



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation December 31, 2009

Institution: United Orient Bank
10 Chatham Square
New York, New York 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 Banking Department 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 ("UOB") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2009.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks 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 Banking Board implements Section 28-b and further requires that the Banking 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 Banking 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 small banking institutions are primarily based on a review of performance tests and standards described in Section 76.3 and detailed in Section 76.12. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State 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

UOB's performance was evaluated according to the small bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2006, 2007, 2008 and 2009. UOB is rated "2," indicating a "**Satisfactory**" record of helping to meet community credit needs. This rating is unchanged from the prior CRA rating.

This rating is based on the following factors:

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

UOB's average LTD ratio was more than reasonable considering its size, business strategy, financial condition, aggregate and peer group activity. UOB's average LTD ratio for the current period ending December 31, 2009 was 89%. This LTD ratio was well above the peer's average of 81.3%.

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

During the evaluation period, totaling HMDA-reportable and small business lending, UOB originated 57.6% by number, and 60.5% by dollar value of its loans within the assessment area. While still relatively low, these ratios represented an improvement from the prior evaluation period.

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

UOB's 1-4 family HMDA-reportable loans and lending to businesses with gross annual revenues of less than or equal to \$1 million, demonstrated a reasonable rate of lending. Although UOB's HMDA-reportable lending performance was uneven during the four-year evaluation period, over the entire evaluation period, UOB's lending penetration ratios for both number of loans and dollars lent exceeded the aggregate. These ratios are based on relatively low levels of lending, as UOB is primarily a commercial mortgage lender.

The distribution of small business loans based on the revenue size of the business demonstrated a reasonable penetration rate of lending among businesses of different revenue sizes. Over the four-year evaluation period, UOB's overall penetration ratio exceeded the market average penetration ratio.

- **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. For HMDA reportable loans, UOB's penetration ratios in LMI geographies exceeded the ratios achieved by the aggregate in 2006, 2007 and 2008. In 2009, however, UOB underperformed the market aggregate. As for small business lending in LMI geographies, UOB's performance was excellent; UOB outperformed the peer aggregate consistently from 2006 to 2009.

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- **Action Taken in Response to Written Complaints With Respect to CRA:**
“Satisfactory”
Since the latest CRA evaluation as of December 31, 2005, neither UOB nor the New York State Banking Department has 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 State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

Chartered in 1980, UOB is a commercial bank located in New York County. UOB considers itself the first indigenous community bank in Chinatown, New York. UOB's target market covers all of the ethnic Chinese communities in the metropolitan area. The bank focuses on small businesses and individuals that seek highly personalized banking services.

UOB offers a wide variety of credit products including the following:

- Residential mortgages
- Personal loans
- Commercial real estate loans
- Commercial loans

Commercial mortgages, however, have been the primary product, as there are few 1-4 family houses and residential condominiums in the Chinatown, New York area. Almost 71% of the housing units in the assessment area are rental units. Since 2009, UOB has not been active in the residential mortgage market. UOB does not securitize or sell loans on the secondary market.

According to the Consolidated Report of Condition (the Call Report) as of December 31, 2009, filed with the Federal Deposit Insurance Corporation ("FDIC"), UOB reported total assets of \$105.7 million, of which \$86.7 million were net loans and lease finance receivables. UOB also reported total deposits of \$88.5 million, resulting in a loan-to-deposit ratio of 98%. According to the latest available comparative deposit data as of June 30, 2010, UOB obtained a market share of 0.02%, or \$92.2 million out of \$5.7 billion inside its market, ranking it 91st among 113 deposit-taking institutions in New York, Queens and Kings Counties.

The following is a summary of the bank's loan portfolio, based on Schedule RC-C of the bank's December 31, 2006, 2007, 2008 and 2009's Call Reports. As illustrated in the chart, UOB was primarily a commercial lender with 73.9% of its loan portfolio in commercial & industrial loans, commercial mortgage loans and multifamily mortgages as of the end of 2009. Most of the HMDA-reportable lending done during the evaluation period (\$19.1 million out of \$33.3 million) consisted of multifamily residential loans.

