



PUBLIC DISCLOSURE

February 22, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

El Dorado Savings Bank, F.S.B.
Charter Number: 706164

4040 El Dorado Rd
Placerville, CA 95667

Office of the Comptroller of the Currency

25 Jesse Street at Ecker Square, 16th Floor
San Francisco, CA 94105

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, and should not 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 Satisfactory.

The following table indicates the performance level of El Dorado Savings Bank, F.S.B. with respect to the Lending, Investment, and Service Tests:

Performance Levels	El Dorado Savings Bank, F.S.B. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

Lending Test

- Substantial majority of loans granted in the assessment areas (AA).
- Lending levels reflect good responsiveness to the credit needs in the AAs.
- Geographic distribution of loans reflects adequate penetration throughout the AAs.
- Distribution of loans by income of the borrower reflects excellent penetration.

Investment Test

- A good level of investment in the AAs, reflecting good responsiveness.

Service Test

- Retail delivery systems are accessible in the AAs.
- Opening and closing of branches have not affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and to LMI individuals.
- Overall, hours do not vary in a way that inconveniences portions of the AAs, particularly LMI geographies. Branch hours are reasonably consistent across the AAs and any differences were reasonably explained.

Lending in Assessment Area

A substantial majority of the bank's loans are in its AAs.

The bank originated 98 percent by number and 99 percent by dollar amount of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. This positively impacted the bank's geographic distribution of lending in the rural portions of its AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,341	98.3	23	1.7	1,364	309,438	99.1	2,826	0.9	312,265
Total	1,341	98.3	23	1.7	1,364	309,438	99.1	2,826	0.9	312,265

Description of Institution

El Dorado Savings Bank, F.S.B. (EDSB or bank) is a federally chartered stock savings bank headquartered in Placerville, California. EDSB maintains 31 full-service branches in California and four branches in Nevada. As of December 31, 2019, EDSB had total assets of \$2.2 billion with \$592.5 million in net loans and leases, which represents 27.1 percent of total assets.

The Bank primarily originates mortgage loans for the purchase, improvement, and refinance of owner-occupied one-to-four family dwellings. EDSB also grants small business, residential-secured small farm, and home equity loans. The concentration of one-to-four family mortgage loans warrants the emphasis on residential mortgage loans in the evaluation of the bank's CRA performance. EDSB does not sell the loans it originates. As a portfolio lender, EDSB has traditionally offered flexible and alternative underwriting standards to qualify creditworthy borrowers who do not meet traditional underwriting guidelines.

EDSB's financial condition, size, and location do not adversely affect the bank's ability to meet the credit needs of the community. There are no legal or regulatory impediments that prevent the bank from serving community credit needs.

EDSB's CRA performance was last evaluated in February 2018, at which time the bank was rated outstanding.

Scope of the Evaluation

Evaluation Period/Products Evaluated

For the lending test, the OCC analyzed home mortgage loans as reported under the Home Mortgage Disclosure Act (HMDA). The analysis of this product was for the period of January 1, 2017, through December 31, 2019. The analysis of specific loan products was only considered if the product(s) were considered primary loan products in a given AA. Primary loan products are those that have at least 20 loans originated in a particular AA throughout the evaluation period. The OCC reviewed Community Development (CD) loans, qualified investments, and CD services for the period beginning January 1, 2018, through December 31, 2019.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

EDSB maintains deposit operations in California and Nevada. The bank’s branches serve a portion of the Sacramento-Roseville CSA (Sacramento AA) and four non-MSA counties (California Non-MSA) in California and a portion of the Reno-Carson City-Fernley CSA (Reno AA) in Nevada. The OCC placed substantial weight on the bank’s performance in the state of California. In California, deposits represent 94 percent of total bank deposits, branches represent 89 percent of total bank branches, and mortgage loans represent 96 percent of number of home mortgage loans. The OCC placed minimal weight on performance in the state of Nevada.

The state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, 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 (or any affiliate whose loans have been considered as part of the institution's lending performance) 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.

State Rating

State of California

CRA rating for the State of California: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to AA needs.
- An adequate distribution of loans in geographies of different income levels.
- An excellent distribution of loans among individuals of different income levels.
- A good level of CD investments that are responsive to AA needs.
- Retail delivery systems are reasonably accessible to geographies and individuals in the AA.

Description of Institution's Operations in California

As of June 30, 2019, EDSB had 31 branch offices serving its California AAs. EDSB reported total deposits of nearly \$1.8 billion in these offices, which represented 94.2 percent of total deposits. The branches are full-service, offering the full range of EDSB's loan and deposit products. EDSB is primarily a home mortgage lender offering home purchase, home improvement, and home refinance loans and home equity lines of credit. The bank offers commercial, agriculture, and consumer loans but these are not primary loan products of the bank. The number and dollar volume of loans granted by EDSB within the state of California represented approximately 95.5 percent and 95.6 percent, respectively, of the bank's total reportable lending.

Based on branch locations, EDSB serves a portion of the Sacramento-Roseville CSA and four non-MSA counties that are combined into a single non-MSA AA.

Sacramento AA

The bank's Sacramento AA encompasses a portion of the larger Sacramento-Roseville CSA and covers the El Dorado County, Placer County, and Sacramento County portions of the Sacramento-Roseville-Folsom MSA and the Truckee-Grass Valley Micropolitan Area (Nevada County). The U.S. Census Bureau (Census) estimates the population in Sacramento AA to be 2,242,985 in 2019. The population of the AA grew by 10 percent since the 2010 Census.

Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	465	9.5	23.4	33.8	32.7	0.6
Population by Geography	2,112,775	9.2	23.0	33.8	33.9	0.1
Housing Units by Geography	858,328	8.8	22.3	35.1	33.6	0.2
Owner-Occupied Units by Geography	464,116	4.5	17.8	35.0	42.7	0.0
Occupied Rental Units by Geography	302,015	15.0	29.8	34.9	19.8	0.5
Vacant Units by Geography	92,197	10.6	20.1	36.0	32.8	0.5
Businesses by Geography	164,791	8.3	20.3	31.3	38.1	1.8
Farms by Geography	4,013	5.1	18.2	32.4	43.7	0.5
Family Distribution by Income Level	511,506	23.4	16.1	18.4	42.1	0.0
Household Distribution by Income Level	766,131	24.6	15.5	17.1	42.7	0.0
Median Family Income MSA - 40900 Sacramento-Roseville-Folsom, CA MSA		\$71,829	Median Housing Value			\$292,574
Median Family Income Non-MSAs - CA		\$56,948	Median Gross Rent			\$1,104
			Families Below Poverty Level			11.4%

Source: 2015 ACS and 2019 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.

Sacramento-Roseville-Folsom MSA (Sacramento MSA)

Competition

Competition in the El Dorado County, Placer County, and Sacramento County portion of the Sacramento MSA is high. There are 38 FDIC insured depository institutions with branch operations in the MSA according to the FDIC's June 30, 2019, Deposit Market Share Report. With 19 branches in the AA, EDSB's deposits totaled \$1.1 billion. The bank ranked 9th of 38 depository institutions with 2.2 percent of the market share of deposits as of June 30, 2019. The top three depository institutions are Wells Fargo Bank, U.S. Bank, and Bank of America sharing 59.1 percent of total deposits in the AA.

Competition for mortgage lending is very high. There are 660 HMDA-reporting mortgage lenders in this area in 2019. EDSB ranked 71 with a market share of 0.22 percent of all HMDA lending in 2019. The top five competitors include United Shore Financial Service, Quicken Loans, Wells Fargo, Finance of America Mortgage, and Lakeview Loan Servicing sharing 29.9 percent of the market for HMDA reportable loans.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in the MSA improved during the evaluation period. BLS data indicates the average annual unemployment was 4.5 percent in 2017, 3.7 percent in 2018, and 3.5 percent in 2019. The largest industries in the AA include Government,

education and health services, professional and business services, retail trades, and leisure and hospitality services. The top five employers are University of California, Sutter Health, Kaiser Permanente, Dignity Health, and Intel Corp.

According to the U.S. Census Bureau's 2015 American Community Survey (ACS), 23.8 percent of families in the AA are low-income and 16.2 percent are moderate-income. The 2015 ACS indicates that 33.9 percent of the census tracts in the AA are LMI and 30.6 percent of all families in the AA reside in LMI census tracts. The percentage of households in the AA living below the poverty level is moderate, representing 14.1 percent, according to the 2015 ACS. Of total households in the AA living below the poverty line, 22.5 percent and 31.9 percent reside in low-income census tracts and moderate-income tracts, respectively.

Housing

Housing in the Sacramento MSA is moderately expensive. Based on the 2015 ACS, the housing affordability ratio is 5.5, 5.3, and 5.2 in El Dorado County, Placer County, and Sacramento County, respectively. The affordability ratios in the AA are lower than the state ratio of 6.7 and higher than the national ratio of 3.5. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates home ownership in the counties of the AA was 56.4 percent in Sacramento County, 71.9 percent in Placer County, and 75.7 percent in El Dorado County. The home ownership rate in each of the counties in the AA is above the state average of 54.8 percent and above the national average of 64.0 percent in El Dorado and Placer counties.

The 2015 ACS reports 54 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 36.1 percent and vacant units at 10 percent. There are 75,881 housing units in low-income geographies with 27.3 percent of these units being owner-occupied, 59.8 percent of units are renter-occupied, and 12.9 percent are vacant. There are 184,725 housing units in moderate-income geographies with 43.3 percent of these units being owner-occupied, 47 percent of units are renter-occupied, and 9.7 percent are vacant. The percentage of owner-occupied housing units in moderate-income census tracts is lower than in middle- and upper-income geographies and significantly lower in low-income census tracts.

Truckee-Grass Valley Micropolitan Area (Nevada County)

Competition

Competition in Nevada County is moderate. There are 11 FDIC insured depository institutions with branch operations in the county according to the FDIC's June 30, 2019, Deposit Market Share Report. With two branches, EDSB's deposits totaled \$104.1 million. The bank ranked 6th of 11 depository institutions with 4.9 percent of market deposits as of June 30, 2019. The top three depository institutions are Wells Fargo Bank, Bank of America, and JPMorgan Chase Bank sharing 56.5 percent of total deposits in the AA.

Competition for mortgage lending is high. There are 327 HMDA-reporting mortgage lenders in this area in 2019. EDSB ranked 50 with a market share of 0.39 percent of all HMDA lending in 2019. The top five competitors include Wells Fargo, United Shore Financial Service, Quicken Loans, JPMorgan Chase Bank, and Bank of America sharing 29.5 percent of the market for HMDA reportable loans.

Employment and Economic Factors

According to the BLS, unemployment in Nevada County improved during the evaluation period. BLS data indicates the average annual unemployment was 4.1 percent in 2017, 3.5 percent in 2018, and 3.3 percent in 2019. The largest industries in the AA include Government, educational and health services, leisure and hospitality, and retail trade. The top employers are Boreal Mountain Resort, Sierra Nevada Memorial Hospital, and Tahoe Forest Hospital District.

According to the 2015 ACS, 16.5 percent of families in the AA are low-income and 15.5 percent are moderate-income. The 2015 ACS data indicates that 10.0 percent of the census tracts in the AA are moderate-income and 10 percent of all families in the AA reside in moderate-income census tracts. There are no low-income census tracts in the AA. The percentage of households in the AA living below the poverty level is moderate, representing 10.8 percent, according to the 2015 ACS. Of total households living below the poverty line, 28.2 percent reside in moderate-income geographies in the AA.

Housing

Housing in the Nevada county is moderately expensive. The ACS estimates an affordability ratio of 6.5 in Nevada county. The affordability ratio in the AA is less than the state ratio of 6.7 and higher than the national ratio of 3.5. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates home ownership in the AA to be 74.2 percent which is above the state average of 54.8 percent and the national average of 64 percent.

