



**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 Orient Bank
10 Chatham Square
New York, NY 10038-1098

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 Orient Bank prepared by the New York State Department of Financial Services (“DFS” or the “Department”). 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 Superintendent 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 in 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 (“Evaluation”) be made available to the public. Evaluations of banking institutions are based primarily 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

United Orient Bank ("UOB") was 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 2010, 2011 and 2012. UOB is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs. At the prior assessment period, ending December 31, 2009, the bank was also rated "Satisfactory."

The rating is based on the following factors:

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

UOB's average LTD ratio of 100%, in comparison with the peer group's average ratio of 72.1%, was excellent considering its size, business strategy, financial condition, aggregate and peer group activity. UOB consistently maintained a higher LTD ratio than its peer group.

- **Assessment Area Concentration:** "Satisfactory"

During the evaluation period, UOB originated 53.7% by number and 51.4% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable record of lending.

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

The distribution of loans based on borrower characteristics demonstrated a reasonable rate of lending among businesses of different revenue levels. Since all HMDA loans originated were made to corporate entities (rather than natural persons), where borrower incomes are not applicable, this product was not rated.

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

The distribution of loans based on lending in census tracts of varying income levels demonstrated a reasonable penetration rate of lending.

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

Neither UOB nor DFS received any written complaints regarding UOB'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 1980, United Orient Bank (“UOB”) is a commercial bank located at 10 Chatham Square, New York, NY 10013. UOB is primarily engaged in commercial real estate lending. UOB considers itself to be the first indigenous community bank in the Chinatown section of New York. Its mission is to identify and serve all financial needs of the community.

Per the Consolidated Report of Condition (the “Call Report”) as of December 31, 2012, filed with the Federal Deposit Insurance Corporation (“FDIC”), UOB reported total assets of \$99.8 million, of which \$81.2 million were net loans and lease finance receivables. It also reported total deposits of \$84.4 million, resulting in a loan-to-deposit ratio of 96.2%. According to the latest available comparative deposit data as of June 30, 2012, UOB had a market share of 0.01%, or \$79.7 million in a market of \$763.9 billion, ranking it 95th among 113 deposit-taking institutions in the assessment area.

The following is a summary of UOB’s loan portfolio, based on Schedule RC-C¹ of the bank’s December 31, 2010, December 31, 2011 and December 31, 2012 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2010		2011		2012	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	16,694	21.3	17,589	21.0	19,194	23.3
Commercial & Industrial Loans	1,599	2.0	1,993	2.4	1,714	2.1
Commercial Mortgage Loans	25,752	32.9	26,650	31.9	27,494	33.3
Multifamily Mortgages	33,072	42.2	36,988	44.3	33,958	41.2
Consumer Loans	89	0.1	79	0.1	103	0.1
Agricultural Loans		0.0	0	0.0	0	0.0
Construction Loans	1,080	1.4	240	0.3	0	0.0
Obligations of States & Municipalities		0.0	0	0.0	0	0.0
Other Loans	19	0.0	25	0.0	26	0.0
Lease Financing		0.0	0	0.0	0	0.0
Total Gross Loans	78,305		83,564		82,489	

As illustrated in the above chart, UOB is primarily a multifamily mortgage lender, with a three-year average of 42.6% of its loan portfolio in multifamily mortgages. Although 1-4 family residential mortgage loans accounted for 23.3% of UOB’s total

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

gross loan portfolio as of December 31, 2012, UOB has not been active in this particular sector of residential lending during the last two calendar years.

UOB is a small bank and operates two banking offices both of which are located in the Chinatown section of lower Manhattan, New York City. UOB operates an ATM at its branch location at 185 Canal Street, New York, NY 10013. This ATM accepts deposits. There is no ATM at its main office location. UOB is open from 8:30 AM to 4:00 PM on weekdays and from 10 AM to 2 PM on Saturdays at both locations. Both offices are in moderate-income census tracts.

There are no known financial or legal impediments that adversely affected UOB's ability to meet the credit needs of its community.

Assessment Area

As per 2010 census data, UOB's assessment area consists of 412 census tracts of which 42 are low-income, 152 are moderate-income, 132 are middle-income, 81 are upper-income and five are tracts with no income indicated.

