



Cover Page

January 6, 2025

Note: This document contains the full and complete Community Reinvestment Act (CRA) Performance Evaluations for each of the two Bank of China FDIC-insured branches. The OCC is presenting both Performance Evaluations within the same document for convenience and to provide a holistic view of Bank of China's CRA performance for all its insured federal branches.

The Performance Evaluation for the New York Branch ([License #80028](#)) is presented first, in its entirety. The Performance Evaluation for the Queens Branch ([License #80091](#)) is presented second, in its entirety.



Office of the
Comptroller of the Currency
Washington, DC 20219

WHOLESALE BANK

PUBLIC DISCLOSURE

January 6, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of China – New York Branch
License Number: 80028

1045 Avenue of the Americas
New York, New York 10018

Office of the Comptroller of the Currency
International Banking Supervision
7 Times Square, 10th Floor
New York, NY 10036

NOTE: 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The major factors that support this rating include:

- The institution demonstrates a high level of community development (CD) loans, CD services, and qualified investment activity.
- The institution demonstrates occasional use of innovative or complex CD loans.
- The institution exhibits excellent responsiveness to credit and CD needs in its assessment area (AA).

Description of Institution

Bank of China, Limited (BOC or Head Office) is headquartered in Beijing, China. BOC was formally established in February 1912, and served continuously as the country's central bank, international exchange bank, and specialized international trade bank. After 1949, BOC became responsible for managing China's foreign exchange operations and offering international trade settlement, overseas fund transfers and other non-trade foreign exchange services. Restructured into a state-owned commercial bank in 1994, BOC has since developed into a large commercial bank delivering various financial services in local and foreign currencies and with an international branch network spanning more than 60 countries and regions. BOC has been designated a Global Systemically Important Bank since 2011. BOC engages in foreign currency, loans, international settlement, trade finance services, foreign exchange trading, treasury activities, and other bank services. BOC's core business is commercial banking, which includes corporate banking, personal banking, and financial markets.

In the United States, BOC maintains an interstate federal branch system of four branches. Two branches are in New York, one branch is located in Chicago and another in Los Angeles. A federal branch is a branch office of a foreign bank located in the United States. These offices are established for specific purposes, such as assisting in trade finance as well as serving Head Office customers doing business in the United States. BOC operates two FDIC-insured branches subject to the Community Reinvestment Act in the United States. The New York branch (License Number: 80028) is the subject of this Performance Evaluation. The Office of the Comptroller of the Currency (OCC) granted BOC's two branches in New York its wholesale¹ institution designation on October 18, 1996.² A CRA examination was also conducted at the Queens branch (License Number: 80091) beginning on January 6, 2025. The OCC utilized Interagency Examination Procedures for Limited Purpose and Wholesale Institutions and assigned the Queens branch an Outstanding rating.

The New York branch (NY branch) is located on 1045 Avenue of the Americas in the city of New York. The Queens branch is located in Flushing, NY. Both New York branches are Federal Deposit Insurance Corporation (FDIC) insured. However, since both branches are branches of the same banking institution, BOC, the branches do not receive separate FDIC insurance coverage. The Chicago and Los Angeles branches are not FDIC insured and are not subject to the CRA.

The primary focus of the NY branch operations is to function as a U.S. dollar clearing center and to provide the BOC Group with access to U.S. dollar liquidity. The NY branch also assists BOC in trade finance, provides support to U.S. multinational corporations operating in China, and participates in commercial real estate lending in the U.S. market. The NY branch offers a full range of deposit products to the public. Additionally, the NY branch offers remittance services and Chinese currency deposit products to meet community needs.

The regulatory requirements governing capital for federal branches are different than those of

¹ 12 CFR 25.11(x)

² <https://www.occ.treas.gov/topics/consumers-and-communities/cra/wholesale-and-limited-purpose-banks-under-cra.html>

U.S. domestic banks. Federal branches are required to comply with the capital equivalency deposit (CED) requirements, which equals five percent of the branch's third-party liabilities. However, the CED is not comparable to the volume of capital required by a domestic bank. Federal branches are also not required to report income for regulatory purposes. Therefore, an analysis of performance to capital and income is not meaningful. The New York branch and the Queens branch maintain a joint CED.