The 2015 ACS reports 56 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 21.3 percent and vacant units at 22.7 percent. There are 6,288 housing units in moderate-income geographies with 39.2 percent of these units being owner-occupied, 52.6 percent of units are renter-occupied, and 8.1 percent are vacant. The percentage of owner-occupied units in moderate-income census tracts is significantly lower than in middle- and upper-income geographies.

Community Contacts

The OCC utilized community contact information to determine credit needs and challenges in the AA. One community contact noted a critical need for banking services and affordable housing for low-income families and individuals. Two Community contacts also noted challenges that many small businesses face in qualifying for traditional financing and that access to credit was an obstacle for area businesses. Opportunities to address credit needs includes bank participation in tax credit projects to build affordable housing, microloans and financing programs for small businesses and start-ups, more business technical assistance, and more outreach and simplification of the lending process for small loans.

California Non-MSA AA

The California Non-MSA AA includes the contiguous counties of Amador, Calaveras, and Tuolumne on the western side of the Sierra Mountain Range and the non-contiguous county of Inyo on the eastern side of the range. The U.S. Census estimates the population in the AA to be 257,929 people in 2019. The population of the AA declined by 0.6 percent since the 2010 Census. The distribution of census tracts by income level indicates that 5.6 percent of tracts are moderate-income, 52.8 percent are middle-income, and 36.1 percent are upper-income. There were no low-income census tracts in the AA.

Demographics

Table A - Demographic Information of the Assessment Area

Assessment Area: CA Non-MSA AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	5.6	52.8	36.1	5.6
Population by Geography	154,214	0.0	4.2	53.6	40.1	2.0
Housing Units by Geography	87,078	0.0	4.7	57.2	35.4	2.7
Owner-Occupied Units by Geography	45,082	0.0	3.1	55.1	41.4	0.4
Occupied Rental Units by Geography	16,993	0.0	11.0	59.4	29.3	0.3
Vacant Units by Geography	25,003	0.0	3.2	59.5	28.6	8.6
Businesses by Geography	10,780	0.0	6.4	54.7	38.2	0.7
Farms by Geography	520	0.0	2.9	55.4	41.3	0.4
Family Distribution by Income Level	40,530	17.0	15.4	19.5	48.1	0.0
Household Distribution by Income Level	62,075	20.9	15.0	16.7	47.4	0.0
Median Family Income Non-MSAs - CA		\$56,948	Median Housing Value			\$253,188
			Median Gross Rent			\$976
			Families Below Poverty Level			8.3%

Source: 2015 ACS and 2019 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.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loans and deposit products and services. Competition in the AA is moderate. There are 14 FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2019, Deposit Market Share Report. With ten branches in the AA, EDSB's deposits totaled \$537.5 million, or 18.8 percent of the market as of June 30, 2019. The bank ranks first in deposits out of 14 depository institutions. The top five depository institutions are EDSB, Wells Fargo Bank, Bank of America, Umpqua Bank, and Oak Valley Community Bank. Together, these banks and EDSB account for 68.3 percent of total deposits in the AA.

Competition for mortgage lending is high. There are 365 HMDA-reporting mortgage lenders in 2019. EDSB ranks 22 with a market share of 1.2 percent of all HMDA lending in 2019. No lender has more

than 10.0 percent market share. The top five competitors include Quicken Loans, Wells Fargo, United Shore Financial Service, Fairway Independent Mort Corp., and Finance of America Mortgage LLC sharing 28.4 percent of the market for HMDA reportable loans.

Employment and Economic Factors

According to the BLS, unemployment in the AA improved during the evaluation period. In Amador County, the BLS data indicates the average annual unemployment was 5 percent in 2017, 4.1 percent in 2018, and 3.8 percent in 2019. In Calaveras County, the average annual unemployment was 4.7 percent in 2017, 4.1 percent in 2018, and 3.8 percent in 2019. In Inyo County, the average annual unemployment was 4.4 percent in 2017, 3.9 percent in 2018, and 3.5 percent in 2019. In Tuolumne County, the average annual unemployment was 5.4 percent in 2017, 4.7 percent in 2018, and 4.5 percent in 2019. The largest industries in the AA include Government, education and health services, retail trade, and leisure and hospitality. The top employers are the State Corrections Department, Sonora Regional Medical Center, Jackson Rancheria Casino Resort, Mule Creek State Prison, Preston Youth Correctional, Black Oak Casino Resort, and Dodge Ridge Ski Resort.

According to the 2015 ACS, 17 percent of families in the AA are low-income and 15.4 percent are moderate-income. The 2015 ACS data indicates that 5.6 percent of the census tracts in the AA are moderate-income and only 3.9 percent of all families in the AA reside in moderate-income census tracts. There are no low-income census tracts in the AA. The percentage of households in the AA living below the poverty level is moderate, representing 12.9 percent, according to the 2015 ACS. Nearly 11 percent of households living below the poverty line reside in moderate-income geographies of the AA.

Housing

The 2015 ACS indicates 51.8 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 19.5 percent and vacant units at 28.7 percent. There are 4,058 housing units in moderate-income geographies with 33.9 percent of these units being owner-occupied, 46.1 percent of units are renter-occupied, and 20 percent are vacant. Opportunities for residential mortgage lending in moderate-income geographies is limited due the low level of housing units in moderate-income tracts compared to total housing units (87,078). The percentage of owner-occupied units in moderate-income census tracts is significantly lower than in middle- and upper-income geographies.

Housing in the AA is generally affordable. The 2015 ACS estimates an affordability ratio of 5.0, 5.1, 4.7, and 4.8 in Amador County, Calaveras County, Inyo County, and Tuolumne County, respectively. The affordability ratios in the AA are less than the state's ratio of 6.7 and higher than the national ratio of 3.5. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates home ownership in the AA ranged from 65.5 percent in Inyo County to 77.8 percent in Calaveras County, compared to California at 54.8 percent and the U.S. at 64 percent.