Loan Type	2006		2007		2008		2009	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	7,630	12.5	7,693	11.7	18,062	21.2	19,896	22.6
Commercial & Industrial Loans	5,237	8.6	4,582	7.0	3,374	4.0	2,735	3.1
Commercial Mortgage Loans	24,010	39.2	26,396	40.3	26,146	30.7	27,484	31.2
Multifamily Mortgages	23,529	38.4	25,587	39.0	33,408	39.2	34,866	39.6
Consumer Loans	108	0.2	177	0.3	143	0.2	99	0.1
Agricultural Loans	0	0.0	0	0.0		0.0	0	0.0
Construction Loans	676	1.1	1,063	1.6	3,986	4.7	3,027	3.4
Other Loans	25	0.0	69	0.1	47	0.1	32	0.0
Lease financing	0	0.0	0	0.0		0.0	0	0.0
Total Gross Loans	61,215		65,567		85,166		88,139	

UOB operates two banking offices. The main office is located at 10 Chatham Square; the branch is located at 185 Canal Street. Both offices are located in low-income census tracts in Chinatown, New York County. The Canal street branch has a deposit-taking, automated teller machine (“ATM”).

There are no known financial or legal impediments that adversely impacted the bank’s ability to meet the credit needs of its community.

Assessment Area:

The bank’s assessment area is comprised of 357 census tracts, which include the Chinatown areas of New York, Kings and Queens Counties. Despite having no branch presence in Kings and Queens Counties, in April 2008, UOB enlarged its assessment area within Queens and Kings Counties to reflect the growth of the ethnic Chinese population in these areas. These areas are not contiguous to each other. The part of New York County included in the assessment area consisted of 63 census tracts, primarily located south of 14th Street.

The part of Kings County included in the assessment area consisted of 175 census tracts and is bounded by Atlantic Ave, the Brooklyn Queens Expressway, Third Avenue, 86th Street, 18th Avenue and Bedford Avenue.

The part of Queens County included in the assessment area consisted of 119 census tracts and is bounded by Francis Lewis Blvd, Northern Blvd, Broadway, Queens Blvd and Union Turnpike.

In total, of the 357 census tracts in the area, 22 are low-income, 148 are moderate-income, 91 are middle-income, 90 are upper-income and six are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
New York*	1	12	12	4	34	63	38.1
Kings*	3	10	89	40	33	175	56.6
Queens*	2	0	47	47	23	119	39.5
Total	6	22	148	91	90	357	47.6

* Partial county

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

Demographic & Economic Data

The assessment area had a population of 1.5 million during the examination period. About 11.5% of the population were over the age of 65 and 19.5% were under the age of 16.

Of the 339,182 families in the assessment area, 30.5% were low-income, 17.4% were moderate-income, 17.3% were middle-income and 34.7% were upper-income families. There were 561,937 households in the assessment area, of which 18.2% had income below the poverty level and 5.5% were on public assistance.

The MSA median family income within the assessment area was \$49.5 thousand. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was \$64.8 thousand in 2009.

There were 585,424 housing units within the assessment area, of which 35.7% were one-to four-family units, and 64.2% were multifamily units. Twenty five percent of the area's housing units were owner-occupied, while 70.8% were rental units. Of the 146,992 owner-occupied housing units, 29.6% were in moderate-income geographies while 30.9% were in middle-income tracts. The median age of the housing stock was 62 years and the median home value in the assessment area was \$263.1 thousand.

There were 146,536 non-farm businesses in the assessment area. Of these, 74.8% were businesses with reported revenues of less than or equal to \$1 million, 4.7% reported revenues of more than \$1 million and 20.5% did not report their revenues. Of all the non-farm businesses in the assessment area, 80.8% were businesses with less than fifty employees while 94.2% operated from a single location. The largest industries in the area were services (43.4 %), followed by retail trade (18.5 %), finance, insurance and real estate (9.7%), while 12.4% of businesses in the assessment area were not classified.

The 2009 Mortgage Foreclosure Law approved on December 15, 2009 requires that a pre-foreclosure notice be sent at least 90 days before the lender commences legal action against all borrowers with home loans. Based on the 90-day pre-foreclosure notices mailed between February 13, 2010 and August 31, 2010, involving 134,000 borrowers, Queens County had 15,184 borrowers or 11.3% of the total pre-foreclosure notices sent by lenders in NYS; Kings County had 11,037 borrowers or 8.2% of total borrowers; and New York County had 2,980 borrowers or 2.2% of total borrowers. In summary, the three counties have received 29,201 notices or 21.8% of total notices that were filed. While these numbers reflect a significant portion of the notices filed, it is important to consider the number of mortgages that exist within each county. Pre-foreclosure filings represent 6.8% of mortgages in Queens, 6.3% of mortgages in Kings and 2.8% of mortgages in New York County. Both Queens and Kings are above the statewide average of 5.2%. In addition, as these statistics are only available on a countywide basis, they may not reflect the situation in the limited neighborhoods that are within UOB's assessment area.