For regulatory reporting purposes, both the Queens branch and NY branch file a joint and consolidated Report of Assets and Liabilities of U.S Branches and Agencies of Foreign Banks. As of December 31, 2023, total combined assets for the two FDIC-insured branches were \$51.3 billion. This included \$28.8 billion in cash, \$6.3 billion in investments, and \$15.6 billion in loans. Deposits totaled \$20.8 billion. Refer to Table 2 below for the distribution of deposits at each branch. The tables below present the branch's consolidated financial information as reported on the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks and bank-reported deposit information.

Table 1: Financial Information (000s)

	Year-end 2021	Year-end 2022	Year-end 2023	Average for Evaluation Period
Total Assets	\$74,213,616	\$55,267,334	\$51,279,996	\$60,253,649
Total Deposits	\$24,073,311	\$20,855,164	\$20,848,150	\$21,925,542

Source: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.

Table 2: Branch-Reported Deposits (000s)

Branch	Year-end 2021	Year-end 2022	Year-end 2023	Average for Evaluation Period
New York	\$23,400,000	\$20,181,949	\$20,294,963	\$21,292,304
Queens	\$673,311	\$673,215	\$553,187	\$633,238
Total	\$24,073,311	\$20,855,164	\$20,848,150	\$21,925,542

Source: Bank Data

There were no identified legal, financial, or other factors that impeded the branch's ability to help meet the credit, investment, and service needs of its AA during the evaluation period.

The OCC assigned the branch an overall Satisfactory rating in its last CRA evaluation, dated November 29, 2021.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the New York branch's performance under the CRA, the OCC reviewed CD activities, including loans, investments, and services, from January 1, 2021, through December 31, 2023. The OCC reviewed the volume, nature, and responsiveness of qualified investments, CD lending, and CD services.

For the purposes of this evaluation, the branch delineated a single AA, which comprises the entirety of the New York-Jersey City-White Plains, NY-NJ metropolitan division (NY MD). All conclusions are based on the branch's performance within this AA and in the broader statewide and regional area. The branch has adequately addressed the needs of its AA, and therefore, qualified investments, CD loans and/or services in the broader statewide and regional area were considered in evaluating its performance.

The branch was evaluated using the Interagency Examination Procedures for Limited Purpose and Wholesale Institutions. A Wholesale Institution is evaluated under a singular community development test, which assesses a bank's record of meeting AA credit needs through community development lending, qualified investments, and/or community development services, as applicable. These CD activities are considered in aggregate to assess the bank's record of meeting community credit needs.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Rating

New York-Jersey City-White Plains, NY-NJ MD (NY MD)

CRA Rating for the NY MD: **Outstanding**

The major factors that support this rating include:

- The institution demonstrates a high level of CD loans, CD services, and qualified investment activity in the NY MD.
- The institution demonstrates occasional use of innovative or complex CD loans in the NY MD.
- The institution exhibits excellent responsiveness to credit and CD needs in the NY MD.

Description of New York MD

Table A – Demographic Information of the Assessment Area						
Assessment Area: New York MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,672	11.5	22.8	29.5	30.5	5.8
Population by Geography	10,244,644	14.2	24.8	27.4	32.4	1.2
Housing Units by Geography	4,041,183	13.2	22.6	26.3	36.7	1.2
Owner-Occupied Units by Geography	1,362,701	3.0	14.1	31.1	51.2	0.6
Occupied Rental Units by Geography	2,318,557	20.0	28.0	24.0	26.5	1.4
Vacant Units by Geography	359,925	8.5	19.3	23.0	47.9	1.4
Businesses by Geography	1,670,520	9.3	18.6	22.0	45.9	4.2
Farms by Geography	10,034	5.2	12.9	20.9	58.5	2.5
Family Distribution by Income Level	2,247,668	27.6	15.3	16.0	41.1	0.0
Household Distribution by Income Level	3,681,258	29.6	13.8	14.5	42.1	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$85,483	Median Housing Value			\$655,134
			Median Gross Rent			\$1,591
			Families Below Poverty Level			12.8%
Source: 2020 U.S. Census and 2023 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.						

