PUBLIC DISCLOSURE

Janurary 21, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Orient Bank
Certificate Number: 23373

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New York, New York 10038

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

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New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.** An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

United Orient Bank's (United) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following factors summarize the bank's Lending Test performance.

The Lending Test is Satisfactory.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- Examiners did not review the distribution of loans based on borrower profile, as income data was unavailable; therefore, this factor did not affect the Lending Test rating.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

United is a community bank headquartered in New York, New York. United is a Minority Depository Institution focused on serving the Chinese and Chinese-American communities in New York City. United does not have a holding company relationship, affiliates, or subsidiaries.

The bank received a 'Satisfactory' rating for CRA at its previous FDIC Performance Evaluation, dated March 25, 2019, based on Interagency Small Institution CRA Examination Procedures.

Operations

United operates two full-service branch locations within New York City. Both of the bank's branches are located in the Chinatown area of Manhattan, including one branch situated in a low-income census tract and one branch in a middle-income census tract. The bank offers loan products including commercial, home mortgage, and consumer loans, primarily focusing on home mortgage lending to commercial entities. The institution provides a variety of deposit services including checking, savings, and money market deposit accounts, and certificates of deposit. Although the bank does not offer internet or mobile banking, United operates an automated teller machine at the Canal Street location.

United has not engaged in any merger or acquisition activity. Additionally, there have been no branch openings or closings since the prior evaluation.

Ability and Capacity

As of September 30, 2024, the bank reported total assets of $91.9 million. Loans are the primary asset at $75.4 million, while securities total $1.9 million. Deposits total $58.1 million. The following table provides a breakdown of the loan portfolio as of September 30, 2024.

Loan Portfolio Distribution		
Loan Category	**$(000s)**	**%**
1-4 Family Residential	17,840	23.7
Multi-family (5 or more) Residential	41,546	55.1
Commercial Real Estate	15,585	20.7
Total Real Estate Loans	**74,971**	**99.5**
Commercial and Industrial	507	0.7
Consumer	11	<0.1
Less: Unearned Income	(101)	(0.2)
Total Loans	**75,388**	**100.0**
Source: Report of Condition and Income 09/30/2024		

There are no financial, legal, or other impediments affecting the bank's ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. United designated a single assessment area composed of portions of New York, Kings, and Queens Counties within the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD #35614). MD #35614 is within the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA #35620). The bank's assessment area remained the same since the prior evaluation.

The United States Office of Management and Budget (OMB) published revised metropolitan area delineations and demographics based on the 2020 U.S. Census, effective February 2023, which affected the assessment area. Due to this change, the number of census tracts in the bank's assessment area increased by 25 from the prior evaluation, and some census tract income designations were revised. Overall, the number of low-income tracts decreased by 15, the number of moderate-income tracts increased by 8, the number of middle-income tracts increased by 20, the number of upper-income tracts increased by 6, and the number of tracts with no income designation increased by 6.

Economic and Demographic Data

The assessment area includes 442 census tracts: 237 census tracts in Kings County (Brooklyn), 141 census tracts in Queens County, and 64 census tracts in New York County (Manhattan). These census tracts are identifiable by a substantially high Asian population. These tracts reflect the following income designations according to the 2020 U.S. Census Data.

- 44 low-income census tracts
- 169 moderate-income census tracts
- 138 middle-income census tracts
- 79 upper-income census tracts
- 12 census tracts with no income designation

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	442	10.0	38.2	31.2	17.9	2.7
Population by Geography	1,751,686	12.3	40.0	28.3	18.6	0.8
Housing Units by Geography	653,435	11.1	35.1	28.4	24.4	0.9
Owner-Occupied Units by Geography	190,491	4.6	31.7	34.0	29.2	0.4
Occupied Rental Units by Geography	404,077	14.4	37.5	26.5	20.4	1.2
Vacant Units by Geography	58,867	9.6	29.8	23.4	36.3	0.9
Businesses by Geography	367,217	12.5	32.1	23.3	31.3	0.8
Farms by Geography	1,202	8.3	25.4	23.8	41.5	1.0
Family Distribution by Income Level	365,471	32.5	16.4	16.1	35.1	0.0
Household Distribution by Income Level	594,568	31.9	14.5	14.6	39.0	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		$85,483	Median Housing Value			$759,024
			Median Gross Rent			$1,633
			Families Below Poverty Level			14.4%

Source: 2020 U.S. Census and 2024 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

Data obtained from the U.S. Bureau of Labor Statistics, as of November 2024, indicates that the unemployment rate in the New York-Jersey City-White Plains, NY-NJ MSA was 4.4 percent. This is the same as the overall New York State unemployment rate of 4.4 percent and higher than the national level of 4.0 percent. The COVID-19 pandemic contributed to high unemployment rates in 2020, but unemployment rates in the area steadily decreased throughout the rest of the evaluation period.