According to the New York State Department of Labor, the average unemployment rate for New York State escalated from 4.6% in 2006 to 8.4% in 2009. The unemployment rates in 2006 and 2007 were relatively lower at 4.6% and 4.5%, respectively. The unemployment rates in Kings County were consistently above statewide averages. The unemployment rates in New York and Queens Counties also increased significantly in 2009, and surpassed the statewide rate for the first time. These unemployment rates are directly tied to the economic recession.

Assessment Area Unemployment Rate				
	Statewide	Queens	Kings	New York
2006	4.6%	4.50%	5.40%	4.30%
2007	4.5%	4.30%	5.30%	4.20%
2008	5.3%	4.90%	5.80%	4.70%
2009	8.4%	8.60%	10.10%	8.50%

Community Information

NYSBD contacted the Chinese Chamber of Commerce of N.Y. Inc., to discuss community credit needs. The Chamber was established in 1932 to promote and support businesses in the Chinese community, to encourage international trade with Hong Kong, Taiwan, the Far East and other areas of the world, to advise and assist its members in solving their business problems and to provide arbitration services to local businesses. Members of the Chamber include bankers, real estate operators, construction firms, importers and exporters in the Chinatown areas. UOB is a member of the Chamber. According to the contact, UOB was committed to serving the local communities. With respect to credit needs of the community, low-cost small business loans and affordable housing were revealed as the primary credit needs of the community.

The Chinatown areas serve as major economic, social and cultural hubs for the Chinese-American population throughout the Tri-State Area (New York, New Jersey, and Connecticut). According to UOB, the area is well banked with 36 retail branches in the Manhattan Chinatown market. Many banks, such as Citibank, HSBC, Abacus Federal Savings Bank, Asia Bank, Cathay Bank are located within close proximity of each other in the Chinatown area. The area is also populated by tourists and consumers, and is densely occupied by many small businesses. Some of the small businesses in the area are restaurants, supermarkets, groceries, jewelry stores, financial services companies, law offices, employment agencies, medical offices, insurance offices and travel agencies.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

UOB 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 Banking Board. UOB's performance was evaluated according to the small bank performance criteria, which consists of the lending test including (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 were also 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; 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 Federal Deposit Insurance Corporation ("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 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 2000 U.S. Census and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet reports and 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 assessment period included calendar years 2006, 2007, 2008 and 2009.

Examiners considered UOB's small business, and HMDA-reportable 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. UOB is not required to report this data and as such is not included in the aggregate data. As UOB did not make any small farm loans, all analyses were based on small business lending only.

UOB received a rating of "2", reflecting a "Satisfactory" record of helping to meet

community credit needs at its **prior** Performance Evaluation conducted by the New York State Banking Department as of December 31, 2005.

Current CRA Rating: “Satisfactory”

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

UOB’s average LTD ratio was more than reasonable considering its size, business strategy, financial condition, aggregate and peer group activity.

UOB’s average LTD ratio for the current period ending December 31, 2009 was 89%. This LTD ratio was well above the peer’s average of 81.3%. The ratio was in line with the prior evaluation’s average of 90.2%.

Loan-to-Deposit Ratios																	
	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	Avg.
Bank	96.1	93.0	77.0	76.9	79.8	78.6	77.5	84.8	88.7	92.5	94.9	91.3	93.7	96.9	104.8	98.0	89.0
Peer	78.6	79.1	79.2	77.8	78.3	79.0	80.2	79.8	80.3	82.1	87.5	86.6	85.3	83.8	82.8	80.6	81.3

Assessment Area Concentration: “Satisfactory”

During the evaluation period, totaling HMDA-reportable and small business lending, UOB originated 57.6% by number, and 60.5% by dollar value of its loans within the assessment area. While still relatively low, these ratios represented an improvement from the prior evaluation period¹, when the assessment area concentration was less than 50% for both number of loans and dollars lent.

HMDA-Reportable Loans: “Satisfactory”

During the evaluation period, for HMDA-reportable lending, UOB originated 53.0% by number, and 62.1% by dollar value of its loans within the assessment area. These ratios were relatively comparable to the assessment area concentration during the prior evaluation period. UOB’s extremely low assessment area concentration for HMDA in 2009 was mitigated by its higher small business assessment area concentration in the same year.

