



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

One State Street  
New York, NY 10004

**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**Date of Evaluation:** December 31, 2017

**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.

---

## TABLE OF CONTENTS

	Section
General Information .....	1
Overview of Institution's Performance .....	2
Performance Context .....	3
Institution Profile	
Assessment Area	
Demographic & Economic Data	
Community Information	
Performance Standards and Assessment Factors .....	4
Loan-to-Deposit Analysis and Other	
Lending-Related Activities	
Assessment Area Concentration	
Distribution by Borrowers Characteristics	
Geographic Distribution of Loans	
Action Taken in Response to Written Complaints	
With Respect to CRA	
Additional Factors	
Glossary .....	5

---

## **GENERAL INFORMATION**

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of United Orient Bank (“UOB” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2017.

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 (“GRS”) 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 institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such evaluation 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 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**

The Department evaluated UOB according to the small banking institution performance standards pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2013, 2014, 2015, 2016 and 2017. UOB is rated “**Satisfactory**” or “2.” This rating means UOB had a satisfactory record of helping to meet community credit needs.

The rating is based on the following factors:

**Lending Test:** Satisfactory

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

UOB’s average loan-to-deposit (“LTD”) ratio was excellent considering its size, business strategy, financial condition and peer group activity. UOB’s average LTD ratio of 100.7% for the evaluation period significantly exceeded the peer’s average LTD ratio of 71.3%

Assessment Area Concentration: “Satisfactory”

During the evaluation period, UOB originated 73.4% by number and 77.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area reflects a reasonable concentration of lending.

Distribution by Borrower Characteristics: “Outstanding”

UOB’s small business lending demonstrated an excellent distribution of loans among individuals of different income levels and businesses of different revenue sizes.

Geographic Distribution of Loans: “Satisfactory”

UOB’s origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

Action Taken in Response to Written Complaints with Respect to CRA: “N/A”

Neither DFS nor UOB received any written complaints regarding UOB's CRA performance during the evaluation period.

*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 GRS Part 76.*

---

## PERFORMANCE CONTEXT

### Institution Profile

Chartered in 1980, UOB is a commercial bank headquartered at 10 Chatham Square, New York, NY 10013. UOB is a designated minority deposit institution (“MDI”). MDIs play a vital role in promoting economic viability in the communities they serve.

UOB offers a range of banking services, products and loans in the Bank’s assessment area which is comprised of three primarily ethnic Chinese communities located in New York, Kings, and Queens counties.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2017, filed with the Federal Deposit Insurance Corporation (“FDIC”), UOB reported total assets of \$96.7 million, of which \$86.1 million were net loans and lease financing receivables. The Bank also reported total deposits of \$71.6 million, resulting in a Loans-to-Deposit (“LTD”) ratio of 120.3%. According to the latest available comparative deposit data as of June 30, 2018, UOB had a market share of 0.01%, or \$75.2 million in a market of \$1.3 billion, ranking it 91<sup>st</sup> among 110 deposit-taking institutions in the assessment area.

The following is a summary of UOB’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2013, 2014, 2015, 2016, and 2017 Call Reports:

<b>TOTAL GROSS LOANS OUTSTANDING</b>										
Loan Type	2013		2014		2015		2016		2017	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Res. Mrtg. Loans	19,756	26.8	18,778	24.2	24,302	29.0	25,808	30.4	23,978	27.5
Commercial & Industrial Loans	1,902	2.6	1,709	2.2	1,755	2.1	1,724	2.0	1,709	2.0
Commercial Mortgage Loans	22,843	31.0	20,403	26.3	17,866	21.3	17,955	21.2	17,526	20.1
Multifamily Mortgages	29,085	39.5	36,659	47.2	39,827	47.5	39,277	46.3	44,019	50.4
Consumer Loans	92	0.1	62	0.1	61	0.1	30	0.0	39	0.0
Other Loans	34		1	0.0	2	0.0	1	0.0	5	0.0
Total Gross Loans	73,712		77,612		83,813		84,795		87,276	

As illustrated in the above table, UOB, primarily engaged in real estate lending, with 98% of its loan portfolio distributed in mortgage loans as follows: multifamily mortgage loans, at 50.4%; 1-4 family residential mortgage loans, at 27.5%; and the remaining 20.1% in commercial mortgage loans. The Bank’s mix of loans is similar to the prior evaluation period.