The AA for the New York branch consists of all eleven counties in the New York – Jersey City – White Plains, NY-NJ metropolitan division (MD #35614). This AA meets the requirements of the CRA and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

According to the June 30, 2023, FDIC Summary of Deposits report, the deposit market share for the combined branches was 0.8 percent, ranking 14th out of 135 banks in terms of deposits in the AA. The New York banking market is highly competitive, and the deposit market is dominated by large multinational institutions. Major competitors include, but are not limited to, JPMorgan Chase Bank, Goldman Sachs Bank, Bank of America, The Bank of New York Mellon, Morgan Stanley, and Citibank.

According to data from Moody's Analytics the New York area's strengths include being the financial capital of the world, high per capita income, limited exposure to manufacturing, and strong international immigration. The area's weaknesses include high costs, including taxes, housing, office rents and energy, rapidly aging infrastructure, and troubled fiscal health made worse by population losses. Increased workplace flexibility that has continued since the pandemic has meant less demand for office space. This is impacting commercial property values and driving significant reduction in weekday retail traffic. Demand for affordable housing is growing. Major employment industries in the area include education and healthcare services; professional and business services; government; and financial activities. Major employers in the area include Montefiore Health System, Mount Sinai Health System, JP Morgan Chase, Bank of America, New York Presbyterian Healthcare, and NYU Langone Medical Center.

According to the Bureau of Labor Statistics, as of December 2023 the non-seasonally adjusted unemployment rate for the area was 4.7 percent compared to 4.4 percent for the state of New York and 4.5 percent for the state of New Jersey.

Community Contacts

The OCC considered comments provided by eleven community contacts from local organizations that serve the AA. The comments received were from organizations with missions focusing on areas such as affordable housing, small business and economic development, and community and social services. Contacts noted the primary need in the AA is affordable housing for both rental housing and homeownership. The lack of affordable inventory of homes, coupled with high taxes and utility costs, are keeping low- and moderate-income families as well as many lower-middle-income families from purchasing a home. Contacts also noted the need for greater support for small businesses, particularly smaller minority-owned businesses. Many small businesses suffered during the pandemic, and in many cases CARES Act funding was either insufficient or did not reach those businesses that needed funding the most. Contacts noted that financial institutions need to strengthen their relationships with the minority community to ensure that needs are being met. Other credit and CD needs identified include:

- Technical assistance and financial education for small businesses
- Affordable loans for first time homebuyers
- More efficient and less cumbersome grant making process from financial institutions
- Funding to help improve existing housing stock

Conclusions About Performance

Summary

- The New York branch's CD lending was excellent in relation to available opportunities and the branch's capacity for lending. CD lending funded significant economic development initiatives and affordable housing for low- and moderate-income households. CD lending represented the majority of CD activities during the evaluation period.
- The New York branch made use of innovative or complex CD loans, but no use of innovative or complex qualified investments or CD services.
- The New York branch exhibited excellent responsiveness to credit and CD needs in its AA with CD lending supporting significant economic development, job creation, and affordable housing.
- Branch employees provided more than 507 hours of community development services, focused primarily on workforce development.
- Qualified investments remain centered in mortgage-backed securities comprised of home mortgage loans to low- and moderate-income borrowers within the NY MD.
- Grants totaled \$368,500 and primarily supported local community-based service organizations that focus on and provide assistance to low- and moderate-income households.

Qualified Investments

The New York branch purchased \$4.7 million in current period investments and provided \$368,500 in grants and donations to local community organizations within the AA. When considering investments that remain outstanding from the prior period, qualified investments within the AA, inclusive of grants and donations, totaled \$11.7 million. The OCC further considered \$3.4 million in current period investments and \$25,000 current period donations that benefited the broader statewide and regional investments. Total investment and grant activity totaled \$15.1 million and represented less than 0.1 percent of deposits.

Both current and prior period qualified investments were limited to mortgage-backed securities primarily comprised of home mortgage loans to low- and moderate-income borrowers. The purchase of these securities provides liquidity to lenders to continue to originate home mortgage loans to low- and moderate-income borrowers.