Small Business Loans: “Satisfactory”

During the evaluation period, for small business lending, UOB originated 64.3% by number, and 55.6% by dollar value of its loans within the assessment area. These ratios were a significant improvement from the prior evaluation period, when UOB’s assessment area concentration ratios were 39.1% by number and 36.3% by dollars lent.

¹ UOB had been rated “Needs to Improve” for this factor.

The following table shows the percentages of the UOB's small business and HMDA-reportable 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 (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2006	9	52.9%	8	47.1%	17	3,709	53.2%	3,258	46.8%	6,967
2007	8	53.3%	7	46.7%	15	7,704	58.5%	5,466	41.5%	13,170
2008	26	57.8%	19	42.2%	45	21,043	69.4%	9,263	30.6%	30,306
2009	1	16.7%	5	83.3%	6	860	26.7%	2,365	73.3%	3,225
Subtotal	44	53.0%	39	47.0%	83	33,316	62.1%	20,352	37.9%	53,668
Small Business										
2006	7	58.3%	5	41.7%	12	945	25.3%	2,793	74.7%	3,738
2007	9	60.0%	6	40.0%	15	2,552	68.1%	1,195	31.9%	3,747
2008	8	57.1%	6	42.9%	14	2,120	42.3%	2,890	57.7%	5,010
2009	12	80.0%	3	20.0%	15	4,163	81.9%	919	18.1%	5,082
Subtotal	36	64.3%	20	35.7%	56	9,780	55.6%	7,797	44.4%	17,577
Grand Total	80	57.6%	59	42.4%	139	43,096	60.5%	28,149	39.5%	71,245

Distribution by Borrower Characteristics: "Satisfactory"

The distribution of loans based on borrower characteristics demonstrated a reasonable rate of lending among individuals of different income levels and businesses of different revenue sizes.

HMDA-Reportable Loans: "Satisfactory"

UOB's 1-4 family HMDA-reportable loans demonstrated a reasonable rate of lending among individuals of different income levels. Although UOB's performance was uneven during the four year evaluation period (outperformed the aggregate in 2006, and 2007, and performed poorly in 2008 and 2009), its overall lending ratios (16.0% by number and 10.4% by dollar amount) to LMI borrowers for the entire evaluation period exceeded the ratios achieved by the aggregate (6.5% by number and 2.2% by dollar amount.) These ratios are based on relatively low levels of lending, as UOB is primarily a commercial mortgage lender².

² Borrower-income is not tracked or reported for multi-family HMDA-reportable loans.

The following chart provides a summary of the 1-4 family HMDA-reportable lending distribution based on borrower income.

Distribution of HMDA-Reportable Lending by Borrower Income									
2006									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	75.0%	1,270	87.6%	133	0.7%	19,733	0.3%	30.5%
Moderate	0	0.0%	0	0.0%	854	4.5%	104,450	1.4%	17.5%
LMI	3	75.0%	1,270	87.6%	987	5.2%	124,183	1.7%	48.0%
Middle	1	25.0%	179	12.4%	2,338	12.4%	400,424	5.5%	17.3%
Upper		0.0%		0.0%	14,394	76.1%	6,296,604	85.8%	34.7%
Unknown		0.0%		0.0%	1,186	6.3%	515,501	7.0%	
Total	4		1,449		18,905		7,336,712		
2007									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	103	0.6%	16,774	0.2%	30.5%
Moderate	1	33.3%	220	19.6%	750	4.3%	92,098	1.2%	17.5%
LMI	1	33.3%	220	19.6%	853	4.9%	108,872	1.4%	48.0%
Middle	0	0.0%	0	0.0%	2,142	12.2%	388,729	5.0%	17.3%
Upper	1	33.3%	609	54.2%	13,467	77.0%	6,649,797	86.2%	34.7%
Unknown	1	33.3%	295	26.2%	1,028	5.9%	571,052	7.4%	
Total	3		1,124		17,490		7,718,450		
2008									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	108	0.9%	17,960	0.3%	30.5%
Moderate	0	0.0%	0	0.0%	867	7.2%	124,965	2.3%	17.5%
LMI	0	0.0%	0	0.0%	975	8.1%	142,925	2.6%	48.0%
Middle	1	5.9%	150	1.4%	2,056	17.1%	461,166	8.5%	17.3%
Upper	14	82.4%	8,968	82.8%	8,571	71.1%	4,494,193	82.6%	34.7%
Unknown	2	11.8%	1,715	15.8%	450	3.7%	341,028	6.3%	
Total	17		10,833		12,052		5,439,312		
2009									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	185	1.5%	29,027	0.6%	30.5%
Moderate	0	0.0%	0	0.0%	921	7.5%	152,026	3.2%	17.5%
LMI	0	0.0%	0	0.0%	1,106	9.0%	181,053	3.8%	48.0%
Middle	0	0.0%	0	0.0%	2,370	19.3%	563,431	11.7%	17.3%
Upper	1	100.0%	860	100.0%	8,296	67.7%	3,831,255	79.6%	34.7%
Unknown		0.0%		0.0%	487	4.0%	239,869	5.0%	
Total	1		860		12,259		4,815,608		
GRAND TOTAL									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	12.0%	1,270	8.9%		0.9%		0.3%	
Moderate	1	4.0%	220	1.5%		5.6%		1.9%	
LMI	4	16.0%	1,490	10.4%		6.5%		2.2%	
Middle	2	8.0%	329	2.3%		14.7%		7.2%	
Upper	16	64.0%	10,437	73.2%		73.7%		84.0%	
Unknown	3	12.0%	2,010	14.1%		5.2%		6.6%	
Total	25		14,266						