UOB operates two branches, both located in the Chinatown section of Manhattan, New York City. UOB operates an ATM at its Canal Street branch but has no ATM at its main branch. Both branches are in low-income census tracts.

---

Banking hours at both locations are from 8:30 am until 4:00 pm Monday to Friday and 10:00 am to 2:00 pm on Saturdays.

*Examiners noted no evidence of financial or legal impediments that had an adverse impact on UOB's ability to meet the credit needs of its community.*

### **Assessment Area**

The Bank's assessment area consists of 417 census tracts of which 59 are low-income, 161 are moderate-income, 118 are middle-income, 73 are upper-income, and 6 have no income indicated.

The assessment area includes 230 census tracts in Kings County (Brooklyn), 62 census tracts in New York County (Manhattan), and 125 census tracts in Queens County.

<b>Assessment Area Census Tracts by Income Level</b>							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Kings*	3	29	105	72	21	230	58.3
New York*	1	14	5	5	37	62	30.6
Queens*	2	16	51	41	15	125	53.6
Total	6	59	161	118	73	417	52.8

\* Partial county

### **Demographic & Economic Data**

#### Population and Income

The assessment area had a population of 1,667,340 during the evaluation period. About 13.3% of the population were over the age of 65 and 18.9% were under the age of 16.

Of the 367,402 families in the assessment area, 34.6% were low-income, 16.8% were moderate-income, 16.1% were middle-income, and 32.5% were upper-income. There were 602,105 households in the assessment area, of which 19.2% had income below the poverty level and 3.5% were on public assistance.

The weighted average median family income in the assessment area was \$64,309.

#### Housing Characteristics

There were 654,642 housing units within the assessment area, of which 38.1% were one-to-four family units, and 61.8% were multifamily units. A majority (63.7%) of the assessment area's housing units were renter-occupied units, while 28.3% were owner-occupied. Of the 416,715 renter-occupied housing units, 57.3% were in LMI census tracts, while 42.7% were in middle- and upper-income census tracts.

---

Conversely, of the 185,390 owner-occupied housing units, 39.7% were in LMI census tracts while 60.2% were in middle- and upper-income census tracts. The median age of the housing stock was 77 years, and the median home value in the assessment area was \$624,618.

### Business Demographics

There were 119,747 non-farm businesses in the assessment area. Of these, 87.7% were businesses with reported revenues of less than or equal to \$1 million, 6.3% reported revenues of more than \$1 million, and 6% did not report their revenues. Of all the businesses in the assessment area, 97.3% were businesses with less than fifty employees while 92.1% operated from a single location. The largest industries in the area were services (47.2%), followed by retail trade (16.5%) and finance, insurance, and real estate (9.3%); 10.5% of businesses in the assessment area were not classified.

### Unemployment Rates

The New York State Department of Labor unemployment data disclosed the average unemployment rate for New York State in 2017 at 4.7%; this rate consistently dropped from a high of 7.7% in 2013. This downward trend was also exhibited in each of the counties in UOB's assessment area.

The unemployment rate in Kings County was consistently higher than statewide average from 2013 through 2016; but was 0.1% lower in 2017. New York and Queens counties had comparable or lower unemployment rates than statewide yearly average over the five-year assessment period.

<b>Assessment Area Unemployment Rate</b>				
<b>Year</b>	<b>Statewide</b>	<b>Kings</b>	<b>New York</b>	<b>Queens</b>
2013	7.7	9.4	7.5	7.7
2014	6.3	7.6	6.1	6.4
2015	5.3	5.9	4.9	5.0
2016	4.8	5.3	4.5	4.5
2017	4.7	4.6	4.0	4.0

### Community Information

DFS examiners conducted community contact interviews with two nonprofit organizations providing products and services in the assessment area targeting LMI individuals and small businesses. Both community contacts offer a variety of services including affordable housing, loans to small businesses, financial education, job training, and empowerment opportunities for LMI individuals. Both interviews concluded that despite a better New York economy as exhibited by a downward trend in unemployment rates, there are still opportunities for banks to offer financial programs that educate and provide funding to small businesses and individuals; and make loans to help alleviate the affordable housing needs of its communities.

