



Office of the
Comptroller of the Currency
Washington, DC 20219

LARGE BANK

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

4040 El Dorado Road
Placerville, CA 95667-8238

Office of the Comptroller of the Currency

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Suite 1000
San Francisco, CA 94111

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 **Outstanding**.

The following table indicates the performance level of El Dorado Savings Bank, F.S.B. (EDSB or Bank) 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	X		
High Satisfactory		X	X
Low Satisfactory			
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:

- EDSB's lending activity, overall, reflects good responsiveness to community credit needs.
- EDSB granted a substantial majority of its HMDA-reportable loans within the Bank's combined assessment areas. By number and dollar volume, approximately 99 percent of all reportable loans were within the Bank's assessment areas.
- The distribution of EDSB's loans by borrower income characteristics reflects excellent penetration.
- EDSB makes a significant level of qualified CD investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position. EDSB makes significant use of innovative and/or complex investments to support CD initiatives. EDSB exhibits good responsiveness to credit and CD needs.
- EDSB's delivery systems are accessible to geographies and individuals of different income levels. EDSB's record of opening and closing branches did not adversely affect the accessibility of its delivery systems.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancing, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the Central County or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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

Description of Institution

El Dorado Savings Bank, F.S.B. 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, 2016, EDSB reported total assets of \$2.1 billion. Total loans, net of unearned income, equaled \$501.2 million, or 24 percent of total assets. The loan portfolio (by dollar volume) comprised 98 percent residential mortgages and 2 percent commercial. Tier one capital equaled \$204.8 million.

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 June 2015, at which time the Bank was rated outstanding.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is from January 1, 2015 through December 31, 2016. EDSB offers home mortgage, commercial, agriculture, and limited consumer loans. Home mortgage lending is the primary loan product for purposes of this evaluation. Small business lending represents a very small proportion of the Bank's reportable lending but demonstrates the Bank's responsiveness to community credit needs.

For the Investment Test and Service Test, the evaluation period is from June 23, 2015 through December 31, 2017. The Investment Test included a review of investments and donations originated in EDSB's assessment areas (AAs) that meet the definition of community development (CD) investments. The Service Test included a review of retail and CD services provided in the Bank's AAs. We also evaluated CD loans granted during this period.

Data Integrity

We conducted a separate data integrity review prior to this evaluation. Overall, we found the HMDA data reported in 2015 and 2016 to be accurate and reliable for the CRA evaluation. We found the Bank's classification and documentation of community development investments to be sufficient to support the primary purpose of community development. We also reviewed all new community development activities engaged since the data integrity review.

Selection of Areas for Full-Scope Review

EDSB operates in the states of California and Nevada. The Bank maintains 31 branches serving two AAs in California and four branches serving two AAs in Nevada. Based on branches, deposits, and loan origination volumes, we selected both AAs in California and one AA in Nevada for full-scope reviews. The Bank maintains deposit operations in the following MSAs or counties:

Full-Scope:

- Sacramento AA [portion of the Sacramento-Roseville-Arden Arcade, CA MSA (40900)]: El Dorado, Placer, and Sacramento Counties
- California Non-Metropolitan Statistical Area AA:
 - Contiguous counties of Amador, Calaveras, and Tuolumne;
 - Inyo County
 - Nevada County
- Nevada Non-Metropolitan Statistical Area: Douglas County

Limited-Scope:

- Washoe County AA [portion of the Reno, NV MSA (39900)]

Ratings

EDSB's overall rating is a blend of the state ratings. Performance in California carries the most weight in the overall rating as 96 percent of EDSB's total reportable lending was made in California and 89 percent of total branches are located in California, holding 94 percent of total deposits. Based on branches, deposits, and loan origination volumes, performance in the Sacramento AA carries the most weight in the California State rating, with secondary weight placed on performance in the California Non-MSA AA. Performance in Douglas County (Nevada Non-MSA AA) carries the most weight in the Nevada State rating.

The state rating is based primarily on those areas that received full-scope reviews.

Fair Lending 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 Consumer Financial Protection Bureau, as applicable.

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

The OCC does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

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 (California)¹:	Outstanding
The lending test is rated:	Outstanding
The investment test is rated:	High Satisfactory
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- EDSB's lending activity, overall, reflects good responsiveness to community credit needs.
- The distribution of EDSB's loans by borrower income characteristics reflects excellent penetration.
- EDSB makes a significant level of qualified community development investments that are responsive to community needs.
- EDSB's branch and alternative delivery systems are accessible to the Bank's geographies and individuals of different income levels.

Description of Institution's Operations in California

As of December 31, 2017, EDSB had 31 branch offices serving its California AAs. EDSB reported total deposits of nearly \$1.8 billion in these offices, which represented 94.4 percent of total deposits. The dollar volume of loans granted by EDSB within the state of California represented approximately 96.0 percent of the Bank's total reportable lending. The branches are full-service, offering the full range of EDSB's loan and deposit products.

Refer to the market profiles for the state of California in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in California

EDSB maintains 31 branches serving two AAs in California. Based on branches, deposits, and loan origination volumes, we selected both AAs in California full-scope reviews. The Bank maintains deposit operations in the following California MSAs or counties:

¹ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Full-Scope:

- Sacramento AA or portion of the Sacramento-Roseville-Arden Arcade, CA MSA (40900): El Dorado, Placer, and Sacramento Counties
- California Non-Metropolitan Statistical Area AA:
 - Contiguous counties of Amador, Calaveras, and Tuolumne;
 - Inyo County
 - Nevada County

Five recent community contact interviews with representatives of the community identified several credit needs and possible opportunities for banks. The needs include affordable housing development, financial grants to the operating budgets of nonprofits focused on housing, and funding of non-profits focused on social rehabilitation in the Sacramento area. In rural communities, the contacts noted challenges that many small businesses face in qualifying for traditional financing and that access to credit is an obstacle for area businesses. The contacts indicated a need for smaller loans in the range of \$25 to \$100 thousand. There is also a need for affordable housing development and financing. There are opportunities for financial institutions to participate in Federal low-income housing tax credit (LIHTC) projects that finance the development or preservation of affordable housing units in the AAs. Opportunities exist for financial institutions to provide financial support and technical assistance for social service organizations targeting low- and moderate-income individuals.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the lending test in California is rated Outstanding. Based on full-scope reviews, the Bank's performance in the Sacramento AA, Amador-Calaveras-Tuolumne CA Non-MSA AA, Inyo County CA Non-MSA AA, and the Nevada County CA Non-MSA AA is excellent. More weight was given to borrower lending distributions.

Lending Activity

Refer to Table 1 Lending Volume in the state of California section of Appendix D for facts and data used to evaluate the Bank's lending activity.

Lending levels reflect good responsiveness to the credit needs of the full scope AAs. EDSB originated 1,059 home mortgage loans totaling \$213.1 million in its full-scope AAs between January 1, 2015 and December 31, 2016. Lending in the full-scope AAs represent 100 percent mortgage loans granted in California.

Sacramento AA

Lending levels in the Sacramento AA reflect good responsiveness. EDSB granted 772 home mortgage loans totaling \$162.5 million during the evaluation period. EDSB has a deposit market share of 2.5 percent, which ranks ninth amongst 38 depository institutions operating in the AA as of June 30, 2017. Based on 2016 HMDA aggregate lending data, competition for mortgage lending is very high. The top five competitors, including a megabank and large mortgage companies, hold 25.9 percent of the market for HMDA reportable loans. As such, the Bank's lending market share is much lower than its deposit market share. Despite its low lending market share relative to deposit market share, the Bank's market share percentile rank of home mortgage loans exceeds its deposit market share percentile rank.

Sacramento AA

Product	Number of	Percent of All		Market Share	Market Share
	Loans	Loan Products	Market Share	Rank	Percentile
Deposits *			2.5	9 of 38	76
Home Mortgage **	772	100.0	0.4	48 of 666	93
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2017 Deposit Market Share

** 2016 HMDA Aggregate

California Non-MSA AAs

Amador, Calaveras, and Tuolumne Counties (ACT AA)

Lending levels in the ACT AA reflect good responsiveness. EDSB granted 207 home mortgage loans totaling \$35.5 million during the evaluation period. EDSB has a deposit market share of 17.7 percent, which ranks second amongst 12 depository institutions operating in the ACT AA as of June 30, 2017. Based on 2016 HMDA aggregate lending data, competition for mortgage lending is high. The top five competitors, including a megabank and large mortgage companies, hold 28.7 percent of the market for HMDA reportable loans. As such, the Bank's lending market share is much lower than its deposit market share. Despite its low lending market share relative to deposit market share, the Bank's market share percentile rank of home mortgage loans exceeds its deposit market share percentile rank.

Amador-Calaveras-Tuolumne AA

Product	Number of	Percent of All		Market Share	Market Share
	Loans	Loan Products	Market Share	Rank	Percentile
Deposits *			17.7	2 of 12	83
Home Mortgage **	207	100.0	1.6	18 of 345	95
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2017 Deposit Market Share

** 2016 HMDA Aggregate

Inyo County

Lending levels in Inyo County reflect good responsiveness. While EDSB only granted 17 home mortgage loans totaling \$2.9 million during the evaluation period, there were 93 HMDA reporters in

2016 that granted 335 mortgage loans in the AA in 2016. The top five competitors, including megabanks and large mortgage companies, hold 37.6 percent of the market for HMDA reportable loans in 2016. There were 87 HMDA reporters in 2015 that granted 291 mortgage loans. EDSB's home mortgage market share ranked in the top ten for both years.

