UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of BANK OF THE ORIENT San Francisco, California	Docket No. 14-025-B-SM Cease and Desist Order Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended

WHEREAS, Bank of the Orient, San Francisco, California (the "Bank"), is a state-chartered bank that is a member of the Federal Reserve System;

WHEREAS, the Bank maintains a foreign branch in Xiamen, China (the "Foreign Branch");

WHEREAS, the most recent examination of the Bank conducted by the Federal Reserve Bank of San Francisco (the "Reserve Bank") and the California Department of Business Oversight Division of Financial Institutions identified certain deficiencies in the Bank's compliance with applicable laws, rules, and regulations relating to anti-money laundering ("AML"), including the Bank Secrecy Act (the "BSA") (31 U.S.C. § 5311 *et seq*.); the rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X); and the AML requirements of Regulation H of the Board of Governors of the Federal Reserve System (the "Board of Governors") (12 C.F.R. §§ 208.62 and 208.63) (collectively, the "BSA/AML Requirements");

WHEREAS, the Bank, the Board of Governors, and the Reserve Bank have the common goal that the Bank operates in compliance with all applicable BSA/AML Requirements;

WHEREAS, the Bank and the Board of Governors have mutually agreed to enter into this consent Cease and Desist Order (the "Order"); and

WHEREAS, on June 16, 2015, the board of directors of the Bank, at a duly constituted meeting, adopted a resolution authorizing and directing David Tai to enter into this Order on behalf of the Bank, and consenting to compliance with each and every provision of this Order by the Bank, and waiving any and all rights that the Bank may have pursuant to section 8 of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. § 1818), including, but not limited to: (i) the issuance of a notice of charges on any and all matters set forth in this Order; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, it is hereby ordered that, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, pursuant to section 8(b)(1) of the FDI Act (12 U.S.C. §§ 1818(b)(1)), the Bank shall cease and desist and take affirmative action as follows:

Board Oversight

1. Within 60 days of this Order, the board of directors of the Bank shall submit a written plan to strengthen board oversight of the Bank's compliance with the BSA/AML Requirements acceptable to the Reserve Bank. The plan shall, at a minimum, address, consider, and include:

(a) adequate resources for the BSA/AML compliance officer, including sufficient staffing levels, and periodic re-evaluation of resources and staffing needs;

(b) measures to ensure adherence to approved compliance policies, procedures and standards;

(c) steps to improve the management information systems reporting of compliance with the BSA/AML Requirements; and

(d) the actions that the board of directors will take to oversee the operations of the Foreign Branch to ensure that management operates the Foreign Branch in accordance with safe and sound banking principles and in compliance with applicable laws and regulations.

BSA/AML Compliance Program

2. Within 60 days of this Order, the Bank shall submit an enhanced written BSA/AML compliance program acceptable to the Reserve Bank. The enhanced program shall, at a minimum, include:

(a) a system of internal controls designed to ensure ongoing compliance with the BSA/AML Requirements;

(b) controls designed to ensure compliance with all requirements relating to correspondent accounts for foreign financial institutions, including, but not limited to, affiliates and the Foreign Branch;

(c) provisions for independent testing to be performed on a regular basis by qualified parties (which may include internal audit) who are independent of the Bank's business lines and compliance function;

(d) a risk assessment that appropriately identifies and considers all products and services of the Bank, customer types, and geographic risks; and

(e) policies that provide for effective, on-going training for all personnel, including targeted training for personnel with compliance-related responsibilities, in all aspects of the BSA/AML Requirements, and applicable internal policies and procedures, including steps to ensure the training occurs in a timely manner.

Customer Due Diligence

3. Within 60 days of this Order, the Bank shall submit a written revised program for conducting appropriate levels of customer due diligence by the Bank acceptable to the Reserve Bank. At a minimum, the program shall include:

(a) policies, procedures, and controls to ensure that the Bank collects, analyzes, and retains complete and accurate customer information for all account holders;

(b) a methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services, and geographic location;

(c) a risk-focused assessment of the Bank's customer base to:

(i) identify the categories of customers whose transactions and banking activities are routine and usual; and

(ii) determine the appropriate level of enhanced due diligence necessary for those categories of customers that pose a heightened risk of conducting potentially illicit activities at or through the Bank;

(d) for each customer whose transactions require enhanced due diligence, procedures to:

(i) determine the appropriate documentation necessary to verify the identity and business activities of the customer; and

(ii) understand the normal and expected transactions of the customer;

(e) policies, procedures, and controls to ensure that foreign correspondent accounts are properly identified and accorded the appropriate due diligence and, where necessary, enhanced due diligence; and

(f) procedures to ensure periodic reviews and evaluations are conducted and documented for all account holders.