---

## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

*The Department evaluated UOB under the small banking institution performance standards in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the following lending test criteria:*

- 1. Loan-to-deposit ratio and other lending-related activities;*
- 2. Assessment area concentration;*
- 3. Distribution of loans by borrower characteristics;*
- 4. Geographic distribution of loans; and*
- 5. Action taken in response to written complaints regarding CRA.*

*DFS also considered the following factors in assessing the bank's record of performance:*

- 1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
- 2. Evidence of practices intended to discourage credit applications;*
- 3. Evidence of prohibited discriminatory or other illegal credit practices;*
- 4. The institution's record of opening and closing offices and providing services at offices; and*
- 5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

*Finally, DFS considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which UOB helps meet the credit needs of its entire community.*

DFS derived statistics employed in this evaluation from various sources. UOB submitted bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS used LTD ratios from the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business demographic data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2013, 2014, 2015, 2016, and 2017.

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



evaluating factors (2) and (4) as HMDA-reportable loans were predominantly multifamily loans where borrower income information is not required.

UOB is not required to report small business loan data; accordingly, its small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

At its prior Performance Evaluation as of December 31, 2012, DFS assigned UOB a rating of “2” reflecting a “Satisfactory” record of helping to meet the credit needs of UOB’s communities.

**Current CRA Rating: “Satisfactory”**

**Lending Test: “Satisfactory”**

UOB’s HMDA-reportable and small business lending activities were reasonable in light of its size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

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

UOB’s average LTD ratio of 100.7% was consistently higher than its peer group’s average LTD ratio of 71.3% during the evaluation period.

The table below shows UOB’s LTD ratios in comparison with the peer group’s ratios for the 20 quarters since the prior evaluation.

<b>Loan-to-Deposit Ratios</b>																					
	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	Avg.
Bank	98.7	92.8	92.5	92.3	99.7	104.0	99.6	90.7	93.4	90.5	93.0	95.8	100.9	101.7	109.9	105.8	105.1	110.5	117.0	120.3	100.7
Peer	67.7	68.7	69.1	68.7	67.1	68.4	69.5	69.5	69.1	78.9	78.6	78.7	71.2	71.8	71.0	71.4	71.1	72.1	72.1	71.8	71.3

**Assessment Area Concentration: “Satisfactory”**

During the evaluation period, UOB originated 73.4% by number and 77.2% by dollar value of its total HMDA-reportable loans and small business loans within the assessment area. This majority of lending inside of its assessment area reflects a reasonable concentration of lending within UOB’s assessment area.

**HMDA-Reportable Loans**

UOB originated 79.2% by number and 81.3% by dollar value of its HMDA loans within the assessment area. This majority of lending inside of its assessment area reflects a

reasonable concentration of lending within UOB's assessment area.

**Small Business Loans:**

UOB originated 66.1% by number and 68.5% by dollar value of its small business loans within the assessment area. This majority of lending inside of its assessment area reflects a reasonable concentration of lending within UOB's assessment area.

The following table shows the percentages of UOB's HMDA-reportable loans 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 (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA										
2013	6	85.7%	1	14.3%	7	3,194	94.2%	198	5.8%	3,392
2014	12	75.0%	4	25.0%	16	5,680	75.1%	1,880	24.9%	7,560
2015	18	81.8%	4	18.2%	22	8,477	84.2%	1,585	15.8%	10,062
2016	13	81.3%	3	18.8%	16	6,960	81.8%	1,545	18.2%	8,505
2017	8	72.7%	3	27.3%	11	4,028	75.7%	1,290	24.3%	5,318
Subtotal	57	79.2%	15	20.8%	72	28,339	81.3%	6,498	18.7%	34,837
Small Business										
2013	6	54.5%	5	45.5%	11	1,743	65.0%	940	35.0%	2,683
2014	5	50.0%	5	50.0%	10	1,131	47.3%	1,262	52.7%	2,393
2015	6	66.7%	3	33.3%	9	1,450	67.4%	700	32.6%	2,150
2016	12	75.0%	4	25.0%	16	3,840	74.7%	1,300	25.3%	5,140
2017	8	80.0%	2	20.0%	10	3,048	76.2%	950	23.8%	3,998
Subtotal	37	66.1%	19	33.9%	56	11,212	68.5%	5,152	31.5%	16,364
Grand Total	94	73.4%	34	26.6%	128	39,551	77.2%	11,650	22.8%	51,201

**Distribution by Borrower Characteristics: "Outstanding"**

UOB's small business lending demonstrated an excellent distribution of loans among individuals of different income levels and businesses of different revenue sizes.

