is evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Superintendent. This assessment period included calendar years 2008, 2009, 2010, 2011 and 2012. UIB is rated "2", indicating a "**Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

- **Loan-to-Deposit (LTD) Ratio and Other Lending-Related Activities:** "Satisfactory"

UIB's average LTD ratio of 85.5% was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity. Overall, UIB's average LTD was slightly better than its peer level of 84.0%.

- **Assessment Area Concentration:** "Outstanding"

During the evaluation period, UIB originated 90% by number, and 91% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an excellent record of lending.

- **Distribution by Borrowers Characteristics:** "Satisfactory"

The distribution of small business loans based on the revenue size of the business demonstrated a reasonable rate of lending among businesses of different revenue sizes.

During the evaluation period, UIB originated 36.5% by number and 25.1% by dollar value of its small business loan to businesses with gross annual revenue equal to or less than \$1 million, outperforming the aggregate lending levels of 24.4% and 24.8%, respectively.

- **Geographic Distribution of Loans:** "Outstanding"

The distribution of small business loans based on the income level of the geography of the business demonstrated an excellent rate of lending.

During the evaluation period, UIB outperformed the aggregate levels in both low-income census tracts and moderate-income census tracts.

- **Action Taken in Response to Written Complaints With Respect to CRA:**

Since the latest CRA evaluation as of December 31, 2007, neither UIB nor the New York State Department of Financial Services has received any written complaints regarding UIB's CRA performance.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

PERFORMANCE CONTEXT

Institution Profile:

Chartered in 2005, United International Bank (“UIB”) is a Federal Deposit Insurance Corporation (“FDIC”) insured commercial bank located at 41-60 Main Street in Flushing, New York. UIB is privately owned with no holding company, affiliates, or subsidiaries.

UIB is a locally-based community bank providing a variety of banking products and services to Asian-Americans in New York City. UIB primarily focuses on commercial lending to local businesses. The majority of its clients are new immigrants and local small business owners who have difficulty in obtaining financing from mainstream banks. Additionally, UIB specializes in financing credit arrangement for import and export trades.

Per UIB’s Consolidated Report of Condition (the “Call Report”) as of December 31, 2012, filed with the FDIC, UIB reported total assets of \$190.6 million, of which \$135.7 million were net loans and lease finance receivables. It also reported total deposits of \$159.3 million, resulting in a loan-to-deposit ratio of 85.2%. According to the latest available comparative deposit data as of June 30, 2013, UIB maintained 0.02% of the market in its assessment area, with \$145.8 million in a market of \$890.2 billion, ranking it 81st among 116 deposit-taking institutions in this area.

The following is a summary of UIB’s loan portfolio, based on Schedule RC-C¹ of the Call Reports from December 31, 2008 through December 31, 2012.

| TOTAL GROSS LOANS OUTSTANDING | | | | | | | | | | |
|---------------------------------------|----------------|------|----------------|------|----------------|------|----------------|------|----------------|------|
| Loan Type | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | |
| | \$000's | % |
| 1-4 Family Residential Mortgage Loans | 12,439 | 8.8 | 14,233 | 10.6 | 14,411 | 10.6 | 23,435 | 17.0 | 26,559 | 19.2 |
| Commercial Mortgage Loans | 52,181 | 37.0 | 54,480 | 40.5 | 56,983 | 42.0 | 63,243 | 45.9 | 64,922 | 47.0 |
| Commercial & Industrial Loans | 26,829 | 19.0 | 17,924 | 13.3 | 19,808 | 14.6 | 23,202 | 16.8 | 23,439 | 17.0 |
| Multifamily Mortgages | 12,905 | 9.2 | 14,369 | 10.7 | 14,140 | 10.4 | 7,661 | 5.6 | 10,844 | 7.8 |
| Construction - 1-4 family residential | 2,953 | 2.1 | 958 | 0.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Construction - others | 29,193 | 20.7 | 27,341 | 20.3 | 25,256 | 18.6 | 18,389 | 13.4 | 11,131 | 8.1 |
| Consumer Loans | 4,277 | 3.0 | 5,250 | 3.9 | 4,817 | 3.5 | 1,234 | 0.9 | 1,020 | 0.7 |
| Other Loans | 116 | 0.1 | 0 | 0.0 | 352 | 0.3 | 552 | 0.4 | 270 | 0.2 |
| Total Gross Loans | 140,893 | | 134,555 | | 135,767 | | 137,716 | | 138,185 | |