Table 3: Qualified Investment Activity (000s)

	Benefits AA*	Outside AA	Totals
Current Period Investments	\$4,709	\$3,418	\$8,127
Current Period Grants	\$369	\$25	\$394
Prior-Period Investments that Remain Outstanding	\$6,641	\$0	\$6,641
Total Qualified Investments	\$11,719	\$3,443	\$15,162
Unfunded Commitments	\$0	\$0	\$0

*Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

The New York branch originated nine qualified CD loans totaling \$1.2 billion and representing 5.7 percent of average deposits inside the AA. Two of the CD loans totaling \$1.1 billion were complex and responsive to CD needs by providing construction financing for a critical infrastructure project. The project created 15,000 total jobs, including 9,600 direct jobs, supporting economic development as well as revitalization and stabilization efforts in the surrounding low- and moderate-income areas. The branch also originated five Small Business Administration (SBA) Paycheck Protection Program (PPP) loans totaling \$390,655 in response to COVID-19 pandemic relief that also supported economic development. The remaining two CD loans totaling \$78.8 million supported affordable housing within the AA, an identified need within the AA. In addition to the CD loans inside the AA, the branch also originated one line of credit totaling \$7 million and one SBA PPP loan equaling \$6,250 impacting the broader statewide area. Both loans supported economic development.

Table 5: Community Development Lending (000s)

	Benefits AA	Outside AA	Totals
CD Loans	\$1,223,045	\$145	\$1,223,190
Total CD Lending/Average Deposits	5.7%	0.0%	5.7%

**Loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.*

CD Services

New York branch employees participated in 35 qualified service activities and provided over 500 service hours during the evaluation period. Service activities were responsive to identified needs in the area particularly through financial literacy initiatives such as workshops, seminars, and mentoring programs. Leadership was demonstrated through board or committee membership with four employees serving on the boards of four area nonprofit organizations. None of the CD services were considered innovative or complex.

Table 6: CD Service Activities

CD Services	Benefits AA
Branch employees participated in a workplace mentoring program benefitting LMI youth 23 times throughout the evaluation period.	305.5 hours
A branch employee served on the board of an organization that facilitates mentorship of LMI youth.	18 hours
A branch employee delivered two presentations on Corporate Governance to NYC youth and international university students in conjunction with a nonprofit that strives to foster intercultural understanding in NYC. The majority of participants were LMI.	6 hours
A branch employee served on the board of a nonprofit organization that strives to foster intercultural understanding in NYC through interactions and experiences among local communities and international students. The majority of those served are LMI.	50 hours
A branch employee delivered two financial literacy education courses to area high school students, the majority of which are LMI.	3.5 hours
A branch employee served on the board of a nonprofit organization that partners with schools and community organizations to provide free financial literacy education to high school students.	84 hours

CD Services	Benefits AA
Branch employees presented four financial literacy workshops covering topics including fraud, budgeting, credit cards, and saving in conjunction with a nonprofit organization that provides social and legal services to New Yorkers struggling with family crisis or loss.	10.5 hours
A branch employee served on the board of a nonprofit organization providing social and legal services, including healthcare and wellness programs, to New Yorkers struggling with family crisis or loss.	30 hours
Total hours	507.5 hours

Appendix A: Summary of MMSA and State Ratings

RATINGS Bank of China, New York Branch	
Overall Bank:	Overall Bank Rating
Bank of China, New York Branch	Outstanding
MMSA Name	MMSA Rating
New York-Jersey City-White Plains, NY-NJ MMSA (NY MD)	Outstanding

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

Current Period Investment: Qualified investments made during the evaluation period. A bank receives consideration for the book value of the investment at origination.

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, which 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).

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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-Income (Low): An 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 assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any

given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division (MD): As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 (Mid): 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 percent and less than 120 percent, in the case of a geography.

Moderate-Income (Mod): 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

MMSA: Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Not-Applicable Income (NA): Geographies that have not been assigned an income classification.

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.

Prior Period Investment: Qualified investments made in a previous evaluation period that are outstanding as of the examination date. A bank receives consideration for the book value of the investment outstanding at the end of the evaluation period.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): 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 or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

Wholesale Bank: A bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with § 25.25(b).