Small Business Loans: “Satisfactory”

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

While UOB’s penetration ratios of lending to businesses with gross annual revenues of less than or equal to \$1 million fluctuate greatly from year to year, a closer analysis reveals that the largest fluctuations are in loans to businesses where the revenue is not known. When these loans are excluded from the analysis, the percent of lending to businesses with revenues of less than or equal to \$1 million remained more stable. However, even including these loans, UOB’s overall penetration ratio exceeded the market average penetration ratio.

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

Distribution of Small Business Lending by Revenue Size of Business									
2006									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	2	28.6%	410	43.4%	26,564	32.0%	635,385	45.5%	66.3%
Rev. > \$1MM	2	28.6%	185	19.6%					5.6%
Rev. Unknown	3	42.9%	350	37.0%					28.1%
Total	7		945		83,128		1,397,804		100.0%
2007									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	8	88.9%	2,512	98.4%	30,127	33.0%	701,915	42.8%	69.1%
Rev. > \$1MM	-	0.0%	-	0.0%					5.4%
Rev. Unknown	1	11.1%	40	1.6%					25.5%
Total	9		2,552		91,389		1,640,443		100.0%
2008									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	5	62.5%	1,830	86.3%	15,962	22.1%	467,235	32.8%	67.3%
Rev. > \$1MM	2	25.0%	200	9.4%					4.9%
Rev. Unknown	1	12.5%	90	4.2%					27.8%
Total	8		2,120		72,114		1,423,196		100.0%
2009									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	3	25.0%	1,700	40.8%	5,888	17.8%	223,130	29.8%	74.8%
Rev. > \$1MM	2	16.7%	1,200	28.8%					4.7%
Rev. Unknown	7	58.3%	1,263	30.3%					20.5%
Total	12		4,163		33,123		747,745		100.0%
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	18	50.0%	6,452	66.0%		28.1%		38.9%	
Rev. > \$1MM	6	16.7%	1,585	16.2%					
Rev. Unknown	12	33.3%	1,743	17.8%					
Total	36		9,780						

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.

For HMDA reportable loans, UOB's penetration ratios in LMI geographies exceeded the ratios achieved by the aggregate in 2006, 2007, and 2008. In 2009, however, UOB

underperformed the market aggregate. As for small business lending in LMI geographies, UOB's performance was excellent; UOB outperformed the peer aggregate consistently from 2006 to 2009.

HMDA-Reportable Loans: "Satisfactory"

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated a reasonable penetration rate of lending.

From 2006 to 2008, UOB's HMDA-reportable lending in LMI geographies outperformed the market aggregate significantly. In 2009, UOB only made 1 HMDA-reportable loan; the loan was not a multifamily loan. This significant drop-off was due to factors which are not a cause for concern under CRA.