DFS evaluated UOB's distribution by borrower characteristics based solely on its small business lending activities. UOB is primarily engaged in multifamily mortgage lending, for which borrower income is not required for HMDA-reporting purposes, therefore HMDA-reportable loans were not analyzed for distribution by borrower characteristics.

**Small Business Loans**

UOB's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

UOB originated 89.5% by number and 96.1% by dollar value of small business loans to businesses with gross annual revenues less than or equal to \$1 million, compared to 48.5% and 34.5%, respectively, for the aggregate. Additionally, UOB's rate of lending fared well compared to business demographics every year during the evaluation period.

The following table provides a summary of the distribution of UOB's small business loans based on the revenue size of the business.

<b>Distribution of Small Business Lending by Revenue Size of Business</b>									
<b>2013</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	6	100.0%	1,743	100.0%	19,603	44.8%	429,230	36.6%	72.3%
Rev. > \$1MM	-	0.0%	0	0.0%					4.5%
Rev. Unknown	-	0.0%	0	0.0%					23.2%
<b>Total</b>	<b>6</b>		<b>1,743</b>		<b>43,798</b>		<b>1,172,072</b>		<b>%</b>
<b>2014</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	5	83.3%	1,224	92.4%	23,006	43.3%	466,940	34.3%	71.9%
Rev. > \$1MM	1	16.7%	100	7.6%					5.0%
Rev. Unknown	-	0.0%	0	0.0%					23.2%
<b>Total</b>	<b>6</b>		<b>1,324</b>		<b>53,146</b>		<b>1,362,194</b>		
<b>2015</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	5	83.3%	1,355	93.4%	30,306	51.5%	420,904	31.5%	76.8%
Rev. > \$1MM	1	16.7%	95	6.6%					5.3%
Rev. Unknown	-	0.0%	0	0.0%					17.8%
<b>Total</b>	<b>6</b>		<b>1,450</b>		<b>58,883</b>		<b>1,334,290</b>		
<b>2016</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	10	83.3%	3,590	93.5%	27,649	46.9%	486,306	31.5%	87.6%
Rev. > \$1MM	2	16.7%	250	6.5%					6.3%
Rev. Unknown		0.0%		0.0%					6.1%
<b>Total</b>	<b>12</b>		<b>3,840</b>		<b>58,976</b>		<b>1,542,337</b>		
<b>2017</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	8	100.0%	3,048	100.0%	33,455	54.2%	644,404	38.1%	87.7%
Rev. > \$1MM	-	0.0%	0	0.0%					6.3%
Rev. Unknown	-	0.0%	0	0.0%					6.0%
<b>Total</b>	<b>8</b>		<b>3,048</b>		<b>61,696</b>		<b>1,690,463</b>		
<b>GRAND TOTAL</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Rev. <= \$1MM	34	89.5%	10,960	96.1%	134,019	48.5%	2,447,784	34.5%	
Rev. > \$1MM	4	10.5%	445	3.9%					
Rev. Unknown	-	0.0%	-	0.0%					
<b>Total</b>	<b>38</b>		<b>11,405</b>		<b>276,499</b>		<b>7,101,356</b>		

---

Geographic Distribution of Loans: “Satisfactory”

UOB’s origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

HMDA-Reportable Loans

The distribution of UOB’s HMDA-reportable loans among census tracts of varying income levels demonstrated a reasonable distribution of lending.

UOB’s average rates of lending in LMI geographies of 77.2% by number and 81.7% by dollar value compared favorably with the aggregate rates of 34.7% and 33.7%, respectively. As indicated in the demographic and economic data section of the Performance Context, a majority of the assessment area’s housing units were renter-occupied multifamily units. Additionally, multifamily loans were the largest portion of UOB’s HMDA-reportable loans.