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WHOLESALE BANK

PUBLIC DISCLOSURE

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42-35 Main Street
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The Queens branch is located on 42-35 Main Street in Flushing, NY. In June 2014 the Queens branch was relocated from 41-44 East Broadway to its current address to better serve the financial needs of the Chinese population in that area. The New York branch (NY branch) is located on 1045 Avenue of the Americas in the city of New York. Both New York branches are Federal Deposit Insurance Corporation (FDIC) insured. However, since both branches are branches of the same banking institution, BOC, the branches do not receive separate FDIC insurance coverage. The Chicago and Los Angeles branches are not FDIC insured and are not subject to the CRA.

The Queens branch offers a full range of deposit products to the general public, remittance services, and Chinese currency deposit products to meet community needs. The Queens branch offers commercial loans, commercial mortgages, and cash management services to business customers. The Queens branch originates residential mortgage loans on an accommodation basis, based on bank policy.

¹ 12 CFR 25.11 (x)

² <https://www.occ.treas.gov/topics/consumers-and-communities/cra/wholesale-and-limited-purpose-banks-under-cra.html>

The regulatory requirements governing capital for federal branches are different than those of U.S. domestic banks. Federal branches are required to comply with the capital equivalency deposit (CED) requirements, which equals five percent of the branch's third-party liabilities. However, the CED is not comparable to the volume of capital required by a domestic bank. Federal branches are also not required to report income for regulatory purposes. Therefore, a comparison of performance to capital and income is not meaningful. The New York branch and the Queens branch maintain a joint CED.

For regulatory reporting purposes, both the Queens branch and NY branch file a joint and consolidated Report of Assets and Liabilities of U.S Branches and Agencies of Foreign Banks. As of December 31, 2023, total combined assets for the two FDIC-insured branches were \$51.3 billion. This included \$28.8 billion in cash, \$6.3 billion in investments, and \$15.6 billion in loans. Deposits totaled \$20.8 billion. Refer to Table 2 below for the distribution of deposits at each branch. The tables below present the branch's consolidated financial information as reported on the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks and bank-reported deposit information.

Table 1: Financial Information (000s)

	Year-end 2021	Year-end 2022	Year-end 2023	Average for Evaluation Period
Total Assets	\$74,213,616	\$55,267,334	\$51,279,996	\$60,253,649
Total Deposits	\$24,073,311	\$20,855,164	\$20,848,150	\$21,925,542

Source: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.

Table 2: Branch-Reported Deposits (000s)

Branch	Year-end 2021	Year-end 2022	Year-end 2023	Average for Evaluation Period
Queens	\$673,311	\$673,215	\$553,187	\$633,238
New York	\$23,400,000	\$20,181,949	\$20,294,963	\$21,292,304
Total	\$24,073,311	\$20,855,164	\$20,848,150	\$21,925,542

Source: Bank Data

There were no identified legal, financial, or other factors that impeded the branch's ability to help meet the credit, investment, and service needs of its AA during the evaluation period.

The OCC assigned the branch an overall Satisfactory rating in its last CRA evaluation, dated November 29, 2021.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the Queens branch's performance under the CRA, the OCC reviewed CD activities, including loans, investments, and services, from January 1, 2021, through December 31, 2023. The OCC reviewed the volume, nature, and responsiveness of qualified investments, CD lending, and CD services.

For the purposes of this evaluation, the branch delineated a single AA, which comprises the entirety of the New York-Jersey City-White Plains, NY-NJ metropolitan division (NY MD). All conclusions are based on the branch's performance within this AA and in the broader statewide and regional area. The branch has adequately addressed the needs of its AA, and therefore, qualified investments, CD loans and/or services in the broader statewide and regional area were considered in evaluating its performance.

The Queens branch was evaluated using the Interagency Examination Procedures for Limited Purpose and Wholesale Institutions. A Wholesale Institution is evaluated under a singular community development test, which assesses a bank's record of meeting AA credit needs through community development lending, qualified investments, and/or community development services, as applicable. These CD activities are considered in aggregate to assess the bank's record of meeting community credit needs.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Rating

New York-Jersey City-White Plains, NY-NJ MD (NY MD)

CRA Rating for the NY MD: **Outstanding**

The major factors that support this rating include:

- The institution demonstrates a high level of CD loans, CD services, and qualified investment activity in the NY MD.
- The institution demonstrates occasional use of innovative or complex CD loans in the NY MD.
- The institution exhibits excellent responsiveness to credit and CD needs in the NY MD.

