



PUBLIC DISCLOSURE

April 29, 2019

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Broadway Federal Bank, F.S.B.
Charter Number 705141

5055 Wilshire Boulevard, Suite 500
Los Angeles, CA 90036

Office of the Comptroller of the Currency
Los Angeles Field Office
550 North Brand Boulevard, Suite 500
Glendale, CA 91203

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: This institution is rated Outstanding.

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

Broadway Federal Bank, F.S.B.'s (Broadway or bank) lending performance reflects excellent responsiveness to community credit needs. The major factors that support this rating include:

- The bank's average quarterly loan-to-deposit (LTD) ratio is more than reasonable given its size, financial condition, and the credit needs of its assessment area (AA).
- The bank originated a majority of loans within its delineated AA.
- Overall, the geographic distribution of the bank's loans reflects excellent distribution in low- and moderate-income (LMI) census tracts (CT) in the Los Angeles County AA.
- The bank's community development (CD) performance demonstrates excellent responsiveness to CD needs in the Los Angeles County AA through CD loans, qualified investments, and services.

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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 refinancings, 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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

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) 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

Broadway is a federally chartered stock savings institution headquartered in Los Angeles, California. The bank opened in February 1947 as a minority-owned financial institution. The bank is a wholly-owned subsidiary of Broadway Financial Corporation, which is a single-bank holding company. It has no affiliate relationships.

The bank operates three full-service branches. The main branch is located in the Mid-Wilshire area of Los Angeles, California, in an upper-income CT. The other branches are located within Los Angeles County, in Inglewood and the Exposition Park neighborhood of Los Angeles. The Inglewood branch is located in a moderate-income CT, and the Exposition Park branch is located in a low-income CT. The bank did not open or close any branches during the evaluation period.

The bank's primary business strategy is providing financial services in LMI communities, with a particular focus on lending for multifamily housing. The bank offers traditional banking products and each branch has an automated teller machine (ATM) onsite. The bank does not offer drive-up teller access.

As of December 31, 2018, Broadway reported total assets of \$407 million, total loans of \$365 million, total deposits of \$284 million, and total equity capital of \$51 million. Net loans represented 89 percent of total assets. During the evaluation period, management made a bulk purchase of traditional 1-4 family residential mortgage loans to help diversify the loan portfolio. While 1-4 family residential mortgage loans represent approximately 25 percent of the loan portfolio, these loans are not the bank's primary product and were not considered as part of this CRA evaluation. Refer to the table below for a summary of the loan portfolio by major loan types.

Broadway Federal Bank Loan Portfolio Summary As of December 31, 2018		
Loan Category	(000s)	% of Outstanding Dollars
Multifamily Real Estate	239,541	65.68
1-4 Family Residential	92,177	25.27
Commercial Real Estate	30,896	8.47
Construction & Land Development	1,871	0.51
Commercial & Industrial	226	0.06
Consumer	4	0.01
Other	1	0.00
Total	364,716	100.00

Source: Uniform Bank Performance Report and Bank loan data.

Broadway has held a Community Development Financial Institution (CDFI) certification from the U.S. Department of Treasury since January 29, 2009. As a CDFI, the bank promotes community development and revitalization in LMI areas by providing access to credit and other financial services. During the evaluation period, the bank received

the maximum amount from the CDFI Bank Enterprise Award each year consisting of \$227,282 in 2016, \$233,387 in 2017, and \$233,244 in 2018. The bank reinvested the entire award amounts by continuing to perform CDFI-related activities including originating loans in LMI communities and providing financial and technical assistance to LMI individuals.

There are no financial or legal factors that would impede the bank's ability to meet the credit needs of the communities it serves. Broadway received an "Outstanding" rating under the Intermediate Small Bank CRA procedures at their June 6, 2016 CRA Examination.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses CRA performance of Broadway using Intermediate Small Bank CRA Examination procedures. We performed a full-scope examination of the bank's sole AA, the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area (MSA), which encompasses all of Los Angeles County.