The following table provides a summary of the distribution of UOB’s HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2013									
Geographic	Bank				Aggregate				RO Hus
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	616	4.7%	342,860	4.1%	12.7%
Moderate	6	100.0%	3,194	100.0%	3,199	24.5%	1,782,989	21.6%	40.4%
LMI	6	100.0%	3,194	100.0%	3,815	29.2%	2,125,849	25.7%	53.1%
Middle	0	0.0%	0	0.0%	3,939	30.2%	1,680,256	20.3%	27.6%
Upper	0	0.0%	0	0.0%	5,307	40.6%	4,460,297	54.0%	19.2%
Unknown	0	0.0%	0	0.0%	2	0.0%	725	0.0%	0.0%
<b>Total</b>	<b>6</b>		<b>3,194</b>		<b>13,063</b>		<b>8,267,127</b>		
2014									
Geographic	Bank				Aggregate				RO Hus
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	33.3%	1,815	32.0%	535	6.1%	402,135	6.1%	14.3%
Moderate	5	41.7%	3,165	55.7%	2,717	30.9%	1,524,580	23.2%	45.2%
LMI	9	75.0%	4,980	87.7%	3,252	36.9%	1,926,715	29.3%	59.5%
Middle	2	16.7%	500	8.8%	2,733	31.0%	1,475,428	22.4%	23.5%
Upper	1	8.3%	200	3.5%	2,818	32.0%	3,170,416	48.2%	17.0%
Unknown		0.0%	0	0.0%	1	0.0%	252	0.0%	0.0%
<b>Total</b>	<b>12</b>		<b>5,680</b>		<b>8,804</b>		<b>6,572,811</b>		
2015									
Geographic	Bank				Aggregate				RO Hus
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	33.3%	3,122	36.8%	570	5.7%	482,904	6.0%	14.3%
Moderate	6	33.3%	2,600	30.7%	2,942	29.6%	1,942,138	24.1%	45.2%
LMI	12	66.7%	5,722	67.5%	3,512	35.3%	2,425,042	30.1%	59.5%
Middle	6	33.3%	2,755	32.5%	3,113	31.3%	1,480,725	18.4%	23.5%
Upper	0	0.0%	0	0.0%	3,324	33.4%	4,147,586	51.5%	17.0%
Unknown		0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Total</b>	<b>18</b>		<b>8,477</b>		<b>9,949</b>		<b>8,053,353</b>		
2016									
Geographic	Bank				Aggregate				RO Hus
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	7.7%	450	6.5%	544	5.3%	423,766	4.7%	14.3%
Moderate	8	61.5%	4,770	68.5%	3,087	29.9%	1,999,849	22.1%	45.2%
LMI	9	69.2%	5,220	75.0%	3,631	35.1%	2,423,615	26.8%	59.5%
Middle	2	15.4%	1,160	16.7%	3,271	31.7%	1,696,769	18.8%	23.5%
Upper	2	15.4%	580	8.3%	3,428	33.2%	4,915,423	54.4%	17.0%
Unknown	0	0.0%		0.0%	2	0.0%	494	0.0%	0.0%
<b>Total</b>	<b>13</b>		<b>6,960</b>		<b>10,332</b>		<b>9,036,301</b>		
2017									
Geographic	Bank				Aggregate				RO Hus
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	25.0%	458	11.4%	1,116	11.3%	873,309	7.4%	21.2%
Moderate	6	75.0%	3,570	88.6%	2,742	27.8%	4,959,863	42.0%	36.0%
LMI	8	100.0%	4,028	100.0%	3,858	39.2%	5,833,172	49.4%	57.3%
Middle	0	0.0%	0	0.0%	2,823	28.7%	1,481,372	12.5%	23.0%
Upper	0	0.0%	0	0.0%	3,158	32.1%	4,485,390	38.0%	19.7%
Unknown	0	0.0%	0	0.0%	10	0.1%	6,089	0.1%	0.0%
<b>Total</b>	<b>8</b>		<b>4,028</b>		<b>9,849</b>		<b>11,806,023</b>		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.De m.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	13	22.8%	5,845	20.6%	3,381	6.5%	2,524,974	5.8%	
Moderate	31	54.4%	17,299	61.0%	14,687	28.2%	12,209,419	27.9%	
LMI	44	77.2%	23,144	81.7%	18,068	34.7%	14,734,393	33.7%	
Middle	10	17.5%	4,415	15.6%	15,879	30.5%	7,814,550	17.9%	
Upper	3	5.3%	780	2.8%	18,035	34.7%	21,179,112	48.4%	
Unknown	0	0.0%	0	0.0%	15	0.0%	7,560	0.0%	
<b>Total</b>	<b>57</b>		<b>28,339</b>		<b>51,997</b>		<b>43,735,615</b>		