Community Contacts

The OCC utilized community contact information to determine credit needs and challenges in the AA. Community contacts noted challenges for small businesses in qualifying for traditional financing and having access to credit. The contacts indicated a need for smaller loans in the range of \$25 to \$100,000. There is also a need for affordable housing development and financing within the AA. There are opportunities for financial institutions to participate in Federal low-income housing tax credit projects that finance the development or preservation of affordable housing units in the AA. Given the very rural nature of the AA coupled with high level of household receiving social security (44.5 percent) and/or in retirement (30.5 percent), there is a need for social services. Opportunities exist for financial institutions to provide financial support and technical assistance for social service organizations targeting LMI individuals.

Scope of Evaluation in California

The performance rating in California is based on full-scope reviews of both AAs (Sacramento AA and California Non-MSA AA) in the state. Performance in the Sacramento AA was given greater weight as 68 percent of branches, 70 percent of deposits, and 78 percent of lending in the state are in the Sacramento AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

The bank’s performance under the Lending Test in California is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Sacramento AA and California Non-MSA is good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs. The bank originated 1,280 home mortgage loans totaling \$295.7 million in its full-scope AAs between January 1, 2017, and December 31, 2019.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Sacramento AA	997	0	0	0	997	78	70
CA Non-MSA	283	0	0	0	283	22	30

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*

Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Sacramento AA	239,107	0	0	0	239,107	81	70
CA Non-MSA	56,615	0	0	0	56,615	19	30

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Sacramento AA

Lending levels reflect good responsiveness. The bank's market share of deposits in the AA is significantly higher than its HMDA loan market share. There are substantially more lenders and competition for mortgage loans in the AA than deposit taking institutions. The high level of mortgage lenders results in a smaller market share for home mortgages than deposits. However, when considering the market share percentile rank for home mortgages, EDSB's mortgage market share percentile rank exceeds its deposit market share percentile rank.

Sacramento AA

Product	Number of Loans	Percent of All Loan Products	Market Share	Market Share Rank	Market Share Percentile
Deposits *			2.33	9 of 38	76
Home Mortgage **	997	100.0	0.23	70 of 673	90
Community Development	NA	NA	NA	NA	NA

* Source: FDIC June 30, 2019 Deposit Market Share

** 2019 HMDA Aggregate

California Non-MSA AA

Lending levels reflect good responsiveness. The bank's market share of deposits in the AA is significantly higher than its HMDA loan market share. There are substantially more lenders and competition for mortgage loans in the AA than deposit taking institutions. The level and nature of loan competition results in lower home mortgage market share compared to deposit market share. However, when considering the market share percentile rank for home mortgages, EDSB's mortgage market share percentile rank is comparable to its deposit market share percentile rank.

Amador-Calaveras-Tuolumne-Inyo AA

Product	Number of Loans	Percent of All Loan Products	Market Share	Market Share Rank	Market Share Percentile
Deposits *			18.77	1 of 14	93
Home Mortgage **	283	100.0	1.15	22 of 365	94
Community Development	NA	NA	NA	NA	NA

* Source: FDIC June 30, 2019 Deposit Market Share

** 2019 HMDA Aggregate

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AAs. Performance in the Sacramento AA is poor and performance in the California Non-MSA is excellent. More weight was given to performance in the Sacramento AA. Weaker performance in the Sacramento AA was somewhat

mitigated by the level of competition in the AA and the fact that EDSB is a portfolio lender and does not sell its loans in the secondary market.

Home Mortgage Loans

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Sacramento AA

Geographic distribution of home mortgage loans in the Sacramento AA is poor. EDSB's lending in LMI census tracts is significantly below both the percentage of owner-occupied housing units in LMI census tracts and the 2019 HMDA aggregate's lending in LMI tracts. EDSB's market share of mortgage loans in low-income census tracts (0.8 percent) and in moderate-income census tracts (0.13 percent) is below its overall HMDA market share (0.23 percent) in 2019. Consideration was given for the level and nature of competition in the Sacramento area. The top two lenders in the AA are non-bank mortgage companies followed by Wells Fargo and two other mortgage companies to make up the top five mortgage lenders in 2019. In addition, the bank's portfolio lending strategy and business niche places the bank at a competitive disadvantage in the AA.

California Non-MSA

Geographic distribution of home mortgage loans in the California Non-MSA AA is excellent. EDSB's lending in moderate-income census tracts exceeds both the percentage of owner-occupied housing units in moderate-income census tracts and the 2019 HMDA aggregate's lending in moderate-income tracts. There are no low-income census tracts in this AA. Further, EDSB's market share of mortgage loans in moderate-income census tracts (2.89 percent) exceeds its overall HMDA market share (1.15 percent) in 2019.

Lending Gap Analysis

The review of summary reports and maps reflecting EDSB's home mortgage lending activity over the evaluation period did not identify any unexplained conspicuous gaps in the geographic distribution of loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans among individuals of different income levels given the product lines offered by the institution. Performance in the Sacramento AA and the California Non-MSA is excellent.

Home Mortgage Loans

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Sacramento AA

Distribution of the bank's home mortgage loans by borrower income level is excellent. The bank's lending to low-income borrowers is significantly below the percentage of low-income families in the AA, but exceeds the 2019 HMDA aggregate's lending to low-income borrowers. The bank's market share of loans to low-income borrowers (0.48 percent) in 2019 exceeds its overall HMDA market share (0.23 percent) in the Sacramento AA. Lending to moderate-income borrowers is comparable to the percentage of moderate-income families in the AA and exceeds the 2019 peer aggregate. The bank's market share of loans to moderate-income borrowers (0.21 percent) is comparable to its overall HMDA market share.

