



PUBLIC DISCLOSURE

September 17, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

EH National Bank
Charter Number 24493

9701 Wilshire Boulevard
Beverly Hills, CA 90212

Office of the Comptroller of the Currency
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

The Lending Test is rated: Satisfactory.

The major factors supporting this rating include:

- EH National Bank originated a majority of its loans to borrowers inside the designated assessment area.
- The loan-to-deposit ratio is reasonable given the bank's size and performance context.
- The bank's distribution of loans to businesses of different sizes reflects reasonable penetration compared to area demographics given the bank's size and performance context.
- The geographic distribution of small business loans is comparable to demographic data and meets supervisory expectations.

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 metropolitan area/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 Department of Housing and Urban Development (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 Office of the Comptroller of the Currency (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 CT delineated by the U.S. Census Bureau 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 home refinancing loans, 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 metropolitan area/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 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 call report. These loans have original amounts of \$500,000 or less and are secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings, and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

EH National Bank (EHNB) is a full service commercial bank headquartered in Beverly Hills, CA. EHNB began operations in 2005 with a primary, short-term credit strategy of originating and selling Small Business Association (SBA) and other federally guaranteed loans to businesses throughout the U.S. Since 2011, EHNB's business strategy changed to focus on commercial banking products within its assessment area. Loan products include commercial loans, lines of credit, commercial real estate loans, and multifamily residential real estate loans. EHNB does not offer consumer credit products.

EHNB is located in an upper-income CT of Los Angeles County. EHNB provides traditional services including internet banking, on-line cash management, and remote deposit capture. EHNB has one automated teller machine (ATM) with nationwide ATM access. As of June 30, 2018, EHNB reported total assets of \$178 million, total loans of \$126 million, and total deposits of \$120 million. The following chart summarizes the loan portfolio by major loan type:

EH National Bank Loan Portfolio Outstanding Balances By Major Product Type As of June 30, 2018		
Loan Type	(000's)	Percent
Commercial Real Estate	89,427	71.0
Multifamily Residential RE	23,387	18.5
Commercial-Industrial	13,224	10.5
Total	126,038	100

EHNB operated under a regulatory enforcement action from 2009 through most of this assessment period. While the enforcement action initially resulted in a reduction of lending activity, EHNB's CRA performance was not negatively impacted. EHNB received a "satisfactory" rating under the Small Bank performance criteria at the prior CRA examination dated April 21, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses EHN B's CRA performance using the lending test criteria for small bank examinations. We performed a full scope examination of EHN B's one assessment area consisting of the Los Angeles County Metropolitan Division. We analyzed all commercial loans EHN B originated or renewed between January 1, 2015 and December 31, 2017. We performed separate analyses on the 2015-2016 data and the 2017 data due to changes instituted by the 2015 American Community Survey.

Data Integrity

We evaluated the data integrity of 90 percent of all loans originated and renewed during the evaluation period, which totaled 102 loans between January 1, 2015 and December 31, 2017. We verified the accuracy of the reported address, CT, and gross annual revenue information. We validated whether the funds were used inside or outside of EHN B's assessment area. We determined the data to be reliable and therefore included all loans in our analysis.

Selection of Areas for Full Scope Review

We performed a full scope review of EHN B's one assessment area. Tables A in Appendix B provide a summary of the assessment area demographics and a description of EHN B's assessment area.

Ratings

EHN B'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 CFR 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 HUD, and the Bureau of Consumer Financial Protection, 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

LENDING TEST

Based on the analysis of all commercial loans originated and renewed during the assessment period, EHNB's performance in meeting the credit needs of the community is "satisfactory." EHNB originated a majority of its loans to borrowers inside the designated assessment area. The loan-to-deposit ratio is reasonable given EHNB's size and performance context. EHNB has reasonable penetration among businesses of different sizes, and the geographic distribution is comparable to aggregate data. Each of the areas considered in the lending test are described below.

Loan-to-Deposit Ratio

EHNB's loan-to-deposit (LTD) ratio is reasonable given its size, financial condition, and local economic conditions. We analyzed EHNB's quarterly average LTD ratio for the 17 quarters since the prior CRA examination through June 30, 2018. We compared EHNB's LTD to four banks of similar asset size and geographic location. EHNB's average LTD ratio for the period was 90.7 percent. The combined average LTD ratio for the comparable banks over the same period was 82.9 percent, with the ratios ranging from 71.2 percent to 103.6 percent. Appendix B provides additional details on EHNB's performance context and deposit market share in its highly competitive environment.

Lending in Assessment Area

EHNB originated a majority of its loans within its delineated assessment area (AA) during both time-periods reviewed and meets the standard for satisfactory performance. During 2015-2016, EHNB originated 77 percent of its loans by number and 81 percent by dollar inside the AA. During 2017, EHNB originated 71 percent of its loans by number and 79 percent by dollar inside the AA. Please refer to Tables D below.