For the lending test, we determined the bank's primary product is multifamily residential loans. Refer to Appendix A for additional details. We evaluated all multifamily purchase and refinance loans reported on the bank's Home Mortgage Disclosure Act Loan Application Registers (HMDA LARs) from January 1, 2016 through December 31, 2018.

Due to the Census data changing during the evaluation period, we compared 2010 Census data to loans originated from January 1, 2016 through December 31, 2016, and 2015 American Community Survey (ACS) Census data to loans originated from January 1, 2017 through December 31, 2018.

For the community development test, we evaluated the bank's CD activities from June 1, 2016 through December 31, 2018. This includes CD loans, investments/donations, and services.

Data Integrity

Prior to this CRA evaluation, we tested the accuracy of the bank's publicly filed information on home mortgage loans. We identified error rates in excess of the error tolerance rate needed to conclude the data reliable for the 2018 HMDA LAR. As a result, we required the bank to review and correct the 2018 HMDA LAR prior to the required submission date. In addition, CD loans, investments/donations, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. In this review, we concluded all activities met the definition of CD.

The bank reviewed and corrected the 2018 HMDA LAR data before the final HMDA LAR submission date of March 1, 2019. At the start of the CRA examination, we reviewed a sample of 10 loans from the 2018 HMDA LAR. We did not find any errors in our review sample and deemed the 2018 HMDA LAR data reliable for the CRA review.

Selection of Areas for Full-Scope Review

The bank has designated the Los Angeles-Long Beach-Glendale MSA as their AA. The MSA is comprised entirely of Los Angeles County. Refer to the Table A in Appendix B that provides demographic data for the Los Angeles County AA.

Ratings

The bank's overall rating is based on the one area that received a full-scope review.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the 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 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.

Conclusions with Respect to Performance Tests

The bank's overall CRA performance is *Outstanding*. This is supported by separate conclusions for the lending test and the community development test.

LENDING TEST

The bank's performance under the lending test is *Outstanding*. Overall, Broadway's lending activity is more than reasonable to meet the credit needs of its delineated AA. The bank exceeds the standard for satisfactory performance on two tests and meets the standard for satisfactory performance on one test.

Loan-to-Deposit Ratio

Broadway's LTD ratio exceeds the standard for satisfactory performance and is more than reasonable given the bank's size, financial condition, and credit needs of its AA. We analyzed the bank's quarterly average LTD ratio for the 11 quarters since the previous CRA examination through December 31, 2018. The bank's average LTD ratio for this period was 127 percent, with a high of 141 percent and a low of 115 percent.

The bank's average LTD ratio compares favorably to other financial institutions of similar size, assessment area demographics, and/or lending products. For the purpose of this evaluation, we compared Broadway to five similarly situated banks. The average net LTD ratio for the five banks was 108 percent.

Lending in Assessment Area

Broadway's lending in the AA is reasonable and meets the standard for satisfactory performance. The majority of the bank's loans were originated within the bank's designated AA by both number and dollar volume. With 67 percent by number and 63 percent by dollar amount of loans, the bank's inside/outside ratio reflects the majority of the primary loan product originated inside the AA. Refer to Table D below for additional details.

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		
	#	%	#	%		\$	%	\$	%	
Multifamily Loans	225	66.8	112	33.2	337	234,635	63.1	137,382	36.9	372,016

Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data.
Note: In 2017, the bank purchased a pool of traditional single-family mortgage loans located outside the bank's AA. These loans are not included in the data above.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The bank's primary lending product is HMDA reportable loans for multifamily housing, both purchases and refinances. The bank is not required to report income information on multifamily housing loans for HMDA data purposes. We are unable to determine if these loans were made to LMI borrowers; therefore, the income distribution analysis would not be meaningful and was not included in the scope of this review.

We did not sample commercial business loans to evaluate lending to businesses of different sizes, as this product is not a major loan product. The analysis would not provide a meaningful conclusion due to the bank's lending activity and business strategy during the evaluation period.