As illustrated in the above chart, UIB primarily engages in commercial lending, with 64.0% of its loan portfolio in commercial mortgages and commercial and industrial loans as of 12/31/2012.

UIB operates one banking office which is located in a moderate-income census tract

¹ Total Gross Loans outstanding should be the amount as indicated on Lines 1 through 10.

in Queens. The branch operates extended hours opening from 8:00 AM to 8:00 PM from Monday to Friday and 10:00 AM to 4:00 PM on weekends and national holidays. The branch has an automated teller machine (ATM). UIB provides language access in both traditional Chinese and simplified Chinese in its ATM and on its internet banking website.

There were no known financial or legal impediments that had an adverse impact on UIB’s ability to meet the credit needs of its community.

Assessment Area:

UIB’s assessment area is comprised of portions of Kings, New York and Queens Counties, and all of Nassau County.

There are 950 census tracts in the area, of which 60 are low-income, 152 are moderate-income, 360 are middle-income, 346 are upper-income and 32 are tracts with no income indicated.

| Assessment Area Census Tracts by Income Level | | | | | | | |
|--|-----|-----|-----|--------|-------|-------|-------|
| County | N/A | Low | Mod | Middle | Upper | Total | LMI % |
| Kings* | 4 | 29 | 29 | 37 | 56 | 155 | 37.4 |
| Nassau | 8 | 9 | 26 | 157 | 84 | 284 | 12.3 |
| New York* | 7 | 11 | 13 | 12 | 87 | 130 | 18.5 |
| Queens* | 13 | 11 | 84 | 154 | 119 | 381 | 24.9 |
| Total | 32 | 60 | 152 | 360 | 346 | 950 | 22.3 |

**partial county*

The assessment area appears reasonable based upon the location of UIB’s office and its lending patterns. There is no evidence that UIB has arbitrarily excluded LMI areas.

Demographic & Economic Data

Population and Income characteristics

The assessment area had a population of 3.9 million during the examination period. About 13.1% of the population were over the age of 65 and 17.0% were under the age of 16.

There were 883,199 families and 1.5 million households in the assessment area. Of the 883,199 families, 22.2% were low-income, 16.1% were moderate-income, 18.8% were middle-income and 42.9% were upper-income families. Of the 1.5 million households, 11.3% had income below the poverty level and 2.1% were on public assistance.

The weighted average median family income in the assessment area was \$90,444. New York County had the highest weighted average median family income at \$116,557, followed by Nassau County at \$113,801. Queens County had the lowest weighted average median family income at \$65,252.

Housing Characteristics

There were 1.6 million housing units within the assessment area, of which 50.8% were one- to four-family units, and 49.2% were multifamily units. Approximately 47.6% of the area's housing units were renter-occupied, while 44.5% were owner-occupied units.

Of the 756,338 renter-occupied housing units, 33.5% were in low- and moderate-income census tracts while 66.5% were in middle- and upper-income census tracts. Average monthly gross rent was \$1,324.

Of the owner-occupied housing units, only 11.3% were in low- or moderate-income census tracts while 86.7% were in middle- or upper-income census tracts. The median age of the housing stock was 69 years and the median home value in the AA was \$573,999.

Business Demographics

There were 534,348 non-farm businesses in the assessment area. Of these, 70.2% were businesses with reported revenues of less than or equal to \$1 million, 6.2% reported revenues of more than \$1 million and 23.7% did not report their revenues. Of all the businesses in the assessment area, 76.9% were businesses with less than fifty employees while 94.0% operated from a single location. The largest industries in the area were services (43.8%), followed by retail trade (12.7%) and finance, insurance and real estate (9.3%); 16.6% of businesses in the assessment area were not classified.