According to Moody's Analytics, the New York-Jersey City-White Plains, NY-NJ MD is considered the financial capital of the world, with economic strengths that include high per capita income, limited exposure to manufacturing, and strong international immigration. Economic weaknesses of the area include high costs, rapidly aging infrastructure, and decreasing population. The top employers in the area are JPMorgan Chase & Co., New York-Presbyterian Healthcare System, and Mount Sinai Health System.

Competition

United's assessment area is highly competitive for financial services. According to the June 30, 2024 FDIC Deposit Market Share data, 104 financial institutions operated 1,218 full-service branches within Kings, New York, and Queens Counties. Of these institutions, United ranked 93rd with a less than 0.1 percent market share. The top three institutions, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA, and The Bank of New York Mellon, made up 66.6 percent of the deposit market share.

The bank was not subject to the Home Mortgage Disclosure Act (HMDA) data reporting requirements. Therefore, the analysis of home mortgage loans under the Lending Test does not include comparisons against aggregate lending data. However, the aggregate data provides a useful measure of loan demand. Based on the HMDA data, there is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders within the assessment area. According to 2024 aggregate HMDA data, 245 lenders reported 9,473 originated residential mortgage loans. The three most prominent home mortgage lenders accounted for 45.3 percent of total market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active within the bank's assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners reviewed an existing community contact from a non-profit organization in New York, New York that focuses on housing for low- to moderate-income individuals in the New York City area. The contact expressed a need for affordable housing in New York City. The contact noted that while investment in new housing developments is strong, there is a large amount of aging housing stock that has been neglected. Additionally, the contact believes the community would benefit from first-time homebuyer assistance, such as down-payment or closing-cost assistance programs. Low- to moderate-income borrowers would also benefit from more flexible underwriting practices and more competitive mortgage products from lenders in the area.

Credit Needs

Based on information from the community contact, examiners determined that there is a need for affordable housing in the area. Local financial institutions have an opportunity to invest in renovating and repurposing aging housing towards affordable housing developments. Additionally, local financial institutions can assist first time borrowers with homebuying costs and develop competitive mortgage products to meet demand.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 25, 2019, to the current evaluation dated January 21, 2025. Examiners assessed United's performance using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Small Institution CRA Examination Procedures, which includes a Lending Test (see Appendices).

Examiners used full-scope procedures to evaluate the bank's Lending Test performance in its single assessment area in New York. Unless otherwise noted, this evaluation references demographic information from the 2020 U.S. Census and financial data from the September 30, 2024 Consolidated Report of Condition and Income (Call Report).

Activities Reviewed

Examiners reviewed United's home mortgage lending to commercial entities to assess its performance, as these loans constitute the bank's major product line. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. United also originates small business loans; however, the bank originated just four small business loans during the review period. Given this nominal volume, the evaluation presents the bank's small business loans within the Assessment Area Concentration criteria only, since it did not affect its overall performance and rating. The bank previously offered and originated consumer loans; however, it did not make any consumer loans during the review period. In addition, the bank did not make any farm loans during the evaluation period.

Examiners analyzed United's home mortgage loans for 2022, 2023, and 2024. United was not subject to the data reporting requirements of HMDA, as it did not meet the loan volume threshold; however, the bank voluntarily collected its home mortgage data, which examiners utilized in the evaluation. In total, the bank originated 31 home loans totaling $24.1 million inside its assessment area during the review period. Demographic data from the 2020 U.S. Census provided a standard of comparison for the home mortgage loans.

While this evaluation presents both the number and dollar volume of loans, the examiners emphasized the performance by number of loans, as the number of loans is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

United demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio and Geographic Distribution criteria primarily supports this conclusion.