Geographic Distribution of Loans

Overall, the geographic distribution of multifamily loans reflects excellent distribution within the AA and exceeds the standard for satisfactory performance. Lending to borrowers located in LMI CT exceeds the peer aggregate, which is the demographic comparator. In addition, we compared the bank's lending to the percentage of multifamily properties in the AA. The bank's lending exceeds this comparator in LMI CT. Refer to Table 2 below for additional details.

The geographic distribution of multifamily loans in the Los Angeles County AA in 2016 compared to the 2010 census data reflects excellent distribution in LMI CT. The distribution of multifamily loans in low-income CT exceeds the standards for satisfactory performance in both the peer aggregate and the percentage of multifamily properties in the AA. The distribution of multifamily loans in moderate-income CT significantly exceeds the standards for satisfactory performance in both the peer aggregate and the percentage of multifamily properties in the AA. Refer to Table 2 below for additional details.

Census Tract Designation	Evaluation Period 2016		Peer Aggregate 2016
	% of Multifamily 5+ Units in AA	% of Number of Bank Loans	%
Low	13.2	18.2	14.0
Moderate	31.6	51.1	40.3
Middle	24.7	25.0	23.9
Upper	30.5	5.7	21.8

Source: 2010 U.S. Census Data and HMDA data for 2016.

The geographic distribution of multifamily loans in the Los Angeles County AA in 2017 and 2018 compared to the 2015 ACS census data reflects excellent distribution in LMI CT. The distribution of multifamily loans in low-income CT exceeds the standards for satisfactory performance in both the peer aggregate and the percentage of multifamily properties in the AA. The distribution of multifamily loans in moderate-income CT

significantly exceeds the standards for satisfactory performance in both the peer aggregate and the percentage of multifamily properties in the AA. Refer to Table 2A below for additional details.

Table 2A - Geographic Distribution of Multifamily Loans in Los Angeles County AA			
Census Tract Designation	Evaluation Period 2017 - 2018		Peer Aggregate 2017
	% of Multifamily 5+ Units in AA	% of Number of Bank Loans	%
Low	12.7	19.9	16.2
Moderate	31.2	57.4	38.6
Middle	22.2	16.1	21.0
Upper	33.9	6.6	24.2

Source: 2015 ACS, Census Data and HMDA data for 2017-2018.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test is *Outstanding*. Overall, the bank's CD activities reflect excellent responsiveness to the CD needs in the AA. We gave the most weight to the bank's CD loans and services since these are a need in the bank's AA. Broadway is a certified CDFI and there is a requirement to maintain a minimum of 60 percent of lending in the LMI CT. Based on Broadway's efforts, whether in lending or community outreach activities, they provide CD services because it is part of their mission statement rather than focus on meeting a minimum requirement.

Number and Amount of Community Development Loans

During the evaluation period, the bank originated 144 CD loans totaling \$141 million in the Los Angeles County AA for multifamily units. This represents a large volume of CD loans and reflects an excellent responsiveness to the needs within the bank's AA. The loans provided 1,316 units of affordable multifamily housing units for LMI individuals, which is responsive to the critical need of affordable rental housing for LMI individuals in the AA.

Number and Amount of Qualified Investments

Broadway's CD investments reflect adequate responsiveness to the needs within the AA during the evaluation period. The bank made qualified investments totaling \$16 thousand. The investments were in the form of donations to 20 different community service organizations in their AA. These organizations provide CD services targeted to LMI individuals.

Extent to Which the Bank Provides Community Development Services

Retail Banking Services

The distribution of the bank's branches and service delivery systems are satisfactory and accessible to individuals of different income levels within the AA. The bank has three full-service branch locations with full-service ATMs. Of the three branch locations, one branch is located in a low-income CT, and one is located in a moderate-income CT. Branch hours are the same at all locations: Monday through Thursday from 9:00 a.m. to 4:00 p.m., Friday from 10:00 a.m. to 6:00 p.m., and Saturday from 9:00 a.m. to 2:00 p.m. Each branch has an ATM onsite, but the bank does not offer drive-up teller access. In addition, the bank offers online banking services.