Description of New York MD

Table A – Demographic Information of the Assessment Area						
Assessment Area: New York MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,672	11.5	22.8	29.5	30.5	5.8
Population by Geography	10,244,644	14.2	24.8	27.4	32.4	1.2
Housing Units by Geography	4,041,183	13.2	22.6	26.3	36.7	1.2
Owner-Occupied Units by Geography	1,362,701	3.0	14.1	31.1	51.2	0.6
Occupied Rental Units by Geography	2,318,557	20.0	28.0	24.0	26.5	1.4
Vacant Units by Geography	359,925	8.5	19.3	23.0	47.9	1.4
Businesses by Geography	1,670,520	9.3	18.6	22.0	45.9	4.2
Farms by Geography	10,034	5.2	12.9	20.9	58.5	2.5
Family Distribution by Income Level	2,247,668	27.6	15.3	16.0	41.1	0.0
Household Distribution by Income Level	3,681,258	29.6	13.8	14.5	42.1	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$85,483	Median Housing Value			\$655,134
			Median Gross Rent			\$1,591
			Families Below Poverty Level			12.8%
Source: 2020 U.S. Census and 2023 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.						

The AA for the Queens branch consists of all eleven counties in the New York – Jersey City – White Plains, NY-NJ metropolitan division (MD #35614). This AA meets the requirements of the CRA and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

According to the June 30, 2023, FDIC Summary of Deposits report, the deposit market share for the combined branches was 0.8 percent, ranking 14th out of 135 banks in terms of deposits in the AA. The New York banking market is highly competitive, and the deposit market is dominated by large multinational institutions. Major competitors include, but are not limited to, JPMorgan Chase Bank, Goldman Sachs Bank, Bank of America, The Bank of New York Mellon, Morgan Stanley, and Citibank.

According to data from Moody's Analytics the New York area's strengths include being the financial capital of the world, high per capita income, limited exposure to manufacturing, and strong international immigration. The area's weaknesses include high costs, including taxes, housing, office rents and energy, rapidly aging infrastructure; and troubled fiscal health made worse by population losses. Increased workplace flexibility that has continued since the pandemic has meant less demand for office space. This is impacting commercial property values and driving significant reduction in weekday retail traffic. Demand for affordable housing is growing. Major employment industries in the area include education and healthcare services, professional and business services, government, and financial activities. Major employers in the area include Montefiore Health System, Mount Sinai Health System, JP Morgan Chase, Bank of America, New York Presbyterian Healthcare, and NYU Langone Medical Center.

According to the Bureau of Labor Statistics, as of December 2023 the non-seasonally adjusted unemployment rate for the area was 4.7 percent compared to 4.4 percent for the state of New York and 4.5 percent for the state of New Jersey.

Community Contacts

The OCC considered comments provided by eleven community contacts from local organizations that serve the AA. The comments received were from organizations with missions focusing on areas such as affordable housing, small business and economic development, and community and social services. Contacts noted the primary need in the AA is affordable housing for both rental housing and homeownership. The lack of affordable inventory of homes, coupled with high taxes and utility costs, are keeping low- and moderate-income families as well as many lower-middle-income families from purchasing a home. Contacts also noted the need for greater support for small businesses, particularly smaller minority-owned businesses. Many small businesses suffered during the pandemic and in many cases CARES Act funding was either insufficient or did not reach those businesses that needed funding the most. Contacts noted that financial institutions need to strengthen their relationships with the minority community to ensure that needs are being met. Other credit and CD needs identified include:

- Technical assistance and financial education for small businesses
- Affordable loans for first time homebuyers
- More efficient and less cumbersome grant making process from financial institutions
- Funding to help improve existing housing stock

Conclusions About Performance

Summary

- The Queens branch's CD Lending was excellent in relation to available opportunities and the branch's capacity for lending. CD Lending funded community services targeted to low- and moderate-income households and economic development. CD lending represented the majority of CD activities during the evaluation period.
- The Queens branch made use of innovative and/or complex CD loans.
- The Queens branch exhibited good responsiveness to credit and CD needs in its AA with CD lending supporting significant community services.
- Qualified investments consist of grants and donations totaling \$26,500, which primarily supported local community-based service organizations that focus on and provide assistance to low- and moderate-income households.
- CD services primarily focused on community services to low- and moderate-income individuals and households.