Loan-to-Deposit Ratio

United's net LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 110.1 percent over the past 22 calendar quarters from March 31, 2019 to September 30, 2024. The ratio ranged from a low of 91.8 percent as of September 30, 2021, to a high of 133.9 percent as of June 30, 2024. United's net LTD ratio increased since the prior evaluation.

Examiners compared United's average net LTD ratio to that of three comparable institutions selected based on asset size, geographic location, and lending focus. As the table below shows, United's average net LTD ratio was higher than each of the institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 09/30/2024 ($000s)**	**Average Net LTD Ratio (%)**
United Orient Bank	*91,857*	*110.1*
Eastbank, National Association	156,163	76.7
American Community Bank	285,121	90.8
M.Y. Safra Bank, FSB	404,756	73.3
Source: Reports of Condition and Income 03/31/2019 - 09/30/2024		

Assessment Area Concentration

The bank made a majority of its total loans, by number and dollar volume, within its assessment area. As shown in the table below, the bank originated 74.5 percent of its total loans by number and 77.2 percent by dollar volume inside its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$**
Home Mortgage										
2022	23	74.2	8	25.8	31	18,774	77.8	5,355	22.2	24,129
2023	4	100.0	0	0.0	4	2,705	100.0	0	0.0	2,705
2024	4	66.7	2	33.3	6	2,630	75.4	858	24.6	3,488
Subtotal	**31**	**75.6**	**10**	**24.4**	**41**	**24,109**	**79.5**	**6,213**	**20.5**	**30,322**
Small Business										
2022	1	50.0	1	50.0	2	100	16.7	500	83.3	600
2023	0	0.0	1	100.0	1	0	0.0	800	100.0	800
2024	3	100.0	0	0.0	3	1,250	100.0	0	0.0	1,250
Subtotal	**4**	**66.7**	**2**	**33.3**	**6**	**1,350**	**50.9**	**1,300**	**49.1**	**2,650**
Total	**35**	**74.5**	**12**	**25.5**	**47**	**25,459**	**77.2**	**7,513**	**22.8**	**32,972**
Source: Bank Data Due to rounding, totals may not equal 100.0% *Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.*										

As shown in the table, lending activity declined after 2022. Bank management attributed this decline to the prevailing economic conditions. During the COVID-19 pandemic, interest rates dropped significantly, enabling the bank to increase its lending capacity. However, the increasing interest rates of 2023 and 2024 affected loan demand and lending volume for those years.

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area.

The following table shows that the bank's lending in the low-income census tracts in the assessment area was 1.4 percentage points less than the percent of renter-occupied housing units in 2022, but the lending exceeded the demographic data in 2024 by 10.6 percentage points. United's lending in the moderate-income census tracts also exceeded the percent of renter-occupied housing units by 6 percentage points in 2022 and 12.5 percentage points in 2024. The bank did not lend in the low- or moderate-income census tracts in 2023 due to the prevailing economic conditions noted previously, as well as low demand. However, considering United's lending dispersion in 2022 and 2024 and the high degree of competition in the bank's assessment area, examiners determined that its distribution of home loans is reasonable.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	**% of Renter-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Low					
2022	14.4	3	13.0	4,100	21.8
2023	14.4	0	0.0	0	0.0
2024	14.4	1	25.0	1,250	47.5
Moderate					
2022	37.5	10	43.5	9,695	51.6
2023	37.5	0	0.0	0	0.0
2024	37.5	2	50.0	920	35.0
Middle					
2022	26.5	8	34.8	3,757	20.0
2023	26.5	4	100.0	2,705	100.0
2024	26.5	1	25.0	460	17.5
Upper					
2022	20.4	2	8.7	1,222	6.5
2023	20.4	0	0.0	0	0.0
2024	20.4	0	0.0	0	0.0
Not Available					
2022	1.2	0	0.0	0	0.0
2023	1.2	0	0.0	0	0.0
2024	1.2	0	0.0	0	0.0
Totals					
2022	**100.0**	**23**	**100.0**	**18,774**	**100.0**
2023	**100.0**	**4**	**100.0**	**2,705**	**100.0**
2024	**100.0**	**4**	**100.0**	**2,630**	**100.0**
Source: 2020 U.S. Census; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

Borrower Profile

United made the majority of its home mortgage loans to business entities; therefore, the bank did not obtain or record the individual borrower's income information. As a result, examiners did not evaluate this criterion.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the bank's rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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 statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.
Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.