The following chart provides a summary of the UOB's HMDA-reportable lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2006									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	11.1%	200	5.4%	519	2.6%	318,060	3.6%	2.3%
Moderate	6	66.7%	2,434	65.6%	7,024	35.8%	2,698,209	30.8%	29.7%
LMI	7	77.8%	2,634	71.0%	7,543	38.4%	3,016,269	34.5%	32.0%
Middle	0	0.0%	0	0.0%	5,472	27.9%	1,763,558	20.2%	30.9%
Upper	2	22.2%	1,075	29.0%	6,592	33.6%	3,964,120	45.3%	37.1%
Unknown	0	0.0%	0	0.0%	11	0.1%	6,036	0.1%	0.0%
Total	9		3,709		19,618	100.0%	8,749,983	100.0%	100.0%
2007									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	12.5%	980	12.7%	303	2.4%	170,881	3.2%	2.3%
Moderate	4	50.0%	2,959	38.4%	2,869	22.8%	1,053,678	20.0%	29.7%
LMI	5	62.5%	3,939	51.1%	3,172	25.2%	1,224,559	23.3%	32.0%
Middle	1	12.5%	220	2.9%	3,479	27.6%	1,031,627	19.6%	30.9%
Upper	2	25.0%	3,545	46.0%	5,943	47.2%	3,003,379	57.1%	12.8%
Unknown	0	0.0%	0	0.0%	2	0.0%	900	0.0%	0.0%
Total	8		7,704		12,596	100.0%	5,260,465	100.0%	100.0%
2008									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	15.4%	5,815	27.6%	278	2.2%	229,983	3.4%	2.3%
Moderate	19	73.1%	11,813	56.1%	3,578	28.4%	1,543,056	23.1%	29.7%
LMI	23	88.5%	17,628	83.8%	3,856	30.6%	1,773,039	26.6%	32.0%
Middle	2	7.7%	1,915	9.1%	3,517	27.9%	1,282,986	19.2%	30.9%
Upper	1	3.8%	1,500	7.1%	5,228	41.5%	3,608,179	54.1%	37.1%
Unknown	0	0.0%	0	0.0%	9	0.1%	4,849	0.1%	0.0%
Total	26		21,043		12,610	100.0%	6,669,053	100.0%	100.0%
2009									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	303	2%	170,881	3%	2.3%
Moderate	0	0.0%	0	0.0%	2,869	23%	1,053,678	20%	29.7%
LMI	0	0.0%	0	0.0%	3,172	25%	1,224,559	23%	32.0%
Middle	0	0.0%	0	0.0%	3,479	28%	1,031,627	20%	30.9%
Upper	1	100.0%	860	100.0%	5,943	47%	3,003,379	57%	37.1%
Unknown	0	0.0%	0	0.0%	2	0%	900	0%	0.0%
Total	1		860		12,596	100%	5,260,465	100%	100.0%
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO Hus
	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	13.6%	6,995	21.0%	1,403	2.4%	889,805	3.4%	2.3%
Moderate	29	65.9%	17,206	51.6%	16,340	28.5%	6,348,621	24.5%	29.7%
LMI	35	79.5%	24,201	72.6%	17,743	30.9%	7,238,426	27.9%	32.0%
Middle	3	6.8%	2,135	6.4%	15,947	27.8%	5,109,798	19.7%	30.9%
Upper	6	13.6%	6,980	21.0%	23,706	41.3%	13,579,057	52.3%	37.1%
Unknown	0	0.0%	0	0.0%	24	0.0%	12,685	0.0%	0.0%
Total	44		33,316		57,420		25,939,966		100.0%

Small Business Loans: “Outstanding”

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

Over the four-year evaluation period, UOB’s lending penetration ratio in LMI census tracts was almost double that of the aggregate for number of loans, and 67% higher than the aggregate based on dollars lent. This performance was very consistent, with UOB significantly exceeding the marketplace penetration ratios in almost every measure of every year.