Table D - 2015-2016 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		
	#	%	#	%		\$	%	\$	%	
Total	60	77	18	23	78	\$ 83,234	81	\$ 20,077	19	\$ 103,311

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

Table D- 2017 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		
	#	%	#	%		\$	%	\$	%	
Total	17	71	7	29	24	\$ 16,016	79	\$ 4,182	21	\$ 20,198

Source: Evaluation Period: 1/1/2017 - 12/31/2017 Bank Data
Due to rounding, totals may not equal 100.0

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

Based on the data in Tables R below and performance context considerations, we concluded the borrower distribution of EHNB's originations and purchases is reasonable. We focused the analysis on EHNB's small business lending activity during the assessment period as this amount represented a majority of EHNB's loan activity. EHNB's limited number of HMDA loans did not provide a relevant sample for analysis.

EHNB's distribution of small loans to businesses by revenue reflects reasonable distribution considering its performance context. During 2015-2016, EHNB originated or purchased 45.2 percent of its small business loans to businesses with revenues less than \$1 million. While this is significantly below the proportion of small businesses in the AA of 82.4 percent, it is generally comparable to the aggregate lending to those businesses of 45.5 percent. The volume of small business loans for 2017 is limited and presented for informational purposes only.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2015-16**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
2016 Los Angeles MD	31	17,133	100	370,759	82.4	45.2	45.5	5.6	41.9	12.0	12.9
Total	31	17,133	100	370,759	82.4	45.2	45.5	5.6	41.9	12.0	12.9

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
2017 Los Angeles MD	11	4,710	100	370,759	87.2	36.4	45.5	5.9	36.4	6.8	27.3
Total	11	4,710	100	370,759	87.2	36.4	45.5	5.9	36.4	6.8	27.3

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Geographic Distribution of Loans

EHNB’s geographic distribution of loans meets the standard for satisfactory performance and reflects reasonable dispersion throughout the AA given EHNB’s size and performance context. We focused the analysis on EHNB’s small business lending activity during the assessment period.

During 2015-2016, EHNB originated or purchased 13 percent of small business loans in low-income and 13 percent in moderate-income CTs within the AA. These percentages compared favorably with demographic data of 6.4 percent of businesses in low-income and 18.2 percent in moderate-income tracts. The volume of small business loans for 2017 is limited and presented for informational purposes only. During 2017, EHNB originated or purchased 27 percent of loans in low-income and none in moderate-income CTs. When combined, the percentages are comparable to AA demographic and aggregate data. Please refer to Tables Q below.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2015-16

Assessment Area:	Total Loans to Small Businesses				Low Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
2016 Los Angeles MD AA	31	17,133	100	370,759	6.4	13	5.3	18.2	13	17.3	25.3	10	25.1	48.9	52	51.4	1.3	13	0.8
Total	31	17,133	100	370,759	6.4	13	5.3	18.2	13	17.3	25.3	10	25.1	48.9	52	51.4	1.3	13	0.8

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017

Assessment Area:	Total Loans to Small Businesses				Low Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
2017 Los Angeles MD	11	4,710	100	370,759	4.7	27.2	3.8	19.1	0	18.0	21.7	36.3	22.0	52.1	36.3	54.5	2.5	0	1.6
Total	11	4,710	100	370,759	4.7	27.2	3.8	19.1	0	18.0	21.7	36.3	22.0	52.1	36.3	54.5	2.5	0	1.6

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Responses to Complaints

EHNB has not received any complaints or comments regarding its performance under the CRA during this evaluation period.

Appendix A: Scope of Examination

The following table identifies the time-period covered in this evaluation and loan products considered. The table also reflects the MA area that received comprehensive examination review (designated by the term “full scope”).

Time Period Reviewed	Lending Test: January 1, 2015 to December 31, 2017	
Financial Institution	Products Reviewed	
EH National Bank (EHNB) Beverly Hills, CA	All loans including commercial real estate, multifamily residential real estate, and commercial/industrial (business) loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Los Angeles County Metropolitan Division #31084	Full Scope	NA

Appendix B: Community Profiles for Full Scope Areas

Los Angeles, CA

Table A - Demographic Information of the Assessment Area

Assessment Area: 2016 Los Angeles Metropolitan Division

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,345	9.0	28.7	26.8	34.0	1.6
Population by Geography	9,816,134	8.0	29.4	28.3	33.9	0.4
Housing Units by Geography	3,424,785	7.5	26.4	27.2	38.8	0.1
Owner-Occupied Units by Geography	1,551,350	2.1	16.6	28.7	52.6	0.0
Occupied Rental Units by Geography	1,665,649	12.2	35.4	26.2	26.2	0.1
Vacant Units by Geography	207,786	10.0	28.1	24.8	37.0	0.1
Businesses by Geography	682,737	6.4	18.1	25.3	48.9	1.3
Farms by Geography	6,614	3.2	16.4	26.7	53.0	0.7
Family Distribution by Income Level	2,169,577	24.1	16.4	17.6	41.9	0.0
Household Distribution by Income Level	3,216,999	25.2	15.6	16.6	42.5	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA MD		\$61,622	Median Housing Value			\$526,398
			Median Gross Rent			\$1,157
			Families Below Poverty Level			12.6%