Unemployment rates

Statistics published by the New York State Department of Labor showed that unemployment in New York State remained high (8.5% as of 2012) after three years of tepid recovery from the recession of 2008–2009, far higher than the pre-recession level of 5.4%.

In UIB's assessment area, Kings County registered the highest unemployment rate at 9.9% in 2012 while Nassau and New York counties registered the lowest unemployment rates at 7.10% and 7.70% respectively. Queens registered a rate of 8.3%, slightly lower than the statewide average.

| Assessment Area Unemployment Rate | | | | | |
|--|-----------|--------|--------|-----------|---------|
| | Statewide | Kings* | Nassau | New York* | Queens* |
| 2008 | 5.40% | 5.90% | 4.70% | 4.80% | 4.90% |
| 2009 | 8.40% | 9.80% | 7.00% | 8.40% | 8.30% |
| 2010 | 8.60% | 10.30% | 7.10% | 8.10% | 8.70% |
| 2011 | 8.30% | 9.80% | 6.80% | 7.50% | 8.10% |
| 2012 | 8.50% | 9.90% | 7.10% | 7.70% | 8.30% |

*Partial County

Community Information

Community contacts included nonprofit organizations and Community Development Financial Institutions (“CDFI’s”) serving UIB’s assessment area. One nonprofit provides transitional housing for, and self-sufficiency programs to, vulnerable individuals; the second creates, preserves and improves affordable housing by issuing low interest rate loans, providing technical assistance and researching issues that impact housing affordability; the third is a CDFI that principally provides affordable financing and business assistance to small businesses and nonprofit organizations; the fourth is a nonprofit micro-lender serving entrepreneurs from underserved areas with loans, business training and networking opportunities; and the fifth designs and implements programs and services for workers, families, and businesses.

A few of these contacts mentioned that small business owners have limited access to capital due to insufficient collateral, low credit scores, and overall operating losses. Others noted that banks should coordinate more with CDFI and micro-lenders so funds can be deployed effectively and have an impact in the community and that banks should consider establishing a referral arrangement with leading CDFIs so that any denied credit clients could be referred for alternative sources of funding.

Community contacts also pointed out the need to build, rehabilitate and preserve affordable rental housing for low income residents. Since NYC is a high cost housing area, the majority of assessment area residents are renting, and rents continue to increase. Some families spend more than half their incomes on rent.

Other community needs noted were low cost checking accounts and philanthropic support to community based organizations and non-profits tasked with providing essential services to low-income individuals and small businesses.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

UIB was evaluated under the small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent. UIB's performance was evaluated according to the small bank performance criteria, which consists of the lending test, which includes: (1) loan-to-deposit ratio and other lending-related activities; (2) assessment area concentration; (3) distribution by borrower characteristics; (4) geographic distribution of loans; and (5) action taken in response to written complaints regarding CRA. The following factors also were considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; the institution's record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the FDIC. Aggregate lending data was obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2010 U.S. Census ("Census") and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report is based on Dun & Bradstreet reports which are updated annually. Unemployment data were obtained from the New York State Department of Labor. Some non-specific bank data is only available on a countywide basis and were used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2008, 2009, 2010, 2011 and 2012.

The examination considered UIB's small business loans in evaluating factors (2), (3) and (4) of the lending test as noted above. Small business/small farm loan aggregate data are shown for comparative purposes. UIB is not required to report this data and they are not included in the aggregate data presented. As UIB did not make any small farm loans, all analyses are based on small business lending only.

While UIB originated HDMA-reportable loans, this activity was not evaluated because UIB's strategy was to suspend this line of business during the evaluation period and limit this product to UIB's employees. Additionally, UIB's activity in this area was

considered negligible and would not have had an impact on UIB's overall CRA performance rating.