California Non-MSA AA

Distribution of the bank's home mortgage loans by income level of borrowers in the California Non-MSA AA is excellent. The bank's lending to low-income borrowers is significantly below than the percentage of low-income families in the AA but exceeds the 2019 HMDA aggregate's lending. The bank's market share of loans to low-income borrowers (1.54 percent) exceeds its overall market share (1.15 percent). Lending to moderate-income borrowers is comparable to the percentage of moderate-income families in the AA and exceeds the 2019 HMDA aggregate's lending to moderate-income borrowers. The bank's market share of loans to moderate-income borrowers (2.32 percent) exceeds its overall HMDA market share.

Community Development Lending

The institution has made few, if any, CD loans. During the evaluation period, EDSB did not grant any CD loans.

The Lending Activity tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

EDSB is a residential mortgage lender and its lending expertise is in single-family residential mortgage lending. While the Bank offers some commercial and agriculture loans, these loans are modest sized loans and secured by the borrower's principal residence.

Product Innovation and Flexibility

The institution makes use of flexible lending practices in order to serve AA credit needs. As a portfolio lender, the bank offers underwriting flexibility to otherwise creditworthy applicants and lends on properties that would not be acceptable to investors in the secondary markets. This flexibility is also reflected in the bank's strong performance in lending to LMI borrowers in each AA.

INVESTMENT TEST

The bank's performance under the Investment Test in California is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the institution's performance in the Sacramento AA and the California Non-MSA AA is good.

The institution has a significant level of qualified CD investments and grants, particularly those that are not routinely provided by private investors but rarely in a leadership position. The institution exhibits good responsiveness to credit and community economic development needs. The institution makes significant use of innovative and/or complex investments to support CD initiatives.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Sacramento-Roseville CSA AA	0	0	59	122	59	71.08	122	1.11	0	0
California Non-MSA AA	0	0	15	30	15	18.07	30	0.27	0	0
Broader Regional or Statewide	9	3,689	9	6,635	9	10.84	10,324	98.62	11	9,042

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Sacramento AA

EDSB made grants totaling \$122,000 to 59 community development organizations in the Sacramento AA. These organizations primarily serve LMI individuals through community services, revitalization, or stabilization efforts in LMI geographies or the provision of affordable housing.

California Non-MSA AA

EDSB made grants totaling \$30,000 to 15 community development organizations in the California Non-MSA AA. These organizations primarily serve economic development needs and affordable housing for LMI individuals.

Broader Statewide or Regional Area

The OCC considered the investment opportunities within the AAs and state and regional areas against the bank's capacity to address these needs. Given the rural nature of a majority of the EDSB's AAs, including portions of the Sacramento AA, positive consideration was given to broader statewide or

regional activities that had a purpose, mandate, or function to serve one or more of the bank’s AAs, whether or not any of the investment could be directly allocated to an AA.

During this evaluation period, EDSB committed to invest \$6 million in two funds, one WNC Capital Corporation fund and one CRA Qualified Investment fund. EDSB made capital contributions of \$1.8 million and is committed to advance \$11 million in future capital calls. The Sacramento AA directly benefits from one of these funds as six LMI projects are in the AA. WNC Capital Corporation is the wholly owned subsidiary of WNC & Associates, Inc., and offers tax credit investments to corporations through a national network of stockbrokers and financial advisors. WNC & Associates, Inc., is an affordable housing investment corporation that has business lines spanning affordable housing, Federal Low-Income Housing Tax Credits, New Markets Tax Credits, Historic Tax Credits, and State Tax Credits.

In addition, in prior periods, EDSB committed to invest \$7.1 million in six WNC Capital Corporation funds, to which the bank advances periodic capital contributions, including contributions during this evaluation period. During the evaluation period, EDSB advanced \$5.3 million to these funds and the outstanding book value of prior period contributions to these funds totaled \$3.7 million.

SERVICE TEST

The bank’s performance under the Service Test in California is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Sacramento AA and California Non-MSA AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Sacramento AA	70.0	21	68.0	0.0	19.0	43.0	38.0	9.2	23.0	33.8	33.9
CA Non-MSA AA	30.0	10	32.0	0.0	10.0	80.0	10.0	0.0	4.2	53.6	40.1

Distribution of Branches

Sacramento AA

EDSB's branches are reasonably accessible to geographies and individuals of different income levels. EDSB operates 21 branch offices within this AA. EDSB does not maintain any branches within low-income census tracts, and the proportion of AA branches in moderate-income geographies is slightly below the percentage of the population in moderate-income census tracts.

Changes in demographic data resulted in a decline in the proportion of the bank's branches in LMI tracts since the prior evaluation despite no changes in branch locations during the evaluation period.

Specifically, the income level of two branches shifted from moderate-income to middle-income. While the bank does not maintain any branches in low-income census tracts, two of its middle-income branch locations serve census tracts where one-third of the families residing in the tract are designated as low-income and seven additional middle-income branch locations where more than one-third of the families in the tract are designated as LMI.

California Non-MSA AA

EDSB's branches are readily accessible to geographies and individuals of different income levels. EDSB operates ten branches within the AA. One branch is located within a moderate-income tract. The proportion of AA branches in moderate-income geographies exceeds the percentage of the population within those areas. The AA does not have any low-income census tracts.

Alternative Delivery Systems

The accessibility and use of alternative systems for delivering retail banking services in LMI geographies and to LMI individuals is good. EDSB's full-service branches offer automated teller machines (ATM). Customers also have access through Visa Check Cards for point-of-sale purchases at Star and Interlink terminals. Customers can also withdraw cash at ATMs with Cirrus, Star, or Visa Symbols. EDSB offers 24-hour access to accounts through telephone and online banking for account information. Internet banking capabilities include fund transfers between accounts, bill pay, and account opening. The bank also offers mobile banking.

Changes in Branch Locations

The bank did not open or close branches in either AA during the evaluation period.

Reasonableness of Services and Hours of Operations

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals.

EDSB offers traditional savings and deposit products and provides money orders, travelers checks, and safe deposit boxes. EDSB offers low-cost and low-minimum balance checking and savings accounts that are affordable to LMI customers, seniors, and custodial accounts for minors.

Hours at branches are uniform during weekdays, with branches offering 9 AM - 5 PM Monday through Thursday, and Friday 9 AM - 6 PM.