UOB's assessment area covers 225 census tracts in Kings County, bounded by 39th Street, Brooklyn Queens Expressway, Belt Parkway and Ocean Avenue. It covers 125 census tracts in Queens County, bounded by Francis Lewis Boulevard, Northern Boulevard, Broadway, Queens Boulevard and Union Turnpike. UOB covers 62 census tracts in New York County that include all areas south of 14th Street.

The following chart shows UOB's assessment area and census tracts.

Assessment Area Census Tracts by Income Level									
County	N/A	Low	Mod	Middle	Upper	Total	LMI %	Dis-tressed & Under-served	LMI & Dis-tressed %
Kings*	2	27	97	79	20	225	55.1	0	55%
New York*	1	9	10	6	36	62	30.6	0	31%
Queens*	2	6	45	47	25	125	40.8	0	41%
Total	5	42	152	132	81	412	47.1	0	47%

* Partial county

The assessment area appears reasonable based upon the location of UOB's offices and its lending patterns. There is no evidence that UOB has arbitrarily excluded any LMI areas.

Demographic & Economic Data

Per 2010 census data, the assessment area had a population of 1,618,106 during the examination period. About 12.8% of the population was over the age of 65 and 18.4% were under the age of sixteen.

Of the 356,137 families in the assessment area, 30.9% were low-income, 18.2% were moderate-income, 17.0% were middle-income and 33.9% were upper-income families. There were 582,448 households in the assessment area, of which 17.6% had incomes below the poverty level and 3.4% were on public assistance.

The weighted average median family income in the assessment area was \$60,083. The assessment area had 629,860 housing units of which 39% were one- to four-family units and 61% were multifamily units. A majority (66.0%) of the area's housing units were rental units, while 29.0% were owner-occupied units. Of the 182,491 owner-occupied housing units, 37% were in low- and moderate-income ("LMI") census tracts while 63% were in middle- and upper-income census tracts. The median age of the housing stock was 65 years and the median home value in the assessment area was \$583,070.

The assessment area also had 164,738 non-farm businesses. Of these, 71% were businesses with reported revenues of less than or equal to \$1 million, 4.2% reported revenues of more than \$1 million and 24.8 % did not report their revenues. Of all the businesses in the assessment area, 75.6% were businesses with less than fifty employees while 95.3% of the businesses operated from a single location. The largest industries in the area were services (42.7%), followed by retail trade (15.2 %) and finance, insurance and real estate (8.1%); 18.2% were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State decreased to 8.3% in 2011 from 8.6% in 2010. However, it increased to 8.5% in 2012. These rates are higher than New York County, but lower than Kings County as demonstrated in the chart below.

Assessment Area Unemployment Rate				
	Statewide	Kings County	New York County	Queens County
2010	8.6%	10.3%	8.1%	8.7%
2011	8.3%	9.8%	7.5%	8.1%
2012	8.5%	9.9%	7.7%	8.3%

Community Information

UOB's assessment area in Manhattan has a population of about 314,300 people.

According to generally published economic data about New York City, the main industries in the Chinatown area where UOB is located are tourism and restaurants. Restaurants play a major role in providing employment in the area. In addition, small businesses such as fishmongers, green groceries, jewelry stores, souvenir stores, medical offices, travel agencies, insurance offices, law offices and financial service companies occupy storefronts on the following major streets: Canal, Mott, Mulberry, East Broadway, and others. These businesses provide goods and services to the local economy.

Housing is mainly composed of old tenement buildings. In addition, many rent-controlled and public housing projects also occupy the area. Recently, many real estate developers sought to buy parking lots and build high-rise condominiums that are unaffordable to local residents, mostly LMI families, and have driven many of the local residents out of the area.

The area is well banked with many retail branches of large U.S. banks and Asian banks, such as Citibank, JPMorganChase, Bank of America, HSBC, Abacus Federal Savings Bank, Cathy Bank, and Bank of China, creating a highly competitive environment.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

UOB was evaluated under the small banking institution performance standards in accordance with Parts 76.7 and 76.12 of the General Regulations of the Superintendent which consists of the lending test. The lending test 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 New York 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 were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were extracted from the information contained 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 and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report are 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 are only available on a county-wide basis, and were used even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2010, 2011 and 2012.