Small business loan data evaluated in this performance evaluation represented actual originations.

At its **prior** Performance Evaluation as of December 31, 2007, DFS assigned UIB a rating of "2", reflecting a "Satisfactory" record of helping to meet community credit needs.

Current CRA Rating: "Satisfactory"

Lending Test: "Satisfactory"

UIB's small business lending activities were reasonable in light of aggregate and peer group activity and demographics.

Loan-to-Deposit Ratio and other Lending-Related Activities: "Satisfactory"

UIB's average LTD ratio of 85.5% was reasonable considering its size, business strategy, financial condition, aggregate and peer group activity. While the peer group's LTD ratios displayed a steady declining trend, from 94.9% at the first quarter of 2008 to 73.6% at the end of 2012; UIB's ratios for all the quarters remained stable around its average of 85.5%. Overall, UIB's average LTD was slightly better than its peer¹ level of 84.0%.

| Loan-to-Deposit Ratios | | | | | | | | | | | | | | | | | | | | | |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------|
| | 2008 Q1 | 2008 Q2 | 2008 Q3 | 2008 Q4 | 2009 Q1 | 2009 Q2 | 2009 Q3 | 2009 Q4 | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 | 2012 Q1 | 2012 Q2 | 2012 Q3 | 2012 Q4 | Avg. |
| Bank | 87.1 | 87.5 | 82.6 | 82.8 | 91.1 | 84.0 | 85.4 | 87.8 | 84.4 | 84.3 | 87.4 | 86.9 | 88.1 | 84.5 | 81.7 | 83.7 | 85.5 | 86.5 | 83.5 | 85.2 | 85.5 |
| Peer | 94.9 | 97.4 | 96.4 | 95.2 | 91.2 | 89.8 | 87.5 | 88.2 | 86.3 | 85.6 | 84.9 | 84.5 | 76.0 | 75.7 | 74.9 | 75.0 | 73.5 | 74.6 | 75.1 | 73.6 | 84.0 |

Assessment Area Concentration: "Outstanding"

During the evaluation period, UIB originated 90% by number, and 91% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an excellent record of lending.

The following table shows the percentages of UIB's small business loans originated inside and outside of the assessment area

¹ Insured commercial banks with assets between \$100 million and \$300 million

| Distribution of Loans Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|--------|---------|-------|-------|---------------------------------|--------|---------|-------|--------|
| Loan Type | Number of Loans | | | | | Loans in Dollars (in thousands) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Business | | | | | | | | | | |
| 2008 | 18 | 100.0% | - | 0.0% | 18 | 10,973 | 100.0% | - | 0.0% | 10,973 |
| 2009 | 7 | 87.5% | 1 | 12.5% | 8 | 3,878 | 88.6% | 500 | 11.4% | 4,378 |
| 2010 | 9 | 75.0% | 3 | 25.0% | 12 | 3,350 | 71.3% | 1,350 | 28.7% | 4,700 |
| 2011 | 20 | 95.2% | 1 | 4.8% | 21 | 11,910 | 97.6% | 290 | 2.4% | 12,200 |
| 2012 | 9 | 81.8% | 2 | 18.2% | 11 | 3,210 | 73.8% | 1,140 | 26.2% | 4,350 |
| Total | 63 | 90.0% | 7 | 10.0% | 70 | 33,321 | 91.0% | 3,280 | 9.0% | 36,601 |

Distribution by Borrower Characteristics: "Satisfactory"

The distribution of small business loans based on the revenue size of the business demonstrated a reasonable rate of lending among businesses of different revenue sizes.

Overall, during the evaluation period, UIB originated 36.5% by number and 25.1% by dollar value of its small business loans to businesses with gross annual revenues less than or equal to \$1 million, outperforming the aggregate lending levels of 24.4% and 24.8%, respectively.