Sacramento AA

Ten branches also offer hours on Saturdays from 9 AM - 1 PM. Seven branches offer drive-up hours and access. Variances in Saturday banking hours and drive-up services do not vary in a way that would inconvenience LMI geographies or individuals within the AA.

California Non-MSA AA

Two branches offer additional hours on Saturday from 9 AM - 1 PM. Three branches also offer drive-up hours and access. Variances in Saturday banking hours and drive-up services do not vary in a way that would inconvenience LMI geographies or individuals within the AA.

Community Development Services

The institution provides few if any CD services. EDSB did not provide any CD services in either AA during the evaluation period.

State Rating

State of Nevada

CRA rating for the State of Nevada: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to AA needs.
- An excellent distribution of loans in geographies of different income levels.
- An adequate distribution of loans among individuals of different income levels.
- A low level of CD investments that are responsive to AA needs.
- Retail delivery systems are reasonably accessible to geographies and individuals in the AA.

Description of Institution’s Operations in Nevada

As of June 30, 2019, EDSB had four branch offices serving Nevada. EDSB reported total deposits of \$109.8 million in these offices, which represented 6 percent of total deposits. The branches are full-service, offering the full range of EDSB’s loan and deposit products. EDSB is primarily a home mortgage lender offering home purchase, home improvement, and home refinance loans and home equity lines of credit. The bank offers commercial, agriculture, and consumer loans but these are not primary loan products of the bank. The number and dollar volume of loans granted by EDSB within the state of Nevada represented approximately 4.5 percent and 4.4 percent, respectively, of the bank’s total reportable lending.

Based on branch locations, EDSB serves a portion of the Reno-Carson City-Fernley CSA (Reno AA). The bank’s Reno AA covers the Washoe County portion of the Reno MSA and the Gardnerville Ranchos Micropolitan Area (Douglas County). The U.S. Census Bureau (Census) estimates the population in Douglas and Washoe Counties to be 48,905 and 471,519, respectively. The population of the AA grew by 11 percent since the 2010 Census.

Demographics

Table A - Demographic Information of the Assessment Area

Assessment Area: Reno-Carson City-Fernley CSA AA (portion)

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	129	7.8	16.3	38.8	31.0	6.2
Population by Geography	482,278	7.8	17.6	43.3	30.0	1.2
Housing Units by Geography	210,191	8.7	18.0	40.8	31.5	1.0
Owner-Occupied Units by Geography	108,205	2.4	11.5	45.1	40.7	0.3
Occupied Rental Units by Geography	77,919	16.8	27.3	38.3	16.0	1.7
Vacant Units by Geography	24,067	11.0	17.0	29.9	40.1	2.1
Businesses by Geography	33,150	7.7	21.7	31.1	34.8	4.7
Farms by Geography	840	5.4	12.9	40.7	39.8	1.3
Family Distribution by Income Level	116,402	20.7	17.1	20.8	41.4	0.0
Household Distribution by Income Level	186,124	24.1	15.7	17.7	42.5	0.0
Median Family Income MSA - 39900 Reno, NV MSA		\$65,722	Median Housing Value			\$232,542
Median Family Income Non-MSAs - NV		\$61,350	Median Gross Rent			\$954
			Families Below Poverty Level			9.8%
<i>Source: 2015 ACS and 2019 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.</i>						

Washoe County

Competition

Competition in Washoe County is moderate. There are 16 FDIC insured depository institutions with branch operations in the county according to the FDIC's June 30, 2019, Deposit Market Share Report. With one branch in the county, EDSB's deposits totaled \$14.2 million. The bank ranked 14th of 16 depository institutions with 0.1 percent of the market of deposits as of June 30, 2019. The top three depository institutions are Wells Fargo Bank, Bank of America, and U.S. Bank sharing 69.7 percent of total deposits in the county.

Competition for mortgage lending is high. There are 336 HMDA-reporting mortgage lenders in this area in 2019. EDSB ranked 198 with a market share of 0.02 percent of all HMDA lending in 2019. The top five competitors include Guild Mortgage Company, Wells Fargo, Quicken Loans, U.S. Bank, and United Federal Credit Union sharing 31.1 percent of the market share of HMDA reportable loans.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in Washoe County improved during the evaluation period. BLS data indicates the average annual unemployment was 4.1 percent in 2017, 3.5 percent in 2018, and 3.2 percent in 2019. The largest industries in the AA include leisure and hospitality services, trade, transportation, and utilities, and Government. The top five employers are Tesla Inc, Renown Health, University of Nevada-Reno, Silver Legacy Resort Casino, and Atlantis Casino Resort.

According to the Census' 2015 American Community Survey (ACS), 21.1 percent of families in the AA are low-income and 17.2 percent are moderate-income. The 2015 ACS indicates that 26.8 percent of the census tracts in the AA are low- or moderate-income (LMI) and 23.5 percent of all families in the AA reside in LMI census tracts. The percentage of households in the AA living below the poverty level is moderate, representing 13.7 percent, according to the 2015 ACS. Of total households in the AA living below the poverty line, 21.9 percent and 30.1 percent reside in low-income census tracts and moderate-income tracts, respectively.

Housing

Housing in Washoe County is moderately expensive. The 2015 ACS estimates an affordability ratio of 5.2 in Washoe County. The affordability ratio in the AA is higher than the state ratio of 4.4 and the national ratio of 3.5. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates home ownership in the AA is 58.3 percent. Home ownership in the AA is above the state average (56.3 percent) but below the national average (64 percent).

The 2015 ACS reports 50.7 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 38.5 percent and vacant units at 10.8 percent. There are 18,255 housing units in low-income geographies with 14 percent of these units being owner-occupied, 71.6 percent of units are renter-occupied, and 14.4 percent are vacant. There are 37,079 housing units in moderate-income geographies with 32.4 percent of these units being owner-occupied, 56.9 percent of units are renter-occupied, and 10.8 percent are vacant. The percentage of owner-occupied units in LMI census tracts is significantly lower than in middle- and upper-income geographies.