The examiners considered UOB's small business, and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test noted above.

Since UOB did not make any small farm loans, all analyses were based on small business lending and HMDA-reportable loans only.

HMDA-reportable and small business loan data evaluated in this performance evaluation represented actual originations.

At its **prior** Performance Evaluation as of December 31, 2009, DFS assigned UOB a rating of “2”, reflecting a “Satisfactory” record of helping to meet community credit needs.

Current CRA Rating: “Satisfactory”

Lending Test: “Satisfactory”

UOB’s small business and HMDA-reportable activities are reasonable in light of aggregate and peer group activity and the demographics of UOB’s assessment area.

Loan-to-Deposit Ratio and Other Lending-Related Activities: “Outstanding”

UOB’s average LTD ratio of 100%, in comparison with its peer group’s average ratio of 72.1%, was excellent considering its size, business strategy, financial condition, and aggregate and peer group activity. UOB consistently maintained a higher LTD ratio than its peer group.

The chart below shows UOB’s LTD ratios in comparison with the peer group’s ratios for the 12 quarters ending at December 31, 2012.

Loan-to-Deposit Ratios													
	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	95.9	90.1	92.6	97.2	102.1	101.1	109.6	105.5	102.4	103.4	103.8	96.2	100.0
Peer	80.0	78.7	74.0	71.7	71.4	71.5	70.8	70.1	68.7	69.7	69.3	69.3	72.1

Assessment Area Concentration: “Satisfactory”

During the evaluation period, considering both HMDA-reportable loans and small business loans, UOB originated 53.7% by number and 51.4% by dollar value of its HMDA-reportable and small business loans within its assessment area. This lending rate is considered generally satisfactory, although the number of loans needs improvement.

HMDA-Reportable Loans:

During the evaluation period, UOB originated 63.0% by number and 62.5% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of its assessment area is a reasonable record of lending.

Small Business Loans:

During the evaluation period, in lending to small businesses whose revenue was less than \$1MM, UOB originated 44.4% by number, and 34.8% by dollar value of its loans within the assessment area. The ratios declined from 64.3% by number of loans and 55.6% by dollar value for the prior evaluation period, indicating a less than adequate concentration of small business lending in its assessment area.

The following table shows the percentages of UOB’s HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2010	1	20.0%	4	80.0%	5	1,000	52.0%	924	48.0%	1,924
2011	7	63.6%	4	36.4%	11	3,248	46.2%	3,785	53.8%	7,033
2012	9	81.8%	2	18.2%	11	4,670	87.9%	645	12.1%	5,315
Subtotal	17	63.0%	10	37.0%	27	8,918	62.5%	5,354	37.5%	14,272
Small Business										
2010	2	66.7%	1	33.3%	3	550	39.9%	830	60.1%	1,380
2011	4	44.4%	5	55.6%	9	1,140	48.9%	1,190	51.1%	2,330
2012	6	40.0%	9	60.0%	15	1,605	27.8%	4,166	72.2%	5,771
Subtotal	12	44.4%	15	55.6%	27	3,295	34.8%	6,186	65.2%	9,481
Grand Total	29	53.7%	25	46.3%	54	12,213	51.4%	11,540	48.6%	23,753

Distribution by Borrower Characteristics: “Satisfactory”

The distribution of loans based on borrower characteristics demonstrated a reasonable rate of lending to businesses of different revenue sizes.

HMDA-Reportable Loans:

Since all HMDA loans are either multifamily loans or 1-4 family loans made to corporate entities (rather than natural persons), where borrower incomes are not applicable, this product is not rated.

Small Business Loans:

The distribution of UOB’s loans based on the revenue size of the businesses to which they were made demonstrated an excellent rate of lending to small businesses.