EDSB has a deposit market share of 23.1 percent and ranks second amongst five depository institutions operating in Inyo County as of June 30, 2017. Based on 2016 HMDA aggregate lending data, there are significantly more mortgage lenders in Inyo County than depository financial institutions with branches in the AA. As such, the Bank's lending market share is much lower than its deposit market share. Despite its low lending market share relative to deposit market share, the Bank's market share percentile rank of home mortgage loans exceeds its deposit market share percentile rank.

Inyo County

Product	Number of	Percent of All		Market Share	Market Share
	Loans	Loan Products	Market Share	Rank	Percentile
Deposits *			23.1	2 of 5	60
Home Mortgage **	17	100.0	3.0	9 of 93	90
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2017 Deposit Market Share

** 2016 HMDA Aggregate

Nevada County

Lending levels in Nevada County reflect good responsiveness. EDSB granted 63 home mortgage loans totaling \$12.2 million during the evaluation period. EDSB has a deposit market share of 5.6 percent, which ranks sixth amongst eleven depository institutions operating in Nevada County as of June 30, 2017. Based on 2016 HMDA aggregate lending data, competition for mortgage lending is high. The top five competitors, including megabanks and large mortgage companies, hold 30.2 percent of the market for HMDA reportable loans. As such, the Bank's lending market share is much lower than its deposit market share. Despite its low lending market share relative to deposit market share, the Bank's market share percentile rank of home mortgage loans exceeds its deposit market share percentile rank.

Nevada County

Product	Number of	Percent of All		Market Share	Market Share
	Loans	Loan Products	Market Share	Rank	Percentile
Deposits *			5.6	6 of 11	45
Home Mortgage **	63	100.0	0.7	37 of 313	88
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2017 Deposit Market Share

** 2016 HMDA Aggregate

Distribution of Loans by Income Level of the Geography

Overall, geographic distribution of loans in the State of California is adequate. Home mortgage lending is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in the state of California section of Appendix D for more granular facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations/purchases. For purposes of the following performance discussions, the figures in parentheses represent lending results as a percentage of total HMDA lending or the demographic statistics.

Geographic distribution of home mortgage loans is **adequate**.

Sacramento AA

Geographic distribution of home mortgage loans in the Sacramento AA is poor. EDSB's lending in low-income census tracts (0.4 percent) is significantly below both the percentage of owner-occupied housing units in low-income census tracts (3.9 percent) and the 2016 HMDA aggregate's lending in low-income tracts (3.5 percent). EDSB's lending in moderate-income census tracts (8.3 percent) is significantly below the percentage of owner-occupied units in moderate-income tracts (18.4 percent) and the 2016 HMDA aggregate's lending results (15.6 percent). EDSB's market share of loans in low-income census tracts (0.1 percent) is significantly below its overall HMDA market share (0.4 percent) in 2016 and its market share of mortgage loans in moderate-income census tracts (0.2 percent) is below its overall HMDA market share.

California Non-MSA

Amador-Calaveras-Tuolumne Counties (ACT AA)

Geographic distribution of home mortgage loans in the ACT AA is adequate given limited opportunities to lend in the single moderate-income census tract in the AA and level of competition for such loans. There are 2,127 housing units in the moderate-income tract with less than 18 percent of those units being owner-occupied and 79 percent of the housing units are vacant.

EDSB's lending in moderate-income tracts (0.5 percent) is significantly below both the percentage of owner-occupied housing units in moderate-income tracts (0.9 percent) and below the 2016 HMDA aggregate's lending results (2.1 percent). EDSB's market share of loans in moderate-income census tracts (0.8 percent) is significantly below its overall HMDA market share (1.9 percent) in 2015. There are no low-income census tracts in the AA. As reflected in Table 4 of Appendix D, EDSB's home refinance lending, which represents more than 55 percent of its home mortgage lending, in moderate-income census tracts was near to the percentage of owner-occupied housing units in moderate-income census tracts.

Inyo County

Geographic distribution of home mortgage loans in Inyo County is excellent. While lending volume is limited to only 17 loans during the evaluation period, EDSB is one of the top home mortgage lenders in the AA. The Bank is the top lender of home mortgage loans in the single moderate-income census tract in the AA in 2016 and ranked within the top four lenders for such lending in 2015.

EDSB's lending in moderate-income tracts (35.3 percent) exceeds both the percentage of owner-occupied housing units in moderate-income tracts (14.4 percent) and the 2016 HMDA aggregate's lending results (10.1 percent). EDSB's market share of loans in moderate-income census tracts (11.8 percent) exceeds its overall HMDA market share (3.0 percent) in 2016. EDSB's market share of loans in moderate-income census tracts (5.9 percent) exceeds its overall HMDA market share (2.4 percent) in 2015.

Nevada County

Geographic distribution of home mortgage loans in Nevada County is excellent. EDSB's lending in moderate-income tracts (4.8 percent) exceeds both the percentage of owner-occupied housing units in moderate-income tracts (2.7 percent) and the 2016 HMDA aggregate's lending results (2.8 percent). EDSB's market share of loans in moderate-income census tracts (0.7 percent) is comparable to its overall HMDA market share (0.7 percent) in 2016. EDSB's market share of loans in moderate-income census tracts (1.3 percent) exceeds its overall HMDA market share (0.6 percent) in 2015.

Lending Gap Analysis

We reviewed summary reports and maps, and analyzed EDSB's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Inside/Outside Ratio

We performed an analysis of the inside/outside ratio at the bank level. Information includes the Bank's reportable loan originations and purchases only.

A substantial majority of loans are in the Bank's assessment area. EDSB originated 99 percent of the number of loans and dollar volume of loans within its assessment areas. The table below illustrates the Bank's lending inside and outside of its AAs by reporting year.

Table D - 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												
2015	521	99.4	3	0.6	524	100,969	99.6	371	0.4	101,340		
2016	582	98.1	11	1.9	593	120,808	98.9	1,295	1.1	122,103		
Total	1,103	98.7	14	1.3	1,117	221,777	99.3	1,666	0.7	223,443		

Source: Evaluation Period: 1/1/2015 - 12/31/2016 Bank Data
Due to rounding, totals may not equal 100.0

Distribution of Loans by Income Level of the Borrower

Overall borrower distribution of loans in the state of California is excellent. Home mortgage lending is excellent.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of California section of Appendix D for more granular facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases. For purposes of the following performance discussions, the figures in parentheses represent lending results as a percentage of total HMDA lending or the demographic statistics.

Borrower distribution of home mortgage loans is **excellent**.

Sacramento AA

Distribution of home mortgage loans by borrower income in the Sacramento AA is excellent based on its strong lending to low-income borrowers. EDSB's lending to low-income borrowers (7.6 percent) is significantly below the percentage of low-income families (22.0 percent) in the AA but exceeds the 2016 HMDA aggregate's lending to low-income borrowers (2.5 percent). EDSB's market share of loans to low-income borrowers (1.1 percent) in 2016 exceeds its overall HMDA market share (0.4 percent) in the Sacramento AA. EDSB's lending to moderate-income borrowers (13.0 percent) is below the percentage of moderate-income families (17.0 percent) in the AA but exceeds the 2016 HMDA aggregate's lending results (11.1 percent). EDSB's market share of loans to moderate-income borrowers (0.4 percent) is comparable to its overall HMDA market share.

California Non-MSA

Amador-Calaveras-Tuolumne Counties (ACT AA)

Distribution of home mortgage loans by borrower income in the ACT AA is excellent. EDSB's lending to low-income borrowers (3.4 percent) is significantly below the percentage of low-income families (16.2 percent) in the AA but exceeds the 2016 HMDA aggregate's lending results (2.1 percent). EDSB's market share of loans to low-income borrowers (2.8 percent) in 2016 exceeds its overall HMDA market share (1.6 percent). EDSB's lending to moderate-income borrowers (12.6 percent) is below the percentage of moderate-income families in the AA (16.5 percent) but exceeds the 2016 HMDA aggregate's lending to moderate-income borrowers (10.0 percent). EDSB's market share of loans to moderate-income borrowers (1.7 percent) in 2016 exceeds its overall HMDA market share.

Inyo County

Distribution of home mortgage loans by borrower income in Inyo County is good. While lending volume is limited to only 17 loans during the evaluation period, EDSB is one of the top home mortgage lenders in the AA. In 2016, only four HMDA lenders, each with one loan, granted loans to low-income borrowers; and 14 HMDA lenders granted loans to moderate-income borrowers. In 2015, only five HMDA lenders, including EDSB granted five loans to low-income borrowers; and 14 HMDA lenders granted loans to moderate-income borrowers.

EDSB's lending to low-income borrowers (14.3 percent) is slightly below the percentage of low-income families (17.0 percent) in the AA but exceeds the 2016 HMDA aggregate's lending results (1.2 percent). EDSB, however, did not grant any loans to low-income borrowers in 2016. EDSB's market share of loans to low-income borrowers (20.0 percent) in 2015 exceeds its overall HMDA market share (2.4 percent). EDSB's lending to moderate-income borrowers (14.3 percent) is slightly below the percentage of moderate-income families (17.7 percent) but exceeds the 2016 HMDA aggregate's lending performance (7.2 percent). EDSB did not grant any loans to moderate-income borrowers in 2016. EDSB's market share of loans to moderate-income borrowers (6.2 percent) exceeds its overall HMDA market share.