The following chart provides a summary of the 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									
2006									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	28.6%	135	14.3%	5,335	6.4%	104,502	7.5%	7.5%
Moderate	3	42.9%	400	42.3%	23,588	28.4%	413,626	29.6%	30.4%
LMI	5	71.4%	535	56.6%	28,923	34.8%	518,128	37.1%	37.9%
Middle	1	14.3%	110	11.6%	16,330	19.6%	240,587	17.2%	17.2%
Upper	1	14.3%	300	31.7%	37,816	45.5%	637,787	45.6%	44.8%
Unknown	0	0.0%	0	0.0%	59	0.1%	1,302	0.1%	0.1%
Total	7		945		83,128		1,397,804	100.0%	100.0%
2007									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	11.1%	40	1.6%	5,979	6.5%	114,656	7.0%	7.3%
Moderate	3	33.3%	994	38.9%	27,245	29.8%	479,123	29.2%	30.8%
LMI	4	44.4%	1,034	40.5%	33,224	36.4%	593,779	36.2%	38.1%
Middle	0	0.0%	0	0.0%	19,356	21.2%	279,548	17.0%	17.4%
Upper	5	55.6%	1,518	59.5%	38,745	42.4%	764,346	46.6%	12.8%
Unknown	0	0.0%	0	0.0%	64	0.1%	2,770	0.2%	0.1%
Total	9		2,552		91,389		1,640,443	100.0%	100.0%
2008									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	37.5%	190	9.0%	5,191	7.2%	103,337	7.3%	7.2%
Moderate	2	25.0%	750	35.4%	21,038	29.2%	388,503	27.3%	31.4%
LMI	5	62.5%	940	44.3%	26,229	36.4%	491,840	34.6%	38.6%
Middle	1	12.5%	385	18.2%	14,088	19.5%	231,541	16.3%	17.3%
Upper	2	25.0%	795	37.5%	31,760	44.0%	697,952	49.0%	44.0%
Unknown	0	0.0%	0	0.0%	37	0.1%	1,863	0.1%	0.1%
Total	8		2,120		72,114		1,423,196	100.0%	100.0%
2009									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	41.7%	1,638	39.3%	2,531	7.6%	56,109	7.5%	7.3%
Moderate	6	50.0%	1,725	41.4%	9,347	28.2%	208,029	27.8%	31.5%
LMI	11	91.7%	3,363	80.8%	11,878	35.9%	264,138	35.3%	38.8%
Middle	1	8.3%	800	19.2%	5,979	18.1%	105,541	14.1%	17.4%
Upper	0	0.0%	0	0.0%	15,239	46.0%	376,782	50.4%	43.7%
Unknown	0	0.0%	0	0.0%	27	0.1%	1,284	0.2%	0.1%
Total	12		4,163		33,123	100.0%	747,745	100.0%	100.0%
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	11	30.6%	2,003	20.5%		6.8%		7.3%	
Moderate	14	38.9%	3,869	39.6%		29.0%		28.6%	
LMI	25	69.4%	5,872	60.0%	100.25	35.8%	1,367,885	35.9%	
Middle	3	8.3%	1,295	13.2%		19.9%		16.5%	
Upper	8	22.2%	2,613	26.7%		44.2%		47.5%	
Unknown	0	0.0%	0	0.0%		0.1%		0.1%	
Total	36		9,780						

Action Taken In Response to Written Complaints With Respect to CRA:

Since the latest CRA evaluation as of December 31, 2005, neither UOB nor the New York State Banking Department has 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

The CRA officer reported to the board of directors concerning UOB's CRA related activities at every board meeting, and reviewed the CRA statement annually. In this way, board members were kept informed of the type and level of activities conducted.

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

NYSBD 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.

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

Record of opening and closing offices and providing services at offices

No branches were closed or opened during the evaluation period. UOB has two branches in the Chinatown section of Lower Manhattan, both in low-income census tracts. Both branches provide deposit and withdrawal services. However, only the Canal street branch is equipped with an ATM which is capable of accepting deposits. The business hours of both branches are 8:30 am to 5:00 pm on weekdays, and 10:00am to 2:00pm on Saturdays.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
New York		2				2	100%
Total	-	2	-	-	-	2	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 the Chinese Chamber of Commerce and the New York Chinese Businessmen's association. In addition, there are members of the board who actively participated in business and community organizations, such as the Chinese Consolidated Benevolent Association and Chinese Association for Service and Business, and shared these learnings with management. Through the active participation with these organizations, UOB has developed a firsthand understanding of the credit needs of its community.

- 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 placed advertisements in journals of various civic or business organizations, and occasionally in English and Chinese-language newspapers. As a community bank, UOB generates most of its loan business through word of mouth and referrals from customers or professionals.

Other factors that in the judgment of the Superintendent and Banking Board 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

The term “community development” is defined to mean:

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.

A “community development loan” is defined as a loan that has as 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.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. 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.

A “community development service” is defined as a service that has as its *primary purpose* community development, 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.

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 of the person, family or household is based on the income of person, family or household. 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 (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US 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 the case 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 depicts 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.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.