The following chart provides a summary the distribution by revenue size of UIB's small business lending during the evaluation period:

| Distribution of Small Business Lending by Revenue Size of Business | | | | | | | | | |
|---|-------------|-------|---------------|-------|------------------|-------|------------------|-------|-----------------|
| 2008 | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 10 | 55.6% | 4,493 | 40.9% | 50,699 | 19.8% | 1,566,026 | 26.5% | 66.2% |
| Rev. > \$1MM | 2 | 11.1% | 2,000 | 18.2% | | | | | 7.1% |
| Rev. Unknown | 6 | 33.3% | 4,480 | 40.8% | | | | | 26.7% |
| Total | 18 | | 10,973 | | 255,799 | | 5,919,492 | | |
| 2009 | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 1 | 14.3% | 390 | 10.1% | 18,588 | 15.9% | 707,456 | 21.1% | 73.7% |
| Rev. > \$1MM | 2 | 28.6% | 1,900 | 49.0% | | | | | 6.8% |
| Rev. Unknown | 4 | 57.1% | 1,588 | 40.9% | | | | | 19.5% |
| Total | 7 | | 3,878 | | 117,084 | | 3,355,477 | | |
| 2010 | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 2 | 22.2% | 350 | 10.4% | 17,657 | 16.3% | 648,408 | 20.6% | 73.9% |
| Rev. > \$1MM | 2 | 22.2% | 1,000 | 29.9% | | | | | 6.3% |
| Rev. Unknown | 5 | 55.6% | 2,000 | 59.7% | | | | | 19.9% |
| Total | 9 | | 3,350 | | 108,426 | | 3,141,561 | | |
| 2011 | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 5 | 25.0% | 1,970 | 16.5% | 44,603 | 32.5% | 975,400 | 25.2% | 64.7% |
| Rev. > \$1MM | 8 | 40.0% | 6,070 | 51.0% | | | | | 4.5% |
| Rev. Unknown | 7 | 35.0% | 3,870 | 32.5% | | | | | 30.8% |
| Total | 20 | | 11,910 | | 137,143 | | 3,870,138 | | |
| 2012 | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 5 | 55.6% | 1,150 | 35.8% | 53,633 | 38.3% | 1,162,286 | 28.0% | 70.2% |
| Rev. > \$1MM | 3 | 33.3% | 900 | 28.0% | | | | | 6.2% |
| Rev. Unknown | 1 | 11.1% | 1,160 | 36.1% | | | | | 23.7% |
| Total | 9 | | 3,210 | | 139,956 | | 4,146,633 | | |
| GRAND TOTAL | | | | | | | | | |
| Rev. Size | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Rev. <= \$1MM | 23 | 36.5% | 8,353 | 25.1% | | 24.4% | | 24.8% | |
| Rev. > \$1MM | 17 | 27.0% | 11,870 | 35.6% | | | | | |
| Rev. Unknown | 23 | 36.5% | 13,098 | 39.3% | | | | | |
| Total | 63 | | 33,321 | | | | | | |

Geographic Distribution of Loans: "Outstanding"

The distribution of UIB's small business loans by the income level of the location of the business demonstrated an excellent rate of lending.

During the evaluation period, UIB outperformed the aggregate levels in both low- and moderate-income census tracts. UIB's penetration ratios in low-income census tracts are 7.9% by loan number and 11.0% by dollar value, outperforming the aggregate levels of 3.4% by loan number and 3.1% by dollar value, respectively. In moderate-income census tracts, UIB's ratios are 38.1% by loan number and 30.2% by dollar value, outperforming the aggregate levels of 11.1% by loan number and 11.3% by dollar value, respectively.