Nevada County

Distribution of home mortgage loans by borrower income in Nevada County is excellent. EDSB's low-income borrower distribution (4.8 percent) is significantly below the percentage of low-income families in the AA (13.9 percent) but exceeds the 2016 HMDA aggregate's lending to low-income borrowers (1.4 percent). EDSB's market share of loans to low-income borrowers (2.6 percent) in 2016 exceeds its overall HMDA market share (0.7 percent). EDSB's moderate-income borrower distribution (17.5 percent) exceeds both the percentage of moderate-income families (15.3 percent) in the AA and the 2016 HMDA aggregate's lending to moderate-income borrowers (5.7 percent). EDSB's market share of loans to moderate-income borrowers (2.0 percent) exceeds its overall HMDA market share.

Community Development Lending

Refer to Table 1 Lending Volume in the state of California section of Appendix D for the facts and data used to evaluate the Bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

EDSB did not originate any CD loans during the evaluation period. EDSB's retail lending activity, however, is strong and mitigates the Bank's lack of CD lending.

EDSB is a residential mortgage lender and its lending expertise is in residential mortgage lending. While the Bank offers some commercial and agriculture loans, the loan size would be less than \$1.0 million and the loans would likely be secured by the borrower's principal residence. Any business or farm loan of less than \$1.0 million is analyzed under the Borrower and Geographic Distribution components of the lending test and cannot be considered under the CD Lending component.

Product Innovation and Flexibility

EDSB is a portfolio lender, which allows the Bank to underwrite loans for otherwise creditworthy borrowers that wouldn't qualify under secondary market investor guidelines. For example, loans on high acreage properties and certain kinds of manufactured housing found in rural area are usually not saleable in the secondary market.

Also, EDSB services its own loans, which provides the Bank discretion and flexibility in working with borrowers to lower payments for both struggling and non-struggling borrowers. EDSB's loan restructuring and modification activity offers temporary relief to borrowers that will allow some borrowers to stay in their home for the long-term while they weather financial setbacks. This activity is responsive.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the investment test in California is rated High Satisfactory. Based on full-scope reviews, the Bank's performance in the Sacramento AA, the Amador-Calaveras-Tuolumne CA Non-MSA AA, the Inyo CA Non-MSA AA, and Nevada County California Non-MSA AA is good.

Refer to Table 14 in the state of California section of Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

EDSB makes a significant level of qualified CD investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position. EDSB makes significant use of innovative and/or complex investments to support CD initiatives and exhibits good responsiveness to credit and CD

needs. During the evaluation period, qualified investments and donations totaled \$12.3 million, which represents six percent of EDSB's tier 1 capital.

Sacramento AA

EDSB made grants totaling \$94.3 thousand to 58 community development organizations in the Sacramento AA. These organizations primarily provide services to low- and moderate-income individuals with a few providing affordable housing for low- and moderate-income individuals.

Amador-Calaveras-Tuolumne Counties CA Non-MSA AA

EDSB made grants totaling \$13.6 thousand to five community development organizations in the Amador-Calaveras-Tuolumne Counties CA Non- MSA AA. These organizations provide affordable housing or services to low- and moderate-income individuals or promote revitalization or economic development.

Inyo County CA Non-MSA AA

EDSB made grants totaling \$1 thousand to one community development organization in the Inyo County CA Non- MSA AA. This organization provides affordable housing or services to low- and moderate-income individuals or promote revitalization or economic development.

Nevada County CA Non-MSA AA

EDSB made grants totaling \$1.5 thousand to one community development organization in the Nevada County CA Non- MSA AA. This organization provides affordable housing or services to low- and moderate-income individuals or promote revitalization or economic development.

Statewide Regional

We 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, we gave positive consideration to statewide or regional activities that had a purpose, mandate, or function that serves 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 \$10.1 million in four WNC Capital Corporation funds and one USB LIHTC fund. EDSB made capital contributions of \$3.1 million and is committed to advance \$7.1 million in future capital calls. The Sacramento AA directly benefits from one of these funds and CA Non-MSA AA directly benefits from three of these funds. 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 Market Tax Credits, Historic Tax Credits, and State Tax Credits.

In addition, in prior periods, EDSB committed to invest \$4.0 million in four WNC Capital Corporation funds, to which the Bank advanced periodic capital contributions, including contributions during this evaluation period. During the evaluation period, EDSB advanced \$835 thousand to these funds and the outstanding book value of prior period contributions to these funds totaled \$1.2 million.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the service test in California is rated High Satisfactory. Based on full-scope reviews, the Bank's performance in the Sacramento AA, Amador-Calaveras-Tuolumne (ACT) Non-MSA AA, Inyo Non-MSA AA, and Nevada County Non-MSA AA is good. Retail Services is good and Community Development Services is adequate.

Retail Banking Services

Refer to Table 15 in the state of California section of Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

EDSB's delivery systems are accessible to geographies and individuals of different income levels. The relocation of a branch in the Sacramento MSA AA to Douglas County Non-MSA AA did not adversely affect the accessibility of its delivery systems. Services do not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals.

Alternative Delivery Systems

The accessibility and use of alternative systems for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals is good. Delivery systems include 31 full service branches with automated teller machines (ATMs). Customers also have greater access through Visa Check Cards for POS purchases at STAR and INTERLINK terminals, and to withdraw cash at any ATM displaying the Cirrus, Star, or Visa symbols. EDSB also offers 24-hour access to telephone banking for account information; internet banking, including bill pay and account opening; and mobile banking, including transfers between EDSB accounts and paying bills established through internet banking.

Reasonableness of Services and Hours of Operations

Branch services and hours do not vary in a way that inconveniences portions of the AAs, particularly LMI individuals or geographies. 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.

EDSB branch hours are uniform among all the branches each weekday, with Saturday hours available at several locations. The Bank's retail banking services are further discussed by AA below.

Branch Network

Sacramento AA

Distribution of Branches

The distribution of EDSB's branches is reasonable and accessible to geographies and individuals of different income levels. EDSB operates 19 branch offices in the AA. While EDSB does not maintain any branches in low-income census tracts, the proportion of AA branches in moderate-income geographies exceeds the percentage of the population in these tracts.

Record of Opening and Closing Branches

EDSB's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. EDSB relocated a moderate-income branch from this AA to the Douglas County, Nevada Non-MSA AA. The relocated branch location was one mile from another EDSB branch in the same census tract. The new location is across the state line in Nevada and approximately three miles from its old location.

Branch Hours and Services

Business hours and services are reasonable and do not vary in a way that inconveniences its AA, particularly LMI geographies or LMI individuals. Branch lobby hours are Monday-Thursday 9AM-5PM and Friday 9AM-6PM. Each branch maintains an ATM. Nine branches maintain Saturday hours of 9AM-1PM, including the moderate-income branch. Six branches have drive-up/walk-up hours.

Amador-Calaveras-Tuolumne Counties (ACT) CA Non-MSA AA

Distribution of Branches

The distribution of EDSB's branches is reasonable and accessible to geographies and individuals of different income levels. EDSB operates eight branch offices in the AA. None of the branches are located in the single moderate-income census tract in the AA but less than one percent of the population lives in this census tract. There are no low-income census tracts.

Record of Opening and Closing Branches

EDSB did not open or close any branches in the AA.

Branch Hours and Services

Business hours and services are reasonable and do not vary in a way that inconveniences its AA, particularly LMI geographies or LMI individuals. Branch lobby hours are Monday-Thursday 9AM-5PM and Friday 9AM-6PM. Each branch maintains an ATM. Two branches maintain Saturday hours of 9AM-1PM. Two branches have drive-up/walk-up hours.

Inyo Non-MSA AA

Distribution of Branches

The distribution of EDSB's branches is good and readily accessible to geographies and individuals of different income levels. EDSB operates two branch offices in the AA, including one in the single moderate-income tract in the AA. The proportion of branches in moderate-income geographies exceeds the percentage of the population in these tracts. There are no low-income tracts in the AA.

Record of Opening and Closing Branches

EDSB did not open or close any branches in the AA.

Branch Hours and Services

Business hours and services are reasonable and do not vary in a way that inconveniences its AA, particularly LMI geographies or LMI individuals. Branch lobby hours are Monday-Thursday 9AM-5PM and Friday 9AM-6PM. Each branch maintains an ATM. One branch has drive-up/walk-up hours.

Nevada County Non-MSA AA

Distribution of Branches

The distribution of EDSB's branches is reasonable and accessible to geographies and individuals of different income levels. EDSB operates two branch offices in the AA. None of the branches are located in the single moderate-income census tract in the AA, but less than seven percent of the population lives in the moderate-income census tract. There are no low-income census tracts.

Record of Opening and Closing Branches

EDSB did not open or close any branches in the AA.

Branch Hours and Services

Business hours and services are reasonable and do not vary in a way that inconveniences its AA, particularly LMI geographies or LMI individuals. Branch lobby hours are Monday-Thursday 9AM-5PM and Friday 9AM-6PM. Both branches maintain an ATM. One branch maintains Saturday hours of 9AM-1PM, and has drive-up/walk-up hours.

Community Development Services

A community development (CD) service is defined by the CRA regulation as a financial-related service targeted to low- and moderate-income individuals or other activities that serve to promote economic development for small businesses and small farms or to revitalize or stabilize underserved or distressed geographies.

EDSB provides an adequate level of CD services that benefit organizations within the AAs during the evaluation period. Two staff members served as board members or committee members of two community development organizations focusing on economic development. Staff provided 138.5 technical assistance service hours during the evaluation period.