---

*Small Business Loans*

The distribution of UOB's small business loans among census tracts of varying income levels was excellent.

During the evaluation period, UOB originated 86.5% by number and 89.8% by dollar value of its small business loans in LMI geographies, compared to 47.6% and 41.7%, respectively, for the aggregate. In addition, UOB's rate of lending in LMI geographies fared well compared to the business demographics in its assessment area throughout the evaluation period.

The following table provides a summary of the distribution of UOB's small business loans by the income level of the geography where the businesses were located.

**Distribution of Small Business Lending by Geographic Income of Census Tract**

2013									
Borrower	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	16.7%	343	19.7%	5,114	11.7%	112,713	9.6%	10.1%
Moderate	4	66.7%	1,200	68.8%	12,649	28.9%	318,424	27.2%	29.1%
LMI	5	83.3%	1,543	88.5%	17,763	40.6%	431,137	36.8%	39.2%
Middle	0	0.0%	0	0.0%	10,250	23.4%	241,551	20.6%	22.7%
Upper	1	16.7%	200	11.5%	15,783	36.0%	499,256	42.6%	38.0%
Unknown	0	0.0%	0	0.0%	2	0.0%	128	0.0%	0.1%
<b>Total</b>	<b>6</b>		<b>1,743</b>		<b>43,798</b>		<b>1,172,072</b>		
2014									
Borrower	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	40.0%	275	24.3%	7,330	13.8%	166,298	12.2%	11.9%
Moderate	3	60.0%	856	75.7%	18,063	34.0%	408,226	30.0%	31.8%
LMI	5	100.0%	1,131	100.0%	25,393	47.8%	574,524	42.2%	43.7%
Middle	0	0.0%	0	0.0%	11,834	22.3%	256,048	18.8%	21.5%
Upper	0	0.0%	0	0.0%	15,916	29.9%	531,608	39.0%	34.8%
Unknown	0	0.0%	0	0.0%	3	0.0%	14	0.0%	0.0%
<b>Total</b>	<b>5</b>		<b>1,131</b>		<b>53,146</b>		<b>1,362,194</b>		
2015									
Geographic	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	83.3%	1,350	93.1%	8,346	14.2%	160,796	12.1%	12.0%
Moderate	1	16.7%	100	6.9%	21,118	35.9%	397,771	29.8%	32.2%
LMI	6	100.0%	1,450	100.0%	29,464	50.0%	558,567	41.9%	44.2%
Middle	0	0.0%	0	0.0%	13,073	22.2%	254,293	19.1%	21.7%
Upper	0	0.0%	0	0.0%	16,340	27.7%	521,383	39.1%	34.1%
Unknown		0.0%	0	0.0%	6	0.0%	47	0.0%	0.0%
<b>Total</b>	<b>6</b>		<b>1,450</b>		<b>58,883</b>		<b>1,334,290</b>		
2016									
Geographic	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	33.3%	990	25.8%	8,340	14.1%	196,491	12.7%	12.0%
Moderate	6	50.0%	2,410	62.8%	20,077	34.0%	448,759	29.1%	32.2%
LMI	10	83.3%	3,400	88.5%	28,417	48.2%	645,250	41.8%	44.2%
Middle	2	16.7%	440	11.5%	13,458	22.8%	300,761	19.5%	21.7%
Upper	0	0.0%	0	0.0%	17,099	29.0%	596,321	38.7%	34.1%
Unknown	0	0.0%	0	0.0%	2	0.0%	5	0.0%	0.0%
<b>Total</b>	<b>12</b>		<b>3,840</b>		<b>58,976</b>		<b>1,542,337</b>		
2017									
Geographic	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	37.5%	1,550	50.9%	11,973	19.4%	293,335	17.4%	2.5%
Moderate	3	37.5%	998	32.7%	18,591	30.1%	456,067	27.0%	15.8%
LMI	6	75.0%	2,548	83.6%	30,564	49.5%	749,402	44.3%	18.2%
Middle	1	12.5%	250	8.2%	12,272	19.9%	285,355	16.9%	45.6%
Upper	1	12.5%	250	8.2%	18,800	30.5%	653,059	38.6%	36.2%
Unknown	0	0.0%		0.0%	60	0.1%	2,647	0.2%	
<b>Total</b>	<b>8</b>		<b>3,048</b>		<b>61,696</b>	<b>100.0%</b>	<b>1,690,463</b>		
GRAND TOTAL									
Borrower	Bank				Aggregate				Bus. Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	15	40.5%	4,508	40.2%	41,103	14.9%	929,633	13.1%	
Moderate	17	45.9%	5,564	49.6%	90,498	32.7%	2,029,247	28.6%	
LMI	32	86.5%	10,072	89.8%	131,601	47.6%	2,958,880	41.7%	
Middle	3	8.1%	690	6.2%	60,887	22.0%	1,338,008	18.8%	
Upper	2	5.4%	450	4.0%	83,938	30.4%	2,801,627	39.5%	
Unknown	0	0.0%	0	0.0%	73	0.0%	2,841	0.0%	
<b>Total</b>	<b>37</b>		<b>11,212</b>		<b>276,499</b>		<b>7,101,356</b>		