Douglas County

Competition

Competition in Douglas County is low. There are seven FDIC insured depository institutions with branch operations in the county according to the FDIC's June 30, 2019, Deposit Market Share Report. With three branches in the county, EDSB's deposits totaled \$95.6 million. The bank ranked fourth of seven depository institutions with 8.2 percent of the market share of deposits as of June 30, 2019. The top three depository institutions are Wells Fargo Bank, Bank of America, and U.S. Bank sharing 75 percent of total deposits in the county.

Competition for mortgage lending is moderate. There are 201 HMDA-reporting mortgage lenders in this area in 2019. EDSB ranked 62 with a market share of 0.2 percent of all HMDA lending in 2019. The top five competitors include Guild Mortgage Company, Quicken Loans, Wells Fargo, U.S. Bank, and Sierra Pacific Mortgage sharing 38.7 percent of the market for HMDA reportable loans.

Employment and Economic Factors

According to the BLS, unemployment in Douglas County improved during the evaluation period. BLS data indicates the average annual unemployment was 4.8 percent in 2017, 4.2 percent in 2018, and 3.9

percent in 2019. The largest industries in the AA include leisure and hospitality services, trade, transportation, and utilities, and Government. The top five employers are Harrah's Stateline, Douglas County School District, Douglas County, MontBleu Resort Casino and Spa, and Harvey's Resort Hotel Casino.

According to the 2015 ACS, 17.3 percent of families in the AA are low-income and 15.8 percent are moderate-income. The 2015 ACS indicates that 5.9 percent of the census tracts in the AA are moderate-income and 3.3 percent of all families in the AA reside in the single moderate-income census tract in the county. There are no low-income census tracts in the county. The percentage of households in the AA living below the poverty level is moderate, representing 9.9 percent, according to the 2015 ACS. Of total households in the AA living below the poverty line, 6.1 percent reside in the single moderate-income census tract.

Housing

Housing in Douglas County is moderately expensive. The 2015 ACS estimates an affordability ratio of 5.7 in the county. The affordability ratio in the county is higher than the state ratio of 4.4 and the national ratio of 3.5. The affordability ratio measure homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates homeownership in the AA to be 71.4 percent, which is above the state average of 56.3 percent and the national average of 64 percent.

The 2015 ACS reports 57.9 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 25.5 percent and vacant units at 16.6 percent. There are 734 housing units in moderate-income geographies with 63.5 percent of these units being owner-occupied, 23.6 percent of units are renter-occupied, and 12.9 percent are vacant.

Community Contacts

The OCC utilized community contact information to determine credit needs and challenges in the AA. Community contacts indicated a need for affordable housing and alternative lending, such as micro-loans. Opportunities for banks to address credit needs include small business loans, loans for start-ups, and financing for housing projects and infrastructure improvements.

Scope of Evaluation in Nevada

The performance rating in Nevada is based on full-scope review of the Reno AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEVADA

LENDING TEST

The bank's performance under the Lending Test in Nevada is rated High Satisfactory.

Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Reno AA good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Reno AA	61	0	0	0	61	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Reno AA	13,716	0	0	0	13,716	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

The bank's market share of deposits in the AA is significantly higher than its HMDA loan market share. There are substantially more lenders and competition for mortgage loans in the AA than deposit taking institutions. The high level of mortgage lenders results in a smaller market share for home mortgages than deposits. However, when considering the market share percentile rank for home mortgages, EDSB's mortgage market share percentile rank exceeds its deposit market share percentile rank.

Reno AA

Product	Number of Loans	Percent of All Loan Products	Market Share	Market Share Rank	Market Share Percentile
Deposits *			0.99	11 of 16	31
Home Mortgage **	61	100.0	0.04	159 of 351	55
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2019 Deposit Market Share

** 2019 HMDA Aggregate

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AA. Performance in the Reno AA is excellent.

Home Mortgage Loans

Refer to Table O in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Geographic distribution of home mortgage loans in the Reno AA is excellent. EDSB's lending in low-income census tracts exceeds both the percentage of owner-occupied housing units in low-income census tracts and the 2019 HMDA aggregate's lending in low-income tracts. EDSB's lending in moderate-income census tracts is below the percentage of owner-occupied housing units in moderate-income census tracts and slightly below the 2019 HMDA aggregate's lending in moderate-income tracts. EDSB's market share of mortgage loans in low-income census tracts (0.19 percent) significantly exceeds its overall HMDA market share (0.04 percent) in 2019 and its market share of mortgage loans in moderate-income census tracts (0.04 percent) is comparable to its overall market share.

Lending Gap Analysis

The review of summary reports and maps reflecting EDSB's home mortgage lending activity over the evaluation period did not identify any unexplained conspicuous gaps in the geographic distribution of loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels given the product lines offered by the institution. Performance in the Reno AA is adequate.

Home Mortgage Loans

Refer to Table P in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Distribution of the bank's home mortgage loans by borrower income level AA is adequate. The bank's lending to low-income borrowers is significantly below the percentage of low-income families in the AA and well below the 2019 HMDA aggregate's lending to low-income borrowers. Lending to moderate-income borrowers exceeds both the percentage of moderate-income families in the AA and the 2019 HMDA aggregate's lending to moderate-income borrowers. In 2019, the bank's market share of loans to moderate-income borrowers (0.08 percent) exceeds its overall HMDA market share (0.04 percent). The bank did not grant any loans to low-income borrowers in the AA in 2019.

Community Development Lending

The institution has made few, if any, CD loans. During the evaluation period, EDSB did not grant any CD loans.

The Lending Activity tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

EDSB is a residential mortgage lender and its lending expertise is in single-family residential mortgage lending. While the Bank offers some commercial and agriculture loans, these loans are modest sized loans and secured by the borrower’s principal residence.