State Rating

State of Nevada

CRA Rating for (Nevada)²:	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:

- EDSB's lending activity, overall, reflects good responsiveness to community credit needs.
- The distribution of EDSB's loans by borrower income characteristics reflects excellent penetration.
- EDSB makes very few qualified community development investments that are responsive to community needs.
- EDSB's branch and alternative delivery systems are accessible to the Bank's geographies and individuals of different income levels.

Description of Institution's Operations in Nevada

As of December 31, 2017, EDSB had four branch offices serving its Nevada AAs. EDSB reported total deposits of \$107.4 million in these offices, which represented 5.6 percent of total deposits. The dollar volume of loans granted by EDSB within the state of Nevada represented approximately 4.0 percent of the Bank's total reportable lending. The branches are full-service, offering the full range of EDSB's loan and deposit products.

Refer to the market profiles for the state of Nevada in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Nevada

EDSB maintains four branches serving two AAs in Nevada. Based on branches, deposits, and loan origination volumes, we selected the Douglas County NV Non-MSA AA in Nevada for full-scope reviews. Performance in Nevada is predominately based on performance in Douglas County. Branches in Douglas County represented 75.0 percent of total Nevada branches and deposit in these branches

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

represent 86.3 percent of total Nevada Deposits. Lending in Douglas County represented 68.2 percent of total number of loans originated in the Bank's Nevada AAs. The Bank maintains deposit operations in the following Nevada MSAs or counties:

Full-Scope:

- Nevada Non-Metropolitan Statistical Area: Douglas County

Limited-Scope:

- Washoe County, portion of the Reno, NV MSA (39900)

We were unable to contact a local community group in Douglas County; however, the June 2016 Douglas County Master Plan utilized input from businesses and residents regarding business, housing, development, and quality of life concerns, needs, and priorities. The business-owners indicated a desire to make capital improvements and add new jobs. These employers also indicated that there was not sufficient employee housing and would like to see more single-family and multifamily housing developed in the county. A housing survey noted concerns with quality and cost of housing for lower income residents. Concerns included cost burdens for most low- and moderate-income residents and housing units that have incomplete plumbing and/or kitchen facilities as well as other forms of deferred maintenance, indicating a need for rehabilitation. Emergency and transitional housing is limited, indicating a need for development of such housing as well as financial support for social services. Survey respondents expressed concerns with the lack of diverse housing stock and expensive housing, indicating a need for more affordable rental apartments for young adults and small families with imperfect credit and more Section 8 housing for seniors, indicating a need for affordable housing development and other financial support in the form of rental or mortgage payment subsidies.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the lending test in Nevada is rated High Satisfactory. Based on full-scope reviews, the Bank's performance in the Douglas County AA is good. More weight was given to borrower lending distribution.

Lending Activity

Refer to Table 1 Lending Volume in the state of Nevada section of Appendix D for the facts and data used to evaluate the Bank's lending activity.

Lending levels reflect good responsiveness to the credit needs of the full scope AA. EDSB granted 30 home mortgage loans totaling \$6.0 million during the evaluation period in Douglas County. Lending in Douglas County represented 68.2 percent of total lending in the Bank's Nevada AAs. EDSB has a deposit market share of 8.6 percent, which ranks fourth amongst seven depository institutions operating in the AA as of June 30, 2017. Based on 2016 HMDA aggregate lending data, competition for mortgage

lending is moderate. The top five competitors, including megabanks and large mortgage companies, hold 42.9 percent of the market share of HMDA reportable loans. As such, the Bank's lending market share is much lower than its deposit market share. Despite its low lending market share relative to deposit market share, the Bank's market share percentile rank of home mortgage loans exceeds its deposit market share percentile rank.

Douglas County

Product	Number of	Percent of All		Market Share	Market Share
	Loans	Loan Products	Market Share	Rank	Percentile
Deposits *			8.6	4 of 7	43
Home Mortgage **	30	100.0	0.6	30 of 165	82
Community Development		NA	NA	NA	NA

* Source: FDIC June 30, 2017 Deposit Market Share

** 2016 HMDA Aggregate

Distribution of Loans by Income Level of the Geography

Overall geographic distribution of loans in the state of Nevada is good. Home mortgage lending is good.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 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/purchases. For purposes of the following performance discussions, the figures in parentheses represent lending results as a percentage of total HMDA lending or the demographic statistics.

Geographic distribution of home mortgage loans is **good**.

Douglas County

Geographic distribution of home mortgage loans in Douglas County is good. EDSB's lending in moderate-income census tracts (3.3 percent) is below the percentage of owner-occupied units in moderate-income tracts (4.9 percent) and is comparable to the 2016 HMDA aggregate's lending results (3.3 percent). EDSB's market share of loans in moderate-income census tracts (1.2 percent) exceeds its overall HMDA market share (0.6 percent) in 2016. There are no low-income census tracts in this AA.

Lending Gap Analysis

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

Inside/Outside Ratio

We performed an analysis of the inside/outside ratio at the bank level. Information includes the Bank's reportable loan originations and purchases only.

A substantial majority of loans are in the Bank's assessment area. EDSB originated 99 percent of the number of loans and dollar volume of loans within its assessment areas. The table below illustrates the Bank's lending inside and outside of its AAs by reporting year.

Table D - 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												
2015	521	99.4	3	0.6	524	100,969	99.6	371	0.4	101,340		
2016	582	98.1	11	1.9	593	120,808	98.9	1,295	1.1	122,103		
Total	1,103	98.7	14	1.3	1,117	221,777	99.3	1,666	0.7	223,443		

Source: Evaluation Period: 1/1/2015 - 12/31/2016 Bank Data
Due to rounding, totals may not equal 100.0

Distribution of Loans by Income Level of the Borrower

Overall, borrower distribution of loans in the state of Nevada is good. Home mortgage lending is good.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 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. For purposes of the following performance discussions, the figures in parentheses represent lending results as a percentage of total HMDA lending or the demographic statistics.

Borrower distribution of home mortgage loans is **good**.

Distribution of home mortgage loans by borrower income in Douglas County is good given limited opportunities to lend to low-income borrowers. EDSB's did not grant any loans to low-income borrowers during the evaluation period and this lending is significantly below both the percentage of low-income families (15.6 percent) in the AA and the 2016 HMDA aggregate's lending to low-income borrowers (1.9 percent). EDSB's lending to moderate-income borrowers (16.7 percent) exceeds both the percentage of moderate-income families (16.0 percent) in the AA and the 2016 HMDA aggregate's lending results (10.3 percent). EDSB's market share of loans to moderate-income borrowers (1.6 percent) exceeds its overall HMDA market share (0.6 percent).

Community Development Lending

Refer to Table 1 Lending Volume in the state of Nevada section of Appendix D for the facts and data used to evaluate the Bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

EDSB did not originate any CD loans during the evaluation period. EDSB's retail lending activity, however, is reasonable and CD lending opportunities are limited.

EDSB is a residential mortgage lender and its lending expertise is in residential mortgage lending. While the Bank offers some commercial and agriculture loans, the loan size would be less than \$1.0 million and the loans would likely be secured by the borrower's principal residence. Any business or farm loan of less than \$1.0 million is analyzed under the Borrower and Geographic Distribution components of the lending test and cannot be considered under the CD Lending component.

Product Innovation and Flexibility

EDSB is a portfolio lender, which allows the Bank to underwrite loans for otherwise creditworthy borrowers that would not qualify under secondary market investor guidelines. For example, loans on high acreage properties and certain kinds of manufactured housing found in rural area are usually not saleable in the secondary market. Also, EDSB services its own loans, which provides the Bank discretion and flexibility in working with borrowers to lower payments.

EDSB's loan restructuring and modification activity offers temporary relief to borrowers that will allow some borrowers to stay in their homes for the long-term while they weather financial setbacks. This activity is responsive.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the Bank's performance under the lending test in the Washoe County AA is weaker than the Bank's overall performance in the state. This level of performance does not impact the overall lending test rating based on branches and deposits gathered in this AA relative to total branches and deposits in the state of Nevada. Refer to the Tables 1 through 13 in the state of Nevada section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the investment test in Nevada is rated Needs to Improve. Based on full-scope reviews, the Bank's performance in the Douglas County NV Non-MSA AA is poor.

Refer to Table 14 in the state of Nevada section of Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

EDSB makes a poor level of qualified CD investments and grants. During the evaluation period, qualified investments and donations totaled \$6 thousand, which represents 0.07 percent of EDSB's tier 1 capital.

EDSB made grants totaling \$6 thousand to three community development organizations in the Douglas County CA Non- MSA AA. These organizations provide affordable housing or services to low- and moderate-income individuals or promote revitalization or economic development.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the investment test in Washoe County is not inconsistent with the Bank's overall needs to improve performance under the investment test in Nevada.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the service test in Nevada is rated Low Satisfactory. Based on full-scope reviews, the Bank's performance in the NV Non-MSA is adequate.

Retail Banking Services

Refer to Table 15 in the state of Nevada section of Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

EDSB's delivery systems are accessible to geographies and individuals of different income levels. EDSB's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services do not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals.

Alternative Delivery Systems

EDSB's delivery systems, including alternative delivery systems, are good. EDSB's delivery systems include three full service branches with automated teller machines (ATMs), telephone banking, and online banking. Alternative delivery systems are reasonably accessible to all segments of the Bank's AAs. In addition, EDSB offers VISA debit cards and participates in the STAR, INTERLINK, and Cirrus networks for point of sale transactions and access to millions of ATMs worldwide.