The following chart provides a summary of the distribution of UOB’s business loans based on the borrower’s revenue size during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business									
2010									
Rev. Size	Bank				Aggregate (Peer)				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	2	100.0%	550	100.0%	5,707	18.3%	196,594	27.4%	75.7%
Rev. > \$1MM		0.0%		0.0%					4.5%
Rev. Unknown		0.0%		0.0%					19.8%
Total	2		550		31,195		718,756		
2011									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	3	75.0%	1,020	89.5%	14,457	34.3%	288,068	30.8%	65.0%
Rev. > \$1MM	1	25.0%	120	10.5%					3.1%
Rev. Unknown		0.0%		0.0%					31.9%
Total	4		1,140		42,166		933,982		
2012									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	4	66.7%	1,475	91.9%	18,676	40.8%	387,249	35.0%	71.0%
Rev. > \$1MM		0.0%		0.0%					4.2%
Rev. Unknown	2	33.3%	130	8.1%					24.8%
Total	6		1,605		45,807		1,106,769		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	9	75.0%	3,045	92.4%		32.6%		31.6%	
Rev. > \$1MM	1	8.3%	120	3.6%					
Rev. Unknown	2	16.7%	130	3.9%					
Total	12		3,295						

Geographic Distribution of Loans: "Satisfactory"

The distribution of loans originated in census tracts of varying income levels demonstrated a reasonable rate of lending into LMI census tracts.

HMDA-Reportable Loans:

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated a reasonable rate of lending into LMI census tracts.

The following chart provides a summary of UOB's HMDA-reportable lending distribution based on the income level of the geography. Overall, the bank originated 64.7% by number of loans and 70.3% by dollar volume to LMI individuals, compared to 26.3% and 22.5%, respectively, for the aggregate. UOB's lending to this demographic exceeded the aggregate in every year of the evaluation.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2010									
Geographic Income	Bank				Aggregate (Peer)				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	100.0%	1,000	100.0%	168	1.5%	115,122	2.1%	1.9%
Moderate		0.0%		0.0%	2,532	22.9%	964,219	17.9%	30.0%
LMI	1	100.0%	1,000	100.0%	2,700	24.4%	1,079,341	20.1%	31.8%
Middle		0.0%		0.0%	3,788	34.2%	1,262,081	23.5%	39.5%
Upper		0.0%		0.0%	4,573	41.3%	3,015,692	56.1%	28.7%
Unknown		0.0%		0.0%	1	0.0%	19,500	0.4%	
Total	1		1,000		11,062		5,376,614		
2011									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	241	2.2%	198,227	3.2%	1.9%
Moderate	6	85.7%	3,020	93.0%	2,618	23.4%	1,163,362	18.8%	30.0%
LMI	6	85.7%	3,020	93.0%	2,859	25.5%	1,361,589	22.0%	31.8%
Middle	1	14.3%	228	7.0%	3,563	31.8%	1,284,556	20.8%	39.5%
Upper		0.0%		0.0%	4,773	42.6%	3,527,122	57.1%	28.7%
Unknown		0.0%		0.0%	6	0.1%	2,783	0.0%	
Total	7		3,248		11,201		6,176,050		
2012									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	579	4.5%	303,003	4.2%	5.3%
Moderate	4	44.4%	2,245	48.1%	3,113	24.1%	1,460,977	20.4%	31.5%
LMI	4	44.4%	2,245	48.1%	3,692	28.6%	1,763,980	24.6%	36.7%
Middle	2	22.2%	500	10.7%	3,720	28.8%	1,414,864	19.8%	34.3%
Upper	3	33.3%	1,925	41.2%	5,516	42.7%	3,982,754	55.6%	29.0%
Unknown		0.0%		0.0%	3	0.0%	1,000	0.0%	
Total	9		4,670		12,931		7,162,598		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	5.9%	1,000	11.2%		2.8%		3.3%	
Moderate	10	58.8%	5,265	59.0%		23.5%		19.2%	
LMI	11	64.7%	6,265	70.3%		26.3%		22.5%	
Middle	3	17.6%	728	8.2%		31.5%		21.2%	
Upper	3	17.6%	1,925	21.6%		42.2%		56.2%	
Unknown		0.0%		0.0%		0.0%		0.1%	
Total	17		8,918						

Small Business Loans:

The distribution of UOB's small business loans based on the income level of the geography of the business demonstrated a reasonable rate of lending into LMI geographies.