Community Development Services

Broadway's CD services demonstrates excellent responsiveness to the needs within the AA. The bank is significantly involved in financial literacy education programs with numerous organizations throughout the AA. This is particularly noteworthy, since one of the community contacts noted there is a significant need for financial literacy education for LMI individuals. Broadway has been responsive to that need, providing over 2,585 community service hours in the AA during the evaluation period. Of these community service hours, 1,811 hours qualified for CD consideration to various organizations. These organizations include Title 1 schools and community organizations with services targeted to LMI individuals. In addition, the bank participated in the LA Saves campaign and VITA programs, which offer financial and tax services to LMI individuals.

Responsiveness to Community Development Needs

Overall, the bank demonstrated excellent responsiveness to the CD needs in its AA through CD lending, investments/donations, and services. The bank's CD loans primarily focused on providing affordable housing to LMI individuals. The qualified investments were responsive to the CD needs of the LMI communities. The CD services provided financial literacy education to LMI individuals, youths, and families.

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): 01/01/2016 to 12/31/2018 Investment and Service Tests and CD Loans: 06/01/2016 to 12/31/2018	
Financial Institution	Products Reviewed	
Broadway Federal Bank, F.S.B. Los Angeles, CA	Multifamily Residential Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		Not Applicable
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles-Long Beach- Glendale MSA AA #31084 (Los Angeles County)	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Los Angeles-Long Beach-Glendale MSA

The bank has designated the Los Angeles-Long Beach-Glendale MSA as its AA. The MSA is comprised entirely of Los Angeles County. Based on the 2015 ACS U.S. Census data, Los Angeles County consists of 2,346 census tracts; nine percent are low-income, 29 percent are moderate-income, 25 percent middle-income, 35 percent are upper-income, and two percent have not been assigned an income classification. Broadway has three branch locations within the Los Angeles County AA and each branch has an ATM onsite. Los Angeles County is one of five counties in the Los Angeles-Orange-Ventura-San Bernardino-Riverside Combined Statistical Area. The City of Los Angeles is the most significant city in the AA. There are a total of 88 cities in Los Angeles County and the cities with the largest populations include Los Angeles, Long Beach, Glendale, Santa Clarita, Pomona, Palmdale, Pasadena, Torrance, Lancaster, and El Monte. As of July 2018, Los Angeles County had an estimated population of 10 million, making it the most populous county in the United States. The AA meets the legal requirements of the regulation and does not arbitrarily exclude LMI CT. Refer to Table A for additional details on demographic data for Los Angeles County.

Table A - Demographic Information for Full-Scope Area: Los Angeles County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA * % of #
Geographies (Census Tracts/BNAs)	2,346	9.42	28.73	24.85	34.83	2.17
Population by Geography	10,038,388	8.59	29.32	26.26	35.06	0.76
Owner-Occupied Housing by Geography	1,499,879	2.43	17.19	26.56	53.72	0.09
Business by Geography	732,683	4.66	18.95	21.65	52.29	2.46
Farms by Geography	7,425	2.46	16.94	25.64	53.83	1.12
Family Distribution by Income Level	2,186,485	24.54	16.32	16.71	42.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	893,462	14.51	41.94	24.60	18.77	0.18
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		62,703 69,300 17%	Median Housing Value Unemployment Rate (2015 ACS US Census)	495,540 5.13%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census and 2018 FFIEC updated MFI

Economy

If Los Angeles County were a country, its economy would be the 17th largest in the world. The county is home to a variety of businesses, with more minority- and women-owned businesses than any other county in the U.S. It is the top international trade and manufacturing center in the country. Tourism and hospitality, professional and business services, direct international trade, entertainment (including motion picture and television production), and wholesale trade and logistics all contribute significantly to local employment. Emerging industries are largely technology driven, and include biomedical, digital information technology, and environmental

technology. Important components of the local industry include apparel, computer and electronic components, transportation equipment, fabricated metal, and food. Fueled by trade with the Pacific Rim countries, the ports of Los Angeles and Long Beach are the top two busiest container ports in the U.S.