Reasonableness of Services and Hours of Operations

Branch services and hours do not vary in a way that inconveniences portions of the AAs, particularly LMI individuals or geographies. 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. EDSB branch hours are uniform among all the branches each weekday, with Saturday hours available at one location.

Branch Network

Distribution of Branches

The distribution of EDSB's branches is reasonable and accessible to geographies and individuals of different income levels. EDSB operates three branch offices in the AA. None of EDSB's branches are located in the single moderate-income census tract in Douglas County but less than four percent of the population resides in this census tract. There are no low-income census tracts in the AA.

Record of Opening and Closing Branches

EDSB's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. EDSB effectively expanded its footprint in Nevada. EDSB closed a branch in its Sacramento AA and relocated it to this AA. The branch was relocated across the state line from California and is approximately three miles from its old location.

Branch Hours and Services

Business hours and services are reasonable and do not vary in a way that inconveniences the Bank's AA, particularly LMI geographies or LMI individuals. Branch lobby hours are Monday-Thursday 9AM-5PM and Friday 9AM-6PM. Each branch maintains an ATM. One branch maintains Saturday hours of 9AM-1PM.

Community Development Services

A community development (CD) service is defined by the CRA regulation as a financial-related service targeted to low- and moderate-income individuals or other activities that serve to promote economic development for small businesses and small farms or to revitalize or stabilize underserved or distressed geographies.

EDSB did not provide any CD services in the Douglas County Non-MSA AA during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the service test in the Washoe County (Reno) MSA AA is not inconsistent with the Bank's overall low satisfactory performance under the service test in Nevada.

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 metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD loans): 01/01/2015 to 12/31/2016 Investment and Service Tests and CD Loans: 06/23/2015 to 12/31/2017	
Financial Institution		Products Reviewed
El Dorado Savings Bank, F.S.B. (EDSB or Bank) Placerville, CA		HMDA Loans Community Development Loans Qualified Investments
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
California Sacramento AA part of #40900 California Non-MSA #99999	Full-Scope Full-Scope	
Nevada Douglas County #99999 Washoe County part of #39900	Full Scope Limited-Scope	

Appendix B: Summary of Multistate Metropolitan Area 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	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Multistate Metropolitan Area or State:				
California	Outstanding	High Satisfactory	High Satisfactory	Outstanding
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: Market Profiles for Full-Scope Areas

State of California

Sacramento AA

Demographic Information for Full-Scope Area: Sacramento AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	443	7.90	24.38	37.70	29.80	0.23
Population by Geography	1,948,278	7.31	24.34	37.11	30.89	0.35
Owner-Occupied Housing by Geography	448,988	3.88	18.39	40.45	37.29	0.00
Businesses by Geography	129,803	6.77	21.33	38.29	33.60	0.01
Farms by Geography	3,068	3.81	17.24	45.80	33.15	0.00
Family Distribution by Income Level	474,611	21.99	17.04	20.13	40.84	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	185,259	11.85	35.07	35.88	17.21	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level	71,816 69,900 11%	Median Housing Value Unemployment Rate (2010 US Census)				356,610 4.65%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

EDSB designated the whole county, in which, it operates a branch. EDSB operates branches in El Dorado, Placer, and Sacramento and has designated that portion of the Sacramento-Roseville-Arden-Arcade MSA as its Sacramento AA. The Sacramento-Roseville-Arden-Arcade MSA is comprised of El Dorado, Placer, Sacramento, and Yolo Counties. The Bank does not operate any branches in Yolo County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census) estimates the population in Sacramento-Roseville-Arden-Arcade AA to be 2,080,616 in 2016. The population of the AA grew by 6.8 percent since the 2010 Census. The distribution of families by income level was 22.0 percent low-income, 17.0 percent moderate-income, 20.1 percent middle-income, and 40.8 percent upper-income.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loans and deposit products and services. Competition in the AA is high. There are 38 FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2017 Deposit Market Share Report. With 19 branches in the

AA, EDSB's deposits totaled \$1.2 billion, or 2.5 percent of the market as of June 30, 2017. The Bank ranks ninth in deposits out of 39 depository institutions. The top three depository institutions are Wells Fargo Bank, NA, U.S. Bank, NA, and Bank of America, NA sharing 60.0 percent of total deposits in the AA.

Competition for mortgage lending is very high. There are 666 HMDA-reporting mortgage lenders in 2016. The top five competitors include Wells Fargo, NA, Finance of America Mortgage, Quicken Loans, American Pacific Mortgage Corp., and PennyMac Loan Services sharing 25.9 percent of the market for HMDA reportable loans. EDSB ranks 48 with a market share of 0.4 percent of all HMDA lending in 2016.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in the Sacramento-Roseville-Arden-Arcade MSA improved during the evaluation period but is higher than the 2016 national annual average of 4.9 percent. BLS data indicates the average annual unemployment was 7.1 percent in 2014, 5.8 percent in 2015, and 5.2 percent in 2016. 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 Kaiser Permanente, UC Davis Health System, University of California, Dignity Health, and Intel Corp.

The percentage of households in the AA living below the poverty level is moderate, representing 11.0 percent, according to the 2010 U.S. Census. High portions of households in LMI geographies live below the poverty level, comprising 25.8 percent of households in low-income geographies and 16.6 percent in moderate-income geographies. The 2010 U.S. Census data indicates that 32.3 percent of the census tracts in the AA are LMI.

Housing

Opportunities for residential mortgage lending in low-income geographies is limited due to median housing values in those tracts and higher level of rental units and are somewhat limited in moderate-income geographies.

Housing in the Sacramento-Roseville-Arden-Arcade MSA is moderately expensive. The Census Bureau's 5-Year (2012-2016) American Community Survey (ACS) estimates an affordability ratio of 5.2, 5.0, and 4.7 in El Dorado County, Calaveras County, and Tuolumne County, respectively. The affordability ratios in the AA are less than the state ratio of 6.4, and higher than the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in each of the counties in the AA is above the state average. El Dorado and Placer counties have home ownership rates above the national average and Sacramento County is below the national average. The ACS indicates home ownership in the counties of the AA ranged from 55.2 percent in Sacramento County to 75.0 percent in El Dorado County, compared to California at 54.1 percent and the U.S. at 63.6 percent.

The median home value in low- and moderate-income tracts in the AA equaled \$214,072 and \$248,527, respectively. Those median home prices are moderate compared to the FFIEC updated median family income (MFI) for 2016. However, homeownership opportunities are limited for low-income families and challenging for some moderate-income families as low- and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$34,900 and \$55,900, respectively.

The 2010 Census reports 57.0 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 32.6 percent and vacant units at 10.4 percent. Owner-occupied housing in LMI geographies in the AA represents 22.3 percent of the total owner-occupied housing units. LMI geographies in the AA have much higher levels of rentals than middle- and upper-income geographies, with rental units accounting for 57.5 percent of the housing units in low-income geographies and 45.4 percent of the housing units in moderate-income geographies.

Community Contacts

Three recent community contact interviews with representatives of the community identified several credit needs and possible opportunities for banks. The needs include affordable housing development, financial grants to the operating budgets of nonprofits focused on housing, and funding of non-profits focused on social rehabilitation in the Sacramento area. Current projects under development for housing or community facilities involve the use of government guarantees through the USDA. Generally, both lending and retail banking products are available in the area.

Amador-Calaveras-Tuolumne CA Non-MSA AA

Demographic Information for Full-Scope Area: Amador-Calaveras-Tuolumne CA Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	0.00	3.33	53.33	40.00	3.33
Population by Geography	139,034	0.00	0.68	55.73	41.01	2.58
Owner-Occupied Housing by Geography	41,768	0.00	0.90	57.01	42.09	0.00
Businesses by Geography	8,701	0.00	1.03	62.89	36.03	0.05
Farms by Geography	417	0.00	0.72	60.91	38.37	0.00
Family Distribution by Income Level	37,616	16.25	16.55	19.16	48.04	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,336	0.00	1.62	62.51	35.87	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level	55,928 58,900 10%	Median Housing Value Unemployment Rate (2010 US Census)				348,718 4.26%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

EDSB designated the whole county, in which, it operates a branch. For non-metropolitan areas (non-MSA), counties that are contiguous are aggregated into a single assessment area. Non-contiguous non-metropolitan counties are treated as separate AAs. This AA consists of the contiguous counties of Amador, Calaveras, and Tuolumne. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census) estimates the population in the AA to be 136,358 people in 2016. The population of the AA declined by 1.9 percent since the 2010 Census. The distribution of families by income level was 16.3 percent low-income, 16.6 percent moderate-income, 19.2 percent middle-income, and 48.0 percent upper-income.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loans and deposit products and services. Competition in the AA is moderate. There are 12 FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2017 Deposit Market Share Report. With eight branches in the AA, EDSB's deposits totaled \$434.0 million, or 17.7 percent of the market as of June 30, 2017. The Bank ranks second in deposits out of 12 depository institutions. The top depository institution is Wells Fargo Bank, NA and third and fourth top financial institutions are Bank of America, NA, and Umpqua Bank. Together, these banks and EDSB account for 65.5 percent of total deposits in the AA.

