

Low interest rates affect El Dorado Savings' bottom line

By Mark Glover, Sacramento Bee

Placerville-based El Dorado Savings Bank reported a profit of \$2.1 million for the second quarter ended June 30, down nearly 10 percent from last year's second quarter.

"The drop in earnings was due to the continued record-low interest rates available on new loans and investments," said Thomas Meuser, chairman and CEO. "As older loans, bonds and securities continue to prepay, the funds are reinvested at shorter terms and lower yields.

"Loan volume is steady, but not sufficient to absorb the excess cash flow."

Through six months this year, the bank had a profit of nearly \$4.3 million, down slightly from \$4.4 million in the first half of 2011.

El Dorado reported total assets of \$1.77 billion and savings deposits of \$1.58 billion as of June 30.

The bank operates 32 branches in California and three in Nevada.