Source: 2010 U.S. Census and 2016 D&B Data
Due to rounding, totals may not equal 100.0

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

Table A - Demographic Information of the Assessment Area

Assessment Area: 2017 Los Angeles Metropolitan Division

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,346	9.4	28.7	24.9	34.8	2.2
Population by Geography	10,038,388	8.6	29.3	26.3	35.1	0.8
Housing Units by Geography	3,476,718	7.8	26.3	24.8	40.6	0.5
Owner-Occupied Units by Geography	1,499,879	2.4	17.2	26.6	53.7	0.1
Occupied Rental Units by Geography	1,763,190	12.2	34.2	23.6	29.2	0.9
Vacant Units by Geography	213,649	8.7	25.4	22.8	42.2	1.0
Businesses by Geography	717,558	4.7	19.1	21.7	52.1	2.5
Farms by Geography	7,160	2.6	16.9	25.5	53.9	1.1
Family Distribution by Income Level	2,186,485	24.5	16.3	16.7	42.4	0.0
Household Distribution by Income Level	3,263,069	25.9	15.4	15.8	43.0	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA MD		\$62,703	Median Housing Value			\$495,540
			Median Gross Rent			\$1,292
			Families Below Poverty Level			14.3%

Source: 2015 ACS Census and 2017 D&B Data

Due to rounding, totals may not equal 100.0

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

DESCRIPTION OF ASSESSMENT AREA

EHNB has designated Los Angeles County as its AA, which meets the requirement of the regulation. The designated AA includes all 2,346 CTs that make up the Los Angeles Metropolitan Division. As of 2017, the AA includes 2,346 CTs with 9.4 percent low-income, 28.7 percent moderate-income, 24.9 percent middle-income, and 34.8 percent upper-income. The AA is part of the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA). There are 88 incorporated cities in Los Angeles County and many unincorporated areas. The northern half of the county is less populated in inland areas, and the southern half is heavily urbanized.

Los Angeles is one of the nation's largest counties with 4,084 square miles and has over 10 million residents who account for approximately 17 percent of California's population. Los Angeles is located in southern California and covers 70 miles of coastline along the Pacific Ocean. The county spans over 4,000 square miles and includes the San Clemente and Santa Catalina Islands. Los Angeles County has an extensive transportation network, including seaports, airports, freeway systems, mass transit systems, rail systems, and cross-country railroads. Los Angeles County is a large manufacturing center including apparel, computer and electronic products, transportation products, fabricated metal products, food products, and furniture. The

Port of Los Angeles/Long Beach and the Los Angeles International Airport are two of the busiest transportation networks in the nation.

The economic base of Los Angeles County is diverse. Historically, the leading industries were tourism and hospitality, professional and business services, entertainment (motion picture and television production), wholesale distribution, health services, and biomedical. The more recent economy has evolved to become more technology driven. The strongest growth is in service providing industries, including health services, administrative support, accommodation and food services, and education. The largest employers include the University of California Los Angeles, Kaiser Permanente, University of Southern California, Northrop Grumman Corp., Target Brands Inc., The Kroger Co., The Boeing Co., Providence Health Systems, Bank of America Corp., Walt Disney Co., Albertsons/Vons/Pavilions, Cedars-Sinai Medical Center, AT&T Inc., Home Depot, and United Parcel Service.

The Los Angeles economy has recovered from the great recession with job growth near the national norm. However, housing affordability remains a significant issue. Home sales in the Los Angeles Metropolitan Division have been generally stable since 2015 despite rising home sales prices. Tables A outline additional demographic information used during this examination period, with median housing prices of \$496,000, median gross monthly rents of \$1,292, and 14.3 percent of families below the poverty level.

EHNB operates in a highly competitive environment. The June 30, 2017 Federal Deposit Insurance Corporation's Deposit Market Share Report indicates that 107 institutions in the market compete for deposits in the AA. EHNB ranks 71st and holds a deposit market share of 0.05 percent. The top 16 institutions held 88.2 percent of deposits, including Bank of America, N.A.; Wells Fargo, N.A.; JP Morgan Chase, N.A.; MUFG Union Bank, N.A.; CIT Bank, N.A.; City National Bank; Citibank, N.A.; East West Bank; U.S. Bank, N.A.; Bank of the West; Bank of Hope; Comerica Bank; HSBC Bank USA, N.A.; Cathay Bank; First Republic Bank; and Pacific Western Bank. The remaining institutions held less than 1 percent each. The competition for loans is even greater than for deposits, making it more difficult for smaller institutions to penetrate the market. EHNB uses a combination of direct lending and loan purchasing to serve its AA.

We reviewed three recent community contacts in Los Angeles County: one focusing on small business development, one focusing on quality of life in underserved communities, and one community development financial intermediary. These contacts indicated the following are the most significant needs in EHNB's AA:

- Affordable housing to help stabilize communities, especially for low- to moderate-income families and young adults.
- Small business and micro loans, which have been difficult for smaller banks to compete with larger banks due to limited resources.
- Financial literacy coaching and assistance with credit score repair.
- Workforce development programs.
- Revitalization of low- and moderate-income areas.