Competition for mortgage lending is high. There are 345 HMDA-reporting mortgage lenders in 2016. No lender has more than 11.0 percent market share. The top five competitors include Wells Fargo, NA, Quicken Loans, Academy Mortgage Corp., Finance of America Mortgage LLC, and Freedom Mortgage Corp. sharing 28.7 percent of the market for HMDA reportable loans. EDSB ranks 18 with a market share of 1.6 percent of all HMDA lending in 2016.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in AA improved during the evaluation period, but unemployment is higher than the 2016 national annual average of 4.9 percent. In Amador County, the BLS data indicates the average annual unemployment was 8.3 percent in 2014, 6.6 percent in 2015, and 5.9 percent in 2016. In Calaveras County, the BLS data indicates the average annual unemployment was 8.0 percent in 2014, 6.4 percent in 2015, and 5.6 percent in 2016. In Tuolumne County, the BLS data indicates the average annual unemployment was 8.7 percent in 2014, 7.0 percent in 2015, and 6.2 percent in 2016. 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.

The percentage of households in the AA living below the poverty level is moderate, representing 10.0 percent, according to the 2010 U.S. Census. Low portion of households in moderate-income geographies live below the poverty level, comprising 12.6 percent of households in moderate-income geographies. The 2010 U.S. Census data indicates that 3.3 percent of the census tracts in the AA are moderate-income. There are no low-income census tracts in the AA.

Housing

Opportunities for residential mortgage lending in moderate-income geographies is limited due the low level of housing units (2,127) in moderate-income tracts compared to total housing units (76,469) in the AA and the high level of vacant housing units (79.0) in those geographies.

Housing in the AA is generally affordable. The Census Bureau's 5-Year (2012-2016) American Community Survey (ACS) estimates an affordability ratio of 4.7, 4.8, and 5.1 in Amador County, Calaveras County, and Tuolumne County, respectively. The affordability ratios in the AA are less than the state ratio of 6.4, and higher than the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in the AA is above the state and the national averages. The ACS indicates home ownership in the AA ranged from 67.9 percent in Tuolumne County to 77.0 percent in Calaveras County, compared to California at 54.1 percent and the U.S. at 63.6 percent.

The median home value in moderate-income tracts in the AA equaled \$349,300. The median home price is moderately expensive compared to the FFIEC updated median family income (MFI) for 2016. Low-

and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$29,400 and \$47,100, respectively.

The 2010 Census reports 54.6 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 18.2 percent and vacant units at 27.2 percent. Owner-occupied housing in moderate-income geographies in the AA represents less than one percent of the total owner-occupied housing units. There are 2,127 housing units in moderate-income geographies with 17.8 percent of these units being owner-occupied, 3.2 percent of units are renter-occupied, and 79.0 percent are vacant. The percentage of owner- and renter-occupied units in moderate-income census tracts are significantly lower than in middle- and upper-income geographies.

Community Contacts

We utilized previously obtained community contact information to determine credit needs and challenges in the AA. Community contacts noted challenges that many small businesses faced in qualifying for traditional financing and that access to credit was an obstacle for area businesses. The contacts indicated a need for smaller loans in the range of \$25 to \$100 thousand. 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 (LIHTC) projects that finance the development or preservation of affordable housing units in the AA. Given the rural nature of the AA coupled with high level of household receiving social security (41.2 percent) and/or on fixed incomes (30.2 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 low-and moderate-income individuals.

Inyo County CA Non-MSA AA

Demographic Information for Full-Scope Area: Inyo County CA Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	6	0.00	16.67	50.00	33.33	0.00
Population by Geography	18,546	0.00	18.21	59.27	22.51	0.00
Owner-Occupied Housing by Geography	5,109	0.00	14.43	57.08	28.50	0.00
Businesses by Geography	1,280	0.00	12.34	69.84	17.81	0.00
Farms by Geography	44	0.00	4.55	54.55	40.91	0.00
Family Distribution by Income Level	4,838	16.99	17.71	18.79	46.51	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,679	0.00	25.37	52.71	21.92	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level	55,928 58,900 11%	Median Housing Value Unemployment Rate (2010 US Census)				268,266 3.39%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

EDSB designated the whole county, in which, it operates a branch. For non-metropolitan areas (non-MSA), counties that are contiguous are aggregated into a single assessment area. Non-contiguous non-metropolitan counties are treated as separate AAs. This AA consists of Inyo County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census) estimates the population in the AA to be 18,144 people in 2016. The population of the AA declined by 2.2 percent since the 2010 Census. The distribution of families by income level was 17.0 percent low-income, 17.7 percent moderate-income, 18.8 percent middle-income, and 46.5 percent upper-income.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loans and deposit products and services. Competition in the AA is minimal. There are five FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2017 Deposit Market Share Report. With two branches in the AA, EDSB's deposits totaled \$102.1 million, or 23.1 percent of the market as of June 30, 2017. The Bank ranks second in deposits out of five depository institutions. The top depository institution is Bank of America, NA (33.2 percent) and other financial institutions are JP Morgan Chase Bank, NA (20.8 percent), MUFG Union Bank, NA (17.2 percent), and Oak Valley Community Bank (5.7 percent).

Competition for mortgage lending is moderate. There are 93 HMDA-reporting mortgage lenders in 2016. No lender has more than 11.0 percent market share. The top five competitors include JP Morgan Chase Bank, NA, Skyline Financial Corp., Wells Fargo, NA, Sierra Pacific Mortgage Co, and Quicken Loans sharing 37.6 percent of the market for HMDA reportable loans. EDSB ranks ninth with a market share of 3.0 percent of all HMDA lending in 2016.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in AA improved during the evaluation period but unemployment is higher than the 2016 national annual average of 4.9 percent. The BLS data indicates the average annual unemployment was 6.8 percent in 2014, 5.8 percent in 2015, and 5.2 percent in 2016. The largest industries in the AA include Government, leisure and hospitality, and retail trade. The top employers are the CG Roxane Water, Death Valley National Park, Furnace Creek Ranch, Northern Inyo Hospital, and Southern Inyo Hospital.

The percentage of households in the AA living below the poverty level is moderate, representing 11.0 percent, according to the 2010 U.S. Census. Moderate portion of households in moderate-income geographies live below the poverty level, comprising 12.7 percent of households in moderate-income geographies. The 2010 U.S. Census data indicates that one census tract (16.7 percent of total census tracts) is moderate-income in the AA. There are no low-income census tracts in the AA.

Housing

Opportunities for residential mortgage lending in moderate-income geographies is somewhat limited due to single moderate-income census tract in the AA, the level of housing units (1,854) in moderate-income tracts and relatively high level of rental and vacant housing units (60.2) in those geographies.

Housing in the AA is generally affordable. The Census Bureau's 5-Year (2012-2016) American Community Survey (ACS) estimates an affordability ratio was 5.0 in Inyo County. The affordability ratio in the AA is less than the state ratio of 6.4 and higher than the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in the AA is above the state and the national averages. The ACS indicates home ownership in the AA is 65.3 percent, compared to California at 54.1 percent and the U.S. at 63.6 percent.

The median home value in moderate-income tracts in the AA equaled \$172,500. The median home price is moderately expensive compared to the FFIEC updated median family income (MFI) for 2016. Low- and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$29,400 and \$47,100, respectively.

The 2010 Census reports 54.2 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 30.5 percent, and vacant units at 15.4 percent. Owner-occupied housing in moderate-income geographies in the AA represents 14.4 percent of the total owner-occupied housing units. There are 1,854 housing units in moderate-income geographies with 39.8 percent of these units

being owner-occupied, 34.6 percent of units are renter-occupied, and 25.6 percent are vacant. The percentage of owner-occupied units in moderate-income census tracts is lower than in middle- and upper-income geographies.

Community Contacts

We utilized previously obtained community contact information to determine credit needs and challenges in the AA. Community contacts noted challenges that many small businesses faced in qualifying for traditional financing and that access to credit was an obstacle for area businesses. The contacts indicated a need for smaller loans in the range of \$25 to \$100 thousand. 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 (LIHTC) 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 (34.9 percent) and/or on fixed incomes (19.9 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 low-and moderate-income individuals.

Nevada County CA Non-MSA AA

Demographic Information for Full-Scope Area: Nevada County CA Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	20	0.00	5.00	50.00	45.00	0.00
Population by Geography	98,764	0.00	6.32	45.90	47.78	0.00
Owner-Occupied Housing by Geography	30,531	0.00	2.73	43.09	54.18	0.00
Businesses by Geography	9,303	0.00	9.23	52.76	38.01	0.00
Farms by Geography	343	0.00	3.79	43.15	53.06	0.00
Family Distribution by Income Level	27,918	13.94	15.31	20.05	50.69	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,168	0.00	10.47	50.36	39.18	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level	55,928 58,900 9%	Median Housing Value Unemployment Rate (2010 US Census)				454,813 4.03%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

EDSB designated the whole county, in which, it operates a branch. For non-metropolitan areas (non-MSA), counties that are contiguous are aggregated into a single assessment area. Non-contiguous non-metropolitan counties are treated as separate AAs. This AA consists of Nevada County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census) estimates the population in Nevada County to be 99,107 people in 2016. The population of the AA grew by 0.4 percent since the 2010 Census. The distribution of families by income level was 13.9 percent low-income, 15.3 percent moderate-income, 20.1 percent middle-income, and 50.7 percent upper-income.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loans and deposit products and services. Competition in the AA is moderate. There are 11 FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2017 Deposit Market Share Report. With two branches in the AA, EDSB's deposits totaled \$112.1 million, or 5.6 percent of the market as of June 30, 2017. The Bank ranks sixth in deposits out of 11 depository institutions. The top three depository institutions are Wells Fargo Bank, NA, Bank of America, NA, and JPMorgan Chase Bank, NA, sharing 53.6 percent of total deposits in the AA.