Los Angeles County is home to 28 of the 500 largest U.S. corporations. The top ten companies include The Walt Disney Company, Molina Healthcare, Inc., AECOM Technology Corp., CBRE Group, Inc., Edison International, Farmers Insurance Exchange, Live Nation Entertainment, Inc., Reliance Steel & Aluminum Co., Activision Blizzard, Inc., and A-Mark Precious Metals. As of 2018, the ten largest employers in Los Angeles County include the County of Los Angeles, Los Angeles Unified School District, City of Los Angeles, Federal Government (non-Defense Department), Kaiser Permanente, State of California (non-education), University of Southern California, Northrop Grumman Corp., and Providence Health & Services. The seasonally adjusted employment rate as of December 2018 was 4 percent, which was higher than the unemployment rates for both the state of California at 4 and the national unemployment rate of 4 percent.

Housing and Opportunities for Home Mortgage Lending

Los Angeles County has historically been one of the most expensive markets in the U.S. Consequently, the county's homeownership rate is one of the lowest in the country, with more than half of the population of Los Angeles County renting rather than owning a home. According to real estate tracker CoreLogic, Los Angeles County's median sale price climbed to \$615,000 in May 2018, tying an all-time record. The California Association of Realtors' fourth quarter 2018 housing availability report showed that 30 percent of home buyers can afford to purchase a median-priced, existing single-family residence in California. Home affordability remains an ongoing concern based on the high cost of housing combined with a lower median family income. The area's steep home price growth have priced many buyers out of the market. Large apartment complexes or high-rise apartments are the single most common housing type in Los Angeles, accounting for 46 percent of the city's housing units. Further, a recent report produced by Zillow states that Los Angeles County is still the least affordable county in the U.S. to buy or rent a home. A recent study by UCLA Anderson School of Management declared Los Angeles as the most expensive housing market in the country for both renters and buyers, considering the cost of rent as well as income and cost of living. All of these factors limit the ability of financial institutions to make home mortgage loans, not only to LMI borrowers, but also to middle-income borrowers.

Competition

The banking environment in the bank's AA is highly competitive. Competition for both deposits and loans is intense in Los Angeles County. The annual Federal Deposit Insurance Corporation Deposit Market Share report for June 30, 2018, shows 103 financial institutions with a total of 1,747 branches (not including credit unions and non-financial institutions) competed for almost \$413 billion of insured deposits located in the AA. The nature of competition includes 791 branches of three nationwide mega-banks that account for 45 percent of the deposit market share, representing \$186 billion in deposits. Broadway ranked 59th and holds a deposit market share of 0.07 percent. The competition for loans is even more intense. Peer Mortgage Loan Data indicates that in 2016, 661 lenders competed for home purchase loans, 748 lenders competed for home refinance loans, and 152 lenders

competed for multifamily loans in the AA. Broadway ranked 13th and holds a multifamily loan market share of one percent.

Community Contacts

We reviewed two recent community contacts in Los Angeles County in order to determine the CD needs in the bank's AA. One is a community-based public benefit development corporation that offers access to capital and CD investments to its clients, both borrowers and investors. Borrowers are predominately minority-owned businesses and non-profit organizations. The other is a community-based development corporation that focuses on providing LMI youth and young adults with career training, jobs, housing, and support services that include financial coaching and food assistance to improve the quality of life in LMI communities. These contacts indicated the following are the most significant CD needs in the AA:

- Affordable housing, especially for LMI families and young adults;
- Financial literacy education for LMI individuals, youths, and families;
- Credit coaching, the importance of credit, how to establish, use, and repair credit, and predatory lending training;
- Smaller dollar loans, better products for LMI business owners, and loans with more flexible terms;
- Increased lending to small businesses in targeted LMI communities to stimulate economic activity and create jobs.