



## OVERVIEW

OneUnited Bank entered the new millennium as the largest and fastest growing Black-owned bank in the country. A leader in providing innovative products and services to under-served urban communities, OneUnited was an early pioneer of interstate banking within the sector and is one of the most successful in the country today at integrating community banks.

With offices in Boston, Los Angeles and Miami, its successful consolidation of four Black-owned banks, several with histories that predate the civil rights movement – Boston Bank of Commerce, Peoples National Bank of Commerce in Miami, Founders National Bank of Los Angeles and Family Savings Bank of Los Angeles – has created a strong foundation for a truly national banking franchise. These four institutions, now one, united, share a common mission to garner the spending power of urban communities and channel it back into our communities to help overcome the challenges created by poverty, economic disenfranchisement and community stagnation.

OneUnited's success in overcoming the immense challenges associated with its mission is due to the strong legacy of its predecessor Black-owned banks. For example, Unity Bank & Trust Company, the predecessor to Boston Bank of Commerce and OneUnited Bank, started in 1968 with \$1.2 million in capital. Located in Boston's Dudley Triangle, where over 30 percent of the community lives below the poverty line and nearly 20 percent of the land lies vacant, Unity Bank & Trust hoped to revitalize this urban Boston neighborhood by lending exclusively to local businesses and homeowners. This ambitious goal proved insurmountable given the Bank's limited resources. As a consequence, Unity Bank & Trust ultimately failed, but left a legacy of Black ownership and community re-investment.

## HISTORY

Based on the legacy of Unity Bank & Trust, Boston Bank of Commerce was organized in 1982 with a refined model of community development that included partnerships with large corporations and government agencies. Over the ensuing years, a succession of chairmen, including United States Senator Edward Brooke, guided the Bank to a measure of stability until it also fell on hard times. In the mid 1990's following the economic downturn that adversely affected other northeast-based regional banks, Boston Bank of Commerce was placed on a Cease & Desist order by the FDIC and charged to increase capital and improve the quality of its loan portfolio. However, its partnerships with corporations and government agencies and the loyalty of its customer base left an important legacy.

A significant capital infusion by the current Chairman & CEO Kevin Cohee in 1995 along with a new strategy under his leadership of acquiring African American owned banks and thrifts in major metropolitan markets, ushered in a new era of prosperity for the institution. Since 1995, the Bank has made significant investments in management and technology to provide a strong platform for a national franchise. "This is a classic roll-up strategy—to unite African American banks in major marketplaces, and give them the scale and resources necessary to be effective. Otherwise, these banks are too small and don't have the capital, products and services, technology, regulatory expertise or management to succeed," Cohee says. "We're creating the premier financial institution for urban communities that will not only survive but will thrive into the 21<sup>st</sup> century. We will truly fulfill a hundred-year old civil rights dream of economic self-sufficiency by channeling the spending power of urban communities back into our communities."

In 1999, Boston Bank of Commerce became the first interstate Black-owned bank in the country through its acquisition of Peoples National Bank of Commerce, South Florida's only African-American-owned bank. In 2001 the institution merged with Founders National Bank of Los Angeles, bringing the largest banking market in the country along with star power in the form of Founders' majority owners – former Los Angeles Lakers superstar, NBA Hall of Famer and successful businessman Earvin "Magic" Johnson, Grammy award winning songstress Janet Jackson, and former Motown Records President Jheryl Busby. In 2002, the acquisition of the Los Angeles-based Family Savings Bank, the largest Black-owned thrift in California, further added to its scale and efficiency and brought a legacy of successful experience lending to urban communities.

The Bank launched its new name, OneUnited Bank, later that year to better reflect the Bank's mission and strategy. "By uniting financial institutions, we're uniting communities and making them all stronger," says Cohee.

## MISSION

The mission for OneUnited Bank is to foster economic growth and individual opportunity in urban neighborhoods by offering affordable financial services for all. In less than ten years, the Bank has successfully completed four acquisitions. Assets have increased from \$56 million to nearly \$500 million today, with an aggressive goal to exceed \$2 billion within the next three years. To achieve this goal, OneUnited plans to continue to expand its branch network by acquiring financial services companies that share its mission and opening de novo branches in urban communities.

## PERSPECTIVE

OneUnited Bank is a U.S. Department of Treasury Community Development Financial Institution, two-time Black Enterprise Bank of the Year, four-time recipient of the Community Development Financial Institution's Bank Enterprise Award and six-time Federal Home Loan Bank award winning institution. OneUnited Bank looks forward to entering new markets and working with strategic partners to continue making socially responsible investments that foster sustained economic development within urban communities. In other words, the Bank has no intention of resting on its past accomplishments.

Recent OneUnited Bank initiatives include the introduction of the Certificate of Deposit Account Registry Service (CDARS) program. Now, in addition to a market rate of interest, through participation in the program, customers receive full FDIC insurance coverage up to \$20 million. The Bank's loan offerings include both single-family and multi-family programs with competitive rates that support the development of affordable housing in urban communities. The \$175 million in loans that the Bank made in 2004 included 40% in low to moderate-income census tracts.

The Bank's Membership Program offers affordable deposit products and services to meet the needs of consumers, businesses and non-profit organizations, including free online banking at [www.oneunited.com](http://www.oneunited.com), telephone banking and Visa debit card services that provide safe, secure and convenient access to OneUnited Bank accounts. The Bank's quarterly newsletter, *Insights*, and community based financial literacy workshops offer sound information to help achieve financial security. OneUnited Bank recently introduced radio and print advertising campaigns to champion the good news about urban communities in partnership with celebrities and community supporters such as Tavis Smiley, Patti LaBelle and Malik Yoba.

## FINANCIAL CONDITION

The Bank is well capitalized in accordance with regulatory standards set forth by the FDIC. OneUnited Bank reported net earnings of \$4,548,623, or \$1.11 per common share, for the year ended December 31, 2004. The Bank's return on average assets was 1.01% in 2004.

**That's OneUnited Bank. One Community. One Bank. One United.**