Competition for mortgage lending is high. There are 313 HMDA-reporting mortgage lenders in 2016. No lender has more than 11.0 percent market share. The top five competitors include Wells Fargo, NA,

Finance of America Mortgage, Quicken Loans, Flagstar Bank, and JPMorgan Chase, NA sharing 30.2 percent of the market for HMDA reportable loans. EDSB ranks 37 with a market share of 0.7 percent of all HMDA lending in 2016.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in the Nevada County improved during the evaluation period and is comparable to the 2016 national annual average of 4.9 percent. BLS data indicates the average annual unemployment was 6.5 percent in 2014, 5.4 percent in 2015, and 4.7 percent in 2016. 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.

The percentage of households in the AA living below the poverty level is moderate, representing 9.0 percent, according to the 2010 U.S. Census. High portion of households in moderate-income geographies live below the poverty level, comprising 21.2 percent of households in moderate-income geographies. The 2010 U.S. Census data indicates that one census tract (5.0 percent of total census tracts) is moderate-income in the AA. There are no low-income census tracts in the AA.

Housing

Opportunities for residential mortgage lending in moderate-income geographies is limited due to single moderate-income census tract in the AA, high percentage of rental housing units (60.6 percent) in moderate-income tracts, and high housing values.

Housing in the AA is expensive. The Census Bureau's 5-Year (2012-2016) American Community Survey (ACS) estimates an affordability ratio was 6.2 in Nevada County. The affordability ratio in the AA is comparable to the state ratio of 6.4 and nearly double the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in the AA is above the state and the national averages. The ACS indicates home ownership in the AA is 72.1 percent, compared to California at 54.1 percent and the U.S. at 63.6 percent.

The median home value in moderate-income tracts in the AA equaled \$345,700. The median home price is expensive compared to the FFIEC updated median family income (MFI) for 2016. Low- and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$29,400 and \$47,100, respectively. As such, home ownership opportunities are very limited for low-income and some moderate-income individuals.

The 2010 Census reports 58.9 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 20.7 percent, and vacant units at 20.4 percent. Owner-occupied housing in moderate-income geographies in the AA represents 2.73 percent of the total owner-occupied housing units. There are 2,938 housing units in moderate-income geographies with 28.3 percent of these units being owner-occupied, 60.6 percent of units are renter-occupied, and 11.1 percent are vacant. LMI

geographies in the AA have significantly lower levels of owner occupancy and significantly higher levels of rental units than middle- and upper-income geographies.

State of Nevada

Douglas County NV Non-MSA AA

Demographic Information for Full-Scope Area: Douglas County NV Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	16	0.00	6.25	56.25	37.50	0.00
Population by Geography	46,997	0.00	3.61	60.04	36.35	0.00
Owner-Occupied Housing by Geography	14,613	0.00	4.95	53.70	41.35	0.00
Businesses by Geography	3,281	0.00	1.98	52.27	45.75	0.00
Farms by Geography	156	0.00	3.85	37.82	58.33	0.00
Family Distribution by Income Level	13,479	15.58	16.00	21.17	47.25	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,257	0.00	6.72	68.52	24.76	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level	64,296 60,200 8%	Median Housing Value Unemployment Rate (2010 US Census)				454,367 4.02%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

EDSB designated the whole county, in which, it operates a branch. EDSB designated Douglas County as its NV non-MSA AA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

The U.S. Census Bureau (Census) estimates the population in Douglas County to be 48,020 in 2016. The population of the AA grew by 2.2 percent since the 2010 Census. The distribution of families by income level was 15.6 percent low-income, 16.0 percent moderate-income, 21.2 percent middle-income, and 47.3 percent upper-income.

Competition

EDSB offers mortgage, commercial, agriculture, and consumer loan and deposit products and services. Competition in the AA is low. There are seven FDIC insured depository institutions with branch operations in the AA according to the FDIC's June 30, 2017 Deposit Market Share Report. With three branches in the AA, EDSB's deposits totaled \$92.7 million, or 8.6 percent of the market as of June 30, 2017. The Bank ranks fourth in deposits out of seven depository institutions. The top three depository institutions are Wells Fargo Bank, NA, Bank of America, NA, and U.S. Bank NA, sharing 75.0 percent of total deposits in the AA.

Competition for mortgage lending is moderate. There are 165 HMDA-reporting mortgage lenders in 2016. The top five competitors include Guild Mortgage Company, Wells Fargo, NA, Quicken Loans, US Bank, NA, and Sierra Pacific Mortgage sharing 42.9 percent of the market for HMDA reportable loans. EDSB ranks 30 with a market share of 0.6 percent of all HMDA lending in 2016.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment in the Douglas County improved during the evaluation period and is comparable to the 2016 national annual average of 4.9 percent. BLS data indicates the average annual unemployment was 8.0 percent in 2014, 6.8 percent in 2015, and 5.6 percent in 2016. 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.

The percentage of households in the AA living below the poverty level is moderate, representing 8.0 percent, according to the 2010 U.S. Census (Census). Moderate portion of households in moderate-income geographies live below the poverty level, comprising 7.8 percent of households in moderate-income geographies. The 2010 U.S. Census data indicates that one census tract (6.2 percent of total census tracts) is moderate-income in the AA. There are no low-income census tracts in the AA.

Housing

Opportunities for residential mortgage lending in moderate-income geographies is somewhat limited due to single moderate-income census tract in the AA and the level of housing units (1,024) in moderate-income tracts.

Housing in Douglas County is moderately expensive. The Census Bureau's 5-Year (2012-2016) American Community Survey (ACS) estimates an affordability ratio was 4.7 in Douglas County. The affordability ratio in the AA is higher than the state ratio of 3.6 and 1.4 times the national ratio of 3.3. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. Home ownership in the AA is above the state and the national averages. The ACS indicates home ownership in the AA is 69.2 percent, compared to Nevada at 54.8 percent and the U.S. at 63.6 percent.

The median home value in moderate-income tracts in the AA equaled \$211,000. The median home price is moderate compared to the FFIEC updated median family income (MFI) for 2016. However, low- and moderate-income families earned at most 50 and 80 percent of MFI, or approximately \$30,100 and \$48,100, respectively. As such, home ownership opportunities are limited for low-income and some moderate-income individuals.

The 2010 Census reports 62.4 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 19.5 percent, and vacant units at 18.1 percent. Owner-occupied housing in moderate-income geographies in the AA represents 5.0 percent of the total owner-occupied housing

units. There are 1,024 housing units (4.4 percent of total housing units) in moderate-income geographies with 70.6 percent of these units being owner-occupied, 14.1 percent of units are renter-occupied, and 15.3 percent are vacant. The home ownership rate in moderate-income geographies in the AA is higher than levels of owner occupancy in middle- and upper-income geographies. It should be noted that the housing stock in the moderate-income tract is 55.0 percent mobile home and 44.4 percent single family dwellings.

Community Contacts

We were unable to contact a local community group in Douglas County; however, in June 2016, Douglas County Board of Commissioners and Planning Committee held Master Plan Community Workshops, in which participants were surveyed regarding business, housing, development, and quality of life concerns, needs, and priorities. The majority of business-owners surveyed indicated a desire to make capital improvements and add new jobs. These employers also indicated that there wasn't sufficient employee housing and would like to see more single-family and multifamily housing developed in the county. A housing survey noted concerns with quality and cost of housing for lower income residents. Concerns included cost burdens for most low- and moderate-income residents and housing units that have incomplete plumbing and/or kitchen facilities as well as other forms of deferred maintenance, indicating a need for rehabilitation. Emergency and transitional housing is limited, indicating a need for development of such housing as well as financial support for social services. Survey respondents expressed concerns with the lack of diverse housing stock and expensive housing, indicating a need for more affordable rental apartments for young adults and small families with imperfect credit and more Section 8 housing for seniors, indicating a need for affordable housing development and other financial support in the form of rental or mortgage payment subsidies.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 peer information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents peer information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents peer information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms - 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. The table also presents peer information based on the most recent aggregate market data available. Because 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 8. Borrower Distribution of Home Purchase Loans - 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 MA/assessment area. The table also presents peer information based on the most recent aggregate market data available.

Table 9. Borrower Distribution of Home Improvement Loans - See Table 8.

Table 10. Borrower Distribution of Refinance Loans - See Table 8.

Table 11. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Peer information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Peer information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

State of California

Table 1. Lending Volume

LENDING VOLUME		Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				% of Rated Area Deposits in MA/AA***	
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Full Review:											
Amador-Calaveras-Tuolumne CA Non-MSA	19.55	207	35,485	0	0	0	0	0	0	207	35,485
Inyo CA Non-MSA	1.61	17	2,918	0	0	0	0	0	0	17	2,918
Nevada County CA Non-MSA	5.95	63	12,207	0	0	0	0	0	0	63	12,207
Sacramento AA	72.90	772	162,500	0	0	0	0	0	0	772	162,500

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2016 to December 31, 2016.

*** Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans*** *	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp	
Full Review:															
Amador-Calaveras-Tuolumne CA Non-MSA	31	26.72	0.00	0.00	0.90	0.00	57.01	74.19	42.09	25.81	0.00	2.53	45.66	51.81	
Inyo CA Non-MSA	4	3.45	0.00	0.00	14.43	50.00	57.08	0.00	28.50	50.00	0.00	12.41	49.66	37.93	
Nevada County CA Non-MSA	7	6.03	0.00	0.00	2.73	0.00	43.09	28.57	54.18	71.43	0.00	2.41	40.07	57.52	
Sacramento AA	74	63.79	3.88	0.00	18.39	6.76	40.45	58.11	37.29	35.14	4.53	18.15	39.34	37.98	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total* *	% Owner Occ Units***	% BANK Loans*** *	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Amador-Calaveras-Tuolumne CA Non-MSA	61	20.20	0.00	0.00	0.90	0.00	57.01	59.02	42.09	40.98	0.00	0.30	56.40	43.29
Inyo CA Non-MSA	2	0.66	0.00	0.00	14.43	50.00	57.08	50.00	28.50	0.00	0.00	16.67	41.67	41.67
Nevada County CA Non-MSA	19	6.29	0.00	0.00	2.73	5.26	43.09	42.11	54.18	52.63	0.00	4.31	35.69	60.00
Sacramento AA	220	72.85	3.88	0.91	18.39	9.55	40.45	47.73	37.29	41.82	3.04	15.37	38.88	42.71

* Based on 2016 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp	
Full Review:															
Amador-Calaveras-Tuolumne CA Non-MSA	115	17.94	0.00	0.00	0.90	0.87	57.01	53.04	42.09	46.09	0.00	1.81	46.52	51.67	
Inyo CA Non-MSA	11	1.72	0.00	0.00	14.43	27.27	57.08	54.55	28.50	18.18	0.00	7.87	48.31	43.82	
Nevada County CA Non-MSA	37	5.77	0.00	0.00	2.73	5.41	43.09	24.32	54.18	70.27	0.00	2.93	38.21	58.86	
Sacramento AA	478	74.57	3.88	0.21	18.39	7.95	40.45	47.28	37.29	44.56	2.70	13.65	38.75	44.90	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total*	% Families***	% BANK Loans***	% Families3	% BANK Loans****	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Low	Mod	Mid	Upp	
Full Review:															
Amador-Calaveras-Tuolumne CA Non-MSA	31	26.72	16.25	0.00	16.55	6.45	19.16	22.58	48.04	70.97	1.53	12.39	23.17	62.92	
Inyo CA Non-MSA	4	3.45	16.99	0.00	17.71	0.00	18.79	25.00	46.51	75.00	2.27	6.82	25.00	65.91	
Nevada County CA Non-MSA	7	6.03	13.94	0.00	15.31	14.29	20.05	0.00	50.69	85.71	0.63	5.61	16.87	76.89	
Sacramento AA	74	63.79	21.99	8.70	17.04	13.04	20.13	20.29	40.84	57.97	2.27	14.39	25.68	57.67	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 4.3% of loans originated and purchased by BANK.

3 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans**** *	% Families4	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp	
Full Review:															
Amador-Calaveras-Tuolumne CA Non-MSA	61	20.20	16.25	5.00	16.55	16.67	19.16	28.33	48.04	50.00	4.15	14.38	20.13	61.34	
Inyo CA Non-MSA	2	0.66	16.99	0.00	17.71	0.00	18.79	50.00	46.51	50.00	0.00	16.67	16.67	66.67	
Nevada County CA Non-MSA	19	6.29	13.94	0.00	15.31	26.32	20.05	5.26	50.69	68.42	2.03	8.13	21.54	68.29	
Sacramento AA	220	72.85	21.99	9.48	17.04	14.22	20.13	23.22	40.84	53.08	3.36	14.07	24.54	58.03	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.3% of loans originated and purchased by BANK.

4 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: CALIFORNIA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans**** *	% Families5	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp	
Full Review:															
Amador-Calaveras-Tuolumne CA Non-MSA	115	17.94	16.25	3.54	16.55	12.39	19.16	23.01	48.04	61.06	3.39	11.37	20.77	64.47	
Inyo CA Non-MSA	11	1.72	16.99	10.00	17.71	10.00	18.79	30.00	46.51	50.00	0.67	8.67	17.33	73.33	
Nevada County CA Non-MSA	37	5.77	13.94	8.82	15.31	14.71	20.05	17.65	50.69	58.82	2.38	7.23	18.69	71.70	
Sacramento AA	478	74.57	21.99	7.10	17.04	13.12	20.13	19.78	40.84	60.00	3.60	12.52	23.29	60.59	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 3.0% of loans originated and purchased by BANK.

5 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: California		Evaluation Period: JUNE 23, 2015 to DECEMBER 31, 2017					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Amador-Calaveras-Tuolumne CA Non-MSA	0	0	5	14	5	14	0.30	0	0
Inyo CA Non-MSA	0	0	1	1	1	1	0.00	0	0
Nevada County CA Non-MSA	0	0	1	2	1	2	0.00	0	0
Sacramento AA	0	0	58	94	58	94	1.80	0	0
Regional or Statewide:									
Regional or Statewide	4	1,249	9	3,885	9	5,134	97.90	7	7,079

* '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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: California Evaluation Period: JUNE 23, 2015 TO DECEMBER 31, 2017																			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography					
	Low	Mod	Mid	Upp	Low	Mod	Mid			Upp	Low	Mod	Mid	Upp					
Full Review:																			
Amador-Calaveras-Tuolumne CA Non-MSA	23.77	8	25.81	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	0.68	55.73	41.01		
Inyo CA Non-MSA	5.59	2	6.45	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	18.21	59.27	22.51		
Nevada County CA Non-MSA	6.14	2	6.45	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	6.32	45.90	47.78		
Sacramento AA	64.50	19	61.29	0.00	26.32	42.11	31.58	0	0	0	0	0	0	7.31	24.34	37.11	30.89		

State of Nevada

Table 1. Lending Volume

LENDING VOLUME			Geography: NEVADA		Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Full Review:											
Douglas County NV Non-MSA	68.18	30	6,014	0	0	0	0	0	30	6,014	86.31
Limited Review:											
Washoe County	31.82	14	2,653	0	0	0	0	0	14	2,653	13.69

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2016 to December 31, 2016.

*** Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans*** *	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp	
Full Review:															
Douglas County NV Non-MSA	2	66.67	0.00	0.00	4.95	0.00	53.70	0.00	41.35	100.00	0.00	4.45	60.85	34.70	
Limited Review:															
Washoe County	1	33.33	3.53	0.00	15.70	100.00	36.70	0.00	44.07	0.00	2.03	12.28	41.76	43.93	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp	
Full Review:															
Douglas County NV Non-MSA	7	70.00	0.00	0.00	4.95	0.00	53.70	57.14	41.35	42.86	0.00	1.74	57.39	40.87	
Limited Review:															
Washoe County	3	30.00	3.53	0.00	15.70	0.00	36.70	33.33	44.07	66.67	1.05	10.76	37.34	50.84	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid Upp	
Full Review:															
Douglas County NV Non-MSA	21	67.74	0.00	0.00	4.95	4.76	53.70	57.14	41.35	38.10	0.00	2.45	53.68	43.86	
Limited Review:															
Washoe County	10	32.26	3.53	0.00	15.70	0.00	36.70	60.00	44.07	40.00	1.65	9.94	36.58	51.82	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total*	% Families***	% BANK Loans***	% Families6	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans***	Low	Mod	Mid	Upp	
Full Review:															
Douglas County NV Non-MSA	2	66.67	15.58	0.00	16.00	50.00	21.17	0.00	47.25	50.00	1.77	11.77	23.13	63.33	
Limited Review:															
Washoe County	1	33.33	20.97	0.00	17.79	0.00	20.40	0.00	40.84	100.00	3.38	16.86	28.19	51.56	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

6 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans***	% Families ⁷	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp	
Full Review:															
Douglas County NV Non-MSA	7	70.00	15.58	0.00	16.00	42.86	21.17	28.57	47.25	28.57	3.60	20.72	24.32	51.35	
Limited Review:															
Washoe County	3	30.00	20.97	0.00	17.79	33.33	20.40	0.00	40.84	66.67	5.74	17.44	27.41	49.40	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

7 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: NEVADA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% BANK Loans***	% Families ⁸	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp	
Full Review:															
Douglas County NV Non-MSA	21	67.74	15.58	0.00	16.00	5.88	21.17	29.41	47.25	64.71	2.62	11.88	23.26	62.24	
Limited Review:															
Washoe County	10	32.26	20.97	0.00	17.79	10.00	20.40	10.00	40.84	80.00	5.65	17.02	26.58	50.75	

* Based on 2016 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 12.9% of loans originated and purchased by BANK.

8 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NEVADA		Evaluation Period: JUNE 23, 2015 TO DECEMBER 31, 2017					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Douglas County NV Non-MSA	0	0	3	6	3	6	75.00	0	0
Limited Review:									
Washoe County	0	0	2	2	2	2	25.00	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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: NEVADA Evaluation Period: JUNE 23, 2015 TO DECEMBER 31, 2017																	
MA/Assessment Area:	Deposits	Branches					Branch Openings/Closings					Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
	Low	Mod	Mid	Upp	Low	Mod	Mid			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Douglas County NV Non-MSA	86.31	3	75.00	0.00	0.00	66.67	33.33	0	0	0	0	0	0	0.00	3.61	60.04	36.35
Limited Review:																	
Washoe County	13.69	1	25.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	10.21	22.54	34.23	32.97