The following chart provides a summary of UIB's small business lending distribution based on the income level of the geography.

| Distribution of Small Business Lending by Geographic Income of the Census Tract | | | | | | | | | |
|---|-----------|-------|---------------|-------|----------------|-------|------------------|-------|----------|
| 2008 | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 0 | 0.0% | 0 | 0.0% | 7,818 | 3.1% | 164,826 | 2.8% | 3.3% |
| Moderate | 8 | 44.4% | 4,473 | 40.8% | 29,257 | 11.4% | 676,471 | 11.4% | 12.5% |
| LMI | 8 | 44.4% | 4,473 | 40.8% | 37,075 | 14.5% | 841,297 | 14.2% | 15.8% |
| Middle | 4 | 22.2% | 2,750 | 25.1% | 85,045 | 33.2% | 1,792,591 | 30.3% | 31.9% |
| Upper | 6 | 33.3% | 3,750 | 34.2% | 130,968 | 51.2% | 3,171,315 | 53.6% | 50.9% |
| Unknown | 0 | 0.0% | 0 | 0.0% | 2,711 | 1.1% | 114,289 | 1.9% | 1.4% |
| Total | 18 | | 10,973 | | 255,799 | | 5,919,492 | | |
| 2009 | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 1 | 14.3% | 1,000 | 25.8% | 3,740 | 3.2% | 90,060 | 2.7% | 3.3% |
| Moderate | 1 | 14.3% | 390 | 10.1% | 13,003 | 11.1% | 418,100 | 12.5% | 12.5% |
| LMI | 2 | 28.6% | 1,390 | 35.8% | 16,743 | 14.3% | 508,160 | 15.1% | 15.9% |
| Middle | 1 | 14.3% | 300 | 7.7% | 36,991 | 31.6% | 965,663 | 28.8% | 31.8% |
| Upper | 4 | 57.1% | 2,188 | 56.4% | 61,933 | 52.9% | 1,817,306 | 54.2% | 51.0% |
| Unknown | 0 | 0.0% | 0 | 0.0% | 1,417 | 1.2% | 64,348 | 1.9% | 1.4% |
| Total | 7 | | 3,878 | | 117,084 | | 3,355,477 | | |
| 2010 | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 1 | 11.1% | 150 | 4.5% | 3,179 | 2.9% | 93,932 | 3.0% | 3.3% |
| Moderate | 4 | 44.4% | 1,350 | 40.3% | 11,324 | 10.4% | 329,368 | 10.5% | 12.2% |
| LMI | 5 | 55.6% | 1,500 | 44.8% | 14,503 | 13.4% | 423,300 | 13.5% | 15.5% |
| Middle | 0 | 0.0% | 0 | 0.0% | 33,172 | 30.6% | 922,734 | 29.4% | 32.2% |
| Upper | 4 | 44.4% | 1,850 | 55.2% | 59,260 | 54.7% | 1,713,649 | 54.5% | 50.9% |
| Unknown | 0 | 0.0% | 0 | 0.0% | 1,491 | 1.4% | 81,878 | 2.6% | 1.4% |
| Total | 9 | | 3,350 | | 108,426 | | 3,141,561 | | |
| 2011 | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 3 | 15.0% | 2,500 | 21.0% | 4,705 | 3.4% | 107,164 | 2.8% | 3.3% |
| Moderate | 5 | 25.0% | 2,240 | 18.8% | 16,053 | 11.7% | 429,600 | 11.1% | 12.8% |
| LMI | 8 | 40.0% | 4,740 | 39.8% | 20,758 | 15.1% | 536,764 | 13.9% | 16.1% |
| Middle | 4 | 20.0% | 2,050 | 17.2% | 42,888 | 31.3% | 1,123,662 | 29.0% | 33.2% |
| Upper | 8 | 40.0% | 5,120 | 43.0% | 71,852 | 52.4% | 2,133,600 | 55.1% | 49.4% |
| Unknown | 0 | 0.0% | 0 | 0.0% | 1,645 | 1.2% | 76,112 | 2.0% | 1.3% |
| Total | 20 | | 11,910 | | 137,143 | | 3,870,138 | | % |
| 2012 | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 0 | 0.0% | 0 | 0.0% | 6,192 | 4.4% | 168,639 | 4.1% | 4.5% |
| Moderate | 6 | 66.7% | 1,610 | 50.2% | 14,186 | 10.1% | 451,655 | 10.9% | 11.5% |
| LMI | 6 | 66.7% | 1,610 | 50.2% | 20,378 | 14.6% | 620,294 | 15.0% | 16.0% |
| Middle | 2 | 22.2% | 1,300 | 40.5% | 40,401 | 28.9% | 1,169,620 | 28.2% | 30.4% |
| Upper | 1 | 11.1% | 300 | 9.3% | 73,095 | 52.2% | 2,095,921 | 50.5% | 49.8% |
| Unknown | 0 | 0.0% | 0 | 0.0% | 6,082 | 4.3% | 260,798 | 6.3% | 3.9% |
| Total | 9 | | 3,210 | | 139,956 | | 4,146,633 | | |
| GRAND TOTAL | | | | | | | | | |
| Geographic Income | Bank | | | | Aggregate | | | | Bus.Dem. |
| | # | % | \$000's | % | # | % | \$000's | % | % |
| Low | 5 | 7.9% | 3,650 | 11.0% | | | | | 3.1% |
| Moderate | 24 | 38.1% | 10,063 | 30.2% | | | | | 11.3% |
| LMI | 29 | 46.0% | 13,713 | 41.2% | | | | | 14.3% |
| Middle | 11 | 17.5% | 6,400 | 19.2% | | | | | 29.2% |
| Upper | 23 | 36.5% | 13,208 | 39.6% | | | | | 53.5% |
| Unknown | - | 0.0% | - | 0.0% | | | | | 2.9% |
| Total | 63 | | 33,321 | | | | | | |