---

Action Taken in Response to Written Complaints with Respect to CRA: "N/A"

Neither DFS nor UOB received any written complaints during the evaluation period 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 Board of Directors receives monthly CRA updates from the CRA Officer, and approves any amendments to the Bank's CRA compliance statement. Further, management reviews UOB's performance against the goals defined in the CRA statement and communicates the results to the board, on an annual basis.

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

DFS examiners did not note any practices by UOB intended to discourage applications for the types of credit offered by UOB.

**Evidence of prohibited discriminatory or other illegal credit practices**

DFS examiners did not note evidence by UOB of prohibited discriminatory or other illegal practices.

**Record of opening and closing offices and providing services at offices**

UOB did not open or close any branch offices during the evaluation period. UOB has two full-service branches in low-income census tracts. The income levels of the census tracts for both of the Bank's branches changed from moderate to low during the review period. UOB operates a deposit-taking ATM in its Canal Street branch; it has no ATM at its main office location. UOB does not offer mobile, internet or telephone banking services. Both branches are open from 8:30 AM to 4:00 PM on weekdays and from 10:00 AM to 2:00 PM on Saturdays.

<b>Distribution of Branches within the Assessment Area</b>							
<b>County</b>	<b>N/A #</b>	<b>Low #</b>	<b>Moderate #</b>	<b>Middle #</b>	<b>Upper #</b>	<b>Total #</b>	<b>LMI %</b>
New York		2				2	100%
<b>Total</b>		<b>2</b>				<b>2</b>	<b>100%</b>



---

## 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 actively involved in its local community, and is a member of the Chinese Chamber of Commerce. Employees from its loan operations unit and some directors are involved in local organizations such as the Chinatown Business Improvement District ("BID"). These activities help UOB to understand 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*

As a designated minority deposit institution catering to the needs of mostly ethnic Chinese communities, UOB's marketing efforts include sponsoring certain local events and organizations, and subscribing for space in journals of various business organizations. UOB develops most of its business relationships through word of mouth and referrals from customers or professionals. Additionally, bank officers visit local businesses and obtain information regarding business and personal credit needs in local communities.

**Other factors that in the judgment of the Superintendent bear upon the extent to which UOB is helping to meet the credit needs of its entire community.**

DFS noted no other factors.

## **GLOSSARY**

### **Aggregate Lending**

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 Metropolitan Statistical Area ("MSA") or statewide nonmetropolitan median income.

<b>Income level of individual or geography</b>	<b>% of the area median income</b>
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

## **Small Business Loan**

A small business loan is a loan less than or equal to \$1 million.

## **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 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.