The following chart provides a summary of UOB'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									
2010									
Geographic Income	Bank				Aggregate (Peer)				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low		0.0%		0.0%	1,893	6.1%	50,170	7.0%	6.4%
Moderate	1	50.0%	200	36.4%	8,787	28.2%	191,356	26.6%	32.4%
LMI	1	50.0%	200	36.4%	10,680	34.2%	241,526	33.6%	38.8%
Middle	1	50.0%	350	63.6%	7,358	23.6%	144,360	20.1%	22.8%
Upper		0.0%		0.0%	13,128	42.1%	332,435	46.3%	38.3%
Unknown		0.0%		0.0%	29	0.1%	435	0.1%	0.1%
Total	2		550		31,195		718,756		
2011									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	25.0%	200	17.5%	2,811	6.7%	58,898	6.3%	6.2%
Moderate	2	50.0%	340	29.8%	12,750	30.2%	267,859	28.7%	33.3%
LMI	3	75.0%	540	47.4%	15,561	36.9%	326,757	35.0%	39.5%
Middle		0.0%		0.0%	10,473	24.8%	188,157	20.1%	24.3%
Upper	1	25.0%	600	52.6%	16,097	38.2%	418,323	44.8%	36.0%
Unknown		0.0%		0.0%	35	0.1%	745	0.1%	0.2%
Total	4		1,140		42,166		933,982		
2012									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	83.3%	1,125	70.1%	4,871	10.6%	110,620	10.0%	10.2%
Moderate		0.0%		0.0%	13,017	28.4%	283,528	25.6%	29.1%
LMI	5	83.3%	1,125	70.1%	17,888	39.1%	394,148	35.6%	39.4%
Middle	1	16.7%	480	29.9%	10,394	22.7%	221,699	20.0%	22.7%
Upper		0.0%		0.0%	17,484	38.2%	490,278	44.3%	37.9%
Unknown		0.0%		0.0%	16	0.0%	399	0.0%	0.1%
Total	6		1,605		45,782		1,106,524		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	50.0%	1,325	40.2%		8.0%		8.0%	
Moderate	3	25.0%	540	16.4%		29.0%		26.9%	
LMI	9	75.0%	1,865	56.6%		37.0%		34.9%	
Middle	2	16.7%	830	25.2%		23.7%		20.1%	
Upper	1	8.3%	600	18.2%		39.2%		45.0%	
Unknown		0.0%		0.0%		0.1%		0.1%	
Total	12		3,295						

Action Taken in Response to Written Complaints with Respect to CRA:

Since the latest CRA evaluation as of December 31, 2009, neither UOB nor DFS received any written complaints regarding UOB'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

Senior management reviews UOB's CRA performance against the CRA statement with a summary presented to the board annually. Furthermore, the CRA program is being fine-tuned on a continuous basis. The CRA officer keeps the Board of Directors informed of UOB's CRA activities regularly. According to board minutes, the CRA officer reported to the board several times each year during the evaluation period.

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

DFS noted no practices that were intended to discourage applications for the types of credit offered by UOB.

Evidence of prohibited, discriminatory and other illegal credit practices

DFS noted no evidence of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

UOB neither opened nor closed any branches during the evaluation period. It operates two bank offices in the Chinatown section of lower Manhattan in New York City. Both offices are open from 8:30 AM to 4:00 PM on weekdays and from 10 AM to 2 PM on Saturdays. Both are in moderate-income census tracts. The branch office at 185 Canal Street operates an ATM that accepts deposits. The main office at 10 Chatham Square does not operate an ATM.

Distribution of Branches within the Assessment Area									
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %	Distressed or Underserved	LMI and Distressed or Underserved
New York			2			2	100%		100%
Total	-		2	-	-	2	100%	-	100%

*Partial County

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.

UOB is a member of Chinese Chamber of Commerce. The loan officers and some directors actively participate in several business and community organizations including Chinatown BID. This participation has helped UOB to understand the credit needs of its community.

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- 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.

UOB generates most of its business through referrals from customers or professionals. Its marketing efforts include sponsoring certain local events or organizations, subscribing for space from time to time in journals of various business organizations.

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

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.