Qualified Investments

The Queens branch provided \$26,500 in current period grants and donations to local community organizations, which supported ongoing community service programs. Total grants and donations were less than 0.1 percent of average deposits. The Queens branch did not purchase or have any outstanding prior CD investments during the review period.³ None of the provided grants were innovative and/or complex.

Table 3: Qualified Investment Activity (000s)

	Benefits AA*	Totals
Current Period Investments	\$0	\$0
Current Period Grants	\$27	\$27
Prior-Period Investments that Remain Outstanding	\$0	\$0
Total Qualified Investments	\$27	\$27
Unfunded Commitments	\$0	\$0

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

The Queens branch originated five qualifying CD loans totaling \$80.7 million and representing 12.7 percent of average deposits inside the AA. One of the CD loans totaled \$80.6 million and supported community services benefitting low- and moderate-income families and geographies. Additionally, in response to COVID-19 pandemic relief and supporting economic development, the branch originated four Small Business Administration (SBA) Paycheck Protection Program (PPP) loans inside the AA totaling \$46,198. The branch also originated one SBA PPP loan for

³ The Queens Branch lacks investment authority and does not purchase any investments.

\$9,280 outside the AA that benefitted the broader statewide area. None of the CD loans were innovative and/or complex.

Table 5: Community Development Lending (000s)

	Benefits AA	Outside AA	Totals
CD Loans	\$80,645	\$9	\$80,654
Total CD Lending/Average Deposits	12.7%	0.0%	12.7%

**Loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.*

CD Services

Service activities were responsive to identified needs in the area including financial literacy education and workforce development. In addition to the service activities noted below, the branch provides an affordable international remittance service to China for both deposit customers and non-customers, offering significant value to low- or moderate-income individuals in areas with large immigrant communities. None of the CD services were considered innovative or complex.

Table 6: CD Service Activities

CD Services	Benefits AA
Branch employees participated in a workplace mentoring program benefitting LMI youth 23 times throughout the evaluation period.	22 hours
Branch employees presented four financial literacy workshops covering topics including fraud, budgeting, credit cards, and saving in conjunction with a nonprofit organization that provides social and legal services to New Yorkers struggling with family crisis or loss.	1.5 hours
A branch employee provided financial advisory services on two occasions to a nonprofit organization that supports minority-owned businesses, helping them grow, expand, and strengthen their communities.	2 hours
A branch employee provided financial advisory services and financial education curriculum materials to LMI participants as part of a financial counseling event put on by a nonprofit workforce and small business development organization.	1 hour
Low-Cost Remittance Service	10,992 remittances
Total Hours	26.5 hours

Appendix A: Summary of MMSA and State Ratings

RATINGS Bank of China, Queens Branch	
Overall Bank:	Overall Bank Rating
Bank of China, Queens Branch	Outstanding
MMSA Name	MMSA Rating
New York-Jersey City-White Plains, NY-NJ MMSA (NY MD)	Outstanding

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

Current Period Investment: Qualified investments made during the evaluation period. A bank receives consideration for the book value of the investment at origination.

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, which 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).

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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-Income (Low): An 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 assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any

given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division (MD): As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 (Mid): 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 percent and less than 120 percent, in the case of a geography.

Moderate-Income (Mod): 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

MMSA: Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Not-Applicable Income (NA): Geographies that have not been assigned an income classification.

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.

Prior Period Investment: Qualified investments made in a previous evaluation period that are outstanding as of the examination date. A bank receives consideration for the book value of the investment outstanding at the end of the evaluation period.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): 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 or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

Wholesale Bank: A bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with § 25.25(b).