Product Innovation and Flexibility

The institution makes use of flexible lending practices in order to serve AA credit needs. As a portfolio lender, the bank offers underwriting flexibility to otherwise creditworthy applicants and lends on properties that would not be acceptable to investors in the secondary markets.

INVESTMENT TEST

The bank’s performance under the Investment Test in Nevada is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the institution’s performance in the Reno AA is poor but improved since the last performance evaluation.

The institution has a poor level of qualified CD investments and grants, particularly those that are not routinely provided by private investors but rarely in a leadership position. The institution exhibits adequate responsiveness to credit and community economic development needs. The institution makes limited use of innovative and/or complex investments to support CD initiatives.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Reno AA	0	0	19	32	19	100	32	100	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

EDSB made grants totaling \$32,000 to 19 community development organizations in the AA. These organization primarily serve LMI individuals through social services.

SERVICE TEST

The bank’s performance under the Service Test in Nevada is rated Low Satisfactory.

Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Reno AA adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Reno AA	100.0	4	100	0.0	0.0	75.0	25.0	7.8	17.6	43.3	30.0

Distribution of Branches

EDSB operates four branch offices within this AA. EDSB does not maintain any branches within LMI census tracts. However, the bank has only one branch in Washoe County and the remaining three branches are located within Douglas county, which has no low-income tracts and only one moderate-income tract. The Reno branch, located in a middle-income tract, holds less than 1 percent of total Nevada deposits with 31.4 percent of families in the tract designated as LMI. In Douglas County, only 3.5 percent of the population reside in the single moderate-income census tract in the county. While the bank does not maintain any branches in LMI census tracts, two of its middle-income branch locations serve census tracts where more than 40 percent of the families residing in the tract are designated as LMI.

Alternative Delivery Systems

The accessibility and use of alternative systems for delivering retail banking services in LMI geographies and to LMI individuals is good. EDSB full-service branches offer automated teller machines (ATM). Customers also have access through Visa Check Cards for point-of-sale purchases at Star and Interlink terminals. Customers can also withdraw cash at ATMs with Cirrus, Star, or Visa Symbols. EDSB offers 24-hour access to accounts through telephone and online banking for account information. Internet banking capabilities include fund transfers between accounts, bill pay, and account opening. The bank also offers mobile banking.

Changes in Branch Locations

The bank did not open or close branches in the AA during the evaluation period.

Reasonableness of Services and Hours of Operations

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals.

EDSB offers traditional savings and deposit products and provides money orders, travelers checks, and safe deposit boxes. EDSB offers low-cost and low-minimum balance checking and savings accounts that are affordable to low- and moderate-income customers, seniors, and custodial accounts for minors.

Hours at branches are uniform on weekdays, with branches offering 9 AM - 5 PM Monday through Thursday, and Friday 9 AM - 6 PM. All locations offer drive-up services and access. Two branches offer additional hours on Saturday from 9 AM - 1 PM. Variances in Saturday banking hours do not vary in a way that would inconvenience LMI geographies or individuals within the AA.

Community Development Services

The institution provides few if any CD services. EDSB did not provide any CD services in either AA during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/17 to 12/31/19	
Bank Products Reviewed:	Home mortgage Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
California		
Sacramento-Roseville CSA AA	Full-Scope	Counties of El Dorado, Nevada, Placer, and Sacramento
CA Non-MSA AA	Full-Scope	Counties of Amador, Calaveras, Inyo, and Tuolumne
Nevada		
Reno-Carson City-Fernley CSA AA	Full-Scope	Counties of Douglas and Washoe

Appendix B: Summary of MMSA and State Ratings

RATINGS EL DORADO SAVINGS BANK, F.S.B.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
El Dorado Savings Bank	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
MMSA or State:				
California	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Nevada	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are 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 state/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.

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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 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.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/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: 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: 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: 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: 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 (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

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

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.

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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are

not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

STATE OF CALIFORNIA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017-19

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
CA Non-MSA AA	283	56,615	22.1	7,225	0.0	0.0	0.0	3.1	4.6	2.4	55.1	61.5	52.6	41.4	31.4	43.2	0.4	2.5	1.8
Sacramento-Roseville CSA AA	997	239,108	77.9	113,386	4.5	2.4	5.6	17.8	8.3	16.7	35.0	36.8	32.6	42.7	52.5	45.1	0.0	0.0	0.0
Total	1,280	295,722	100.0	120,611	4.1	1.9	5.2	16.5	7.5	15.9	36.8	42.3	33.8	42.6	47.8	45.0	0.1	0.5	0.2

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-19

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
CA Non-MSA AA	283	56,615	22.1	7,225	17.0	3.9	2.7	15.4	15.2	9.5	19.5	18.7	18.4	48.1	59.7	52.3	0.0	2.5	17.0
Sacramento-Roseville CSA AA	997	239,108	77.9	113,386	23.4	6.4	3.3	16.1	15.8	12.9	18.4	19.4	21.5	42.1	56.8	45.6	0.0	1.6	16.8
Total	1,280	295,722	100.0	120,611	22.9	5.9	3.3	16.1	15.7	12.7	18.5	19.2	21.3	42.5	57.4	46.0	0.0	1.8	16.8

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

STATE OF NEVADA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Reno-Carson City-Fernley CSA AA	61	13,716	2.5	27,623	2.4	3.3	1.9	11.5	8.2	9.1	45.1	54.1	45.6	40.7	34.4	43.1	0.3	0.0	0.2
Total	61	13,716	3.9	27,623	20.7	3.3	5.3	17.1	18.0	13.9	20.8	23.0	21.7	41.4	52.5	40.9	0.0	3.3	18.1

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Reno-Carson City-Fernley CSA AA	61	13,716	3.9	27,623	20.7	3.3	5.3	17.1	18.0	13.9	20.8	23.0	21.7	41.4	52.5	40.9	0.0	3.3	18.1
Total	61	13,716	3.9	27,623	20.7	3.3	5.3	17.1	18.0	13.9	20.8	23.0	21.7	41.4	52.5	40.9	0.0	3.3	18.1

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%