Suspicious Activity Monitoring and Reporting

4. Within 60 days of this Order, the Bank shall submit a written program acceptable to the Reserve Bank to reasonably ensure the identification and timely, accurate, and complete reporting by the Bank of all known or suspected violations of law or suspicious transactions to law enforcement and supervisory authorities, as required by applicable suspicious activity reporting laws and regulations. At a minimum, the program shall include:

(a) a well-documented methodology for establishing monitoring rules and processes that take into consideration the Bank's risk profile, products, services, customer base, geographic locations, and foreign correspondent banking activities;

(b) policies and procedures that provide for periodic review of the monitoring rules;

(c) effective monitoring of customer accounts and transactions, including, but not limited to, transactions conducted through foreign correspondent accounts including retail and commercial transactions;

(d) measures to ensure that alert dispositions are supported with adequate rationale and documentation to evidence the research performed and the due diligence that was relied upon to arrive at the analyst's conclusion; and

(e) controls to ensure that transaction monitoring systems and associated automated processes are subject to periodic reviews and timely updates.

Transaction Review

5. (a) Within 60 days of this Order, the Bank shall engage an independent third party, acceptable to the Reserve Bank, to conduct a review of account and transaction activity associated with any high risk customer and Foreign Branch accounts conducted at, by, or through the Bank from July 1, 2014 to December 31, 2014 to determine whether suspicious activity involving high risk customer accounts or transactions at, by, or through the Bank was properly identified and reported in accordance with applicable suspicious activity reporting regulations (the "Transaction Review") and to prepare a written report detailing the independent third party's findings (the "Transaction Review Report").

(b) Based on the Reserve Bank's evaluation of the results of the Transaction Review, the Reserve Bank may direct the Bank to engage the independent third party to conduct a review of the types of transactions described in paragraph 5(a) for additional time periods.

6. Within 10 days of the engagement of the independent third party, but prior to the commencement of the Transaction Review, the Bank shall submit to the Reserve Bank for approval an engagement letter that sets forth:

(a) the scope of the Transaction Review;

(b) the methodology for conducting the Transaction Review;

(c) the expertise and resources to be dedicated to the Transaction Review;

(d) the anticipated date of completion of the Transaction Review and the Transaction Review Report; and

(e) a commitment that supporting material associated with the Transaction Review will be made available to the Reserve Bank upon request.

7. The Bank shall provide to the Reserve Bank a copy of the Transaction Review Report at the same time that the report is provided to the Bank.

8. Throughout the Transaction Review, the Bank shall ensure that all matters or transactions required to be reported that have not previously been reported are reported in accordance with applicable rules and regulations.

Compliance with the Order

9. Within 30 days after the end of each calendar quarter following the date of this Order, the board of directors of the Bank shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Order and the results thereof.

Approval and Implementation of Plans, Programs, and Policy

10. (a) The Bank shall submit a written plan and programs that are acceptable to the Reserve Bank within the time periods set forth in paragraphs 1, 2, 3, and 4 of this Order. Each plan or program shall contain a timeline for full implementation of the plan or program with specific deadlines for the completion of each component of the plan or program. An independent third party acceptable to the Reserve Bank shall be retained by the Bank within the time period set forth in paragraph 5(a) of this Order. An engagement letter acceptable to the Reserve Bank shall be submitted within the time period set forth in paragraph 6 of this Order.

(b) Within 10 days of approval by the Reserve Bank, the Bank shall adopt the approved plan and programs. Upon adoption, the Bank shall promptly implement the approved plan and programs, and thereafter fully comply with them.

(c) During the term of this Order, the approved plan, programs, and engagement letter shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Communications

11. All communications regarding this Order shall be sent to:

(a) Ms. Mongkha Lu
Director
Community Institutions Group
Federal Reserve Bank of San Francisco
950 South Grand Avenue
Los Angeles, California 90015

(c) Mr. David Tai
President and Chief Executive Officer
Bank of the Orient
100 Pine Street, Suite 600
San Francisco, California 94111

Miscellaneous

12. Notwithstanding any provision of this Order, the Reserve Bank may, in its sole discretion, grant written extensions of time to the Bank comply with any provision of this Order.

13. The provisions of this Order shall be binding upon the Bank and its institution-affiliated parties, as defined in section 3(u) of the FDI Act (12 U.S.C. § 1813(u)), in their capacities as such, and their successors and assigns.

14. Each provision of this Order shall remain effective and enforceable until stayed, modified, suspended or terminated in writing by the Reserve Bank.

15. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other

action affecting the Bank or any of its current or former institution-affiliated parties and their successors and assigns.

16. This Order does not supersede the November 16, 2010 Written Agreement by and among Orient Bancorporation, the Bank, and the Reserve Bank.

By order of the Board of Governors, effective this 17th day of June, 2015.

BANK OF THE ORIENT	BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
By: /s/ David Tai	By: /s/ Robert deV. Frierson
David Tai	Robert deV. Frierson
President and Chief Executive Officer	Secretary of the Board