Action Taken In Response to Written Complaints With Respect to CRA: “Not applicable”

Since the latest CRA evaluation as of December 31, 2007, neither UIB nor the New York State Department of Financial Services has received any written complaints regarding UIB’s CRA performance.

Additional Factors

The extent of participation by the banking institution’s board of directors or board of trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

The Board of Directors (BOD) reviews and approves changes to the CRA policy annually. In addition, the BOD appointed the Manager of the main branch as the CRA Officer to monitor UIB’s CRA compliance. The CRA Officer conducts periodic self-assessment of UIB’s performance and reports the results to the Audit/Compliance Committee.

Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.

New York State Department of Financial Services noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices

New York State Department of Financial Services noted no evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

| Distribution of Branches within the Assessment Area | | | | | | | |
|---|-----|-----|----------|--------|-------|-------|------|
| County | N/A | Low | Moderate | Middle | Upper | Total | LMI |
| | # | # | # | # | # | # | % |
| *Kings | | | | | | - | 0% |
| Nassau | | | | | | - | 0% |
| *New York | | | | | | - | 0% |
| *Queens | | | 1 | | | 1 | 100% |
| Total | - | - | 1 | - | - | 1 | 100% |

*Partial County

UIB operates one banking office which is located in a moderate income census tract in Queens. The branch operates extended hours opening from 8:00 AM to 8:00 PM from Monday to Friday and 10:00 AM to 4:00 PM on weekends. The branch has an

automated teller machine (ATM). Furthermore, UIB is one of the first in providing both traditional Chinese and simplified Chinese languages on its ATM and internet banking website. UIB offers low cost basic checking accounts benefiting LMI individuals.

Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

UIB ascertained the credit needs of its community by working closely with community development organizations, local business associations and community development financial institutions that focus on serving the Asian-American community. Examples are Asian Americans for Equality, Renaissance Economic Development Corp., Flushing Chinese Business Association, Taiwanese Chamber of Commerce of North America and Taiwan Benevolent Association of New York.

- The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

UIB makes members of the community aware of the credit and other financial products that it offers primarily through its lending personnel's direct and frequent contacts with the community. UIB's website and marketing materials are in Chinese as well as in English.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

DFS noted none.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

“Community development”:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

Community Development Loan

A loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

Service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

| Income level of individual or geography | % of the area median income |
|--|------------------------------------|
| Low-income | Less than 50 |
| Moderate-income | At least 50 and less than 80 |
| Middle-income | At least 80 and less than 120 |
| Upper-income | 120 or more |

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.