



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

May 31, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Riverview Community Bank
Charter Number 704347

900 Washington, Suite 900 Vancouver, WA 98660

Office of the Comptroller of the Currency

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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, nor should it 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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INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Riverview Community Bank (Riverview or Bank) has an overall “Satisfactory” record of meeting community credit needs based on the following components:

- The Bank has a reasonable loan-to-deposit (LTD) ratio, which averaged 79 percent during the evaluation period.
- The Bank's record of lending in the assessment area (AA) meets the standard for satisfactory performance. A substantial majority of the Bank's loans originated or purchased were within its AAs.
- The distribution of loans reflects a reasonable penetration among businesses of different sizes and borrowers of different income levels, given the Bank's product offerings and local economic conditions.
- The Bank's geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The Bank's community development performance demonstrates reasonable responsiveness to the community development needs of its AA.
- There were no public complaints about the Bank's CRA performance.

Scope of Examination

Riverview's Community Reinvestment Act (CRA) performance was evaluated under the Intermediate Small Bank (ISB) criteria. The Bank was evaluated under the ISB criteria as a result of its asset size exceeding \$304 million, but remaining below \$1.216 billion. The ISB procedures evaluate the Bank's CRA activities based on two broad performance criteria: a lending test and a community development test.

The lending test evaluates the Bank's lending activities based on five performance criteria. The community development (CD) test includes an evaluation of the Bank's performance relative to providing CD loans, investments, and services. Both the lending test and the community development test are weighted equally in determining the Bank's overall CRA rating.

In evaluating the Bank's lending performance, we reviewed all residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and a sample of loans to businesses originated between January 1, 2013 and December 31, 2015. The Bank's lending results were compared to the 2010 U.S. Census demographic information and also compared with the lending results for the aggregate of Home

Mortgage Disclosure Act lenders in 2014, the most recent data available. While home mortgage lending represents 52 percent of the Bank's recorded lending and small loans to businesses represents 48 percent of the Bank's recorded lending, we placed most weight on the Bank's home mortgage lending as this lending represented 95 percent of the Bank's loans analyzed for this evaluation.

The CD test includes a review of loans, investments and grants, and financial services made in the Bank's AAs that have a primary purpose of community development. For CD activities, the evaluation covers the period from December 17, 2012 (the start date of the prior CRA evaluation) to May 19, 2016 (the start of this CRA evaluation).

Prior to this evaluation, we conducted a data integrity review of the Bank's HMDA loan application registers (LARs) for 2013-2015 and determined that the level of errors in the data does not prevent an accurate evaluation of the Bank's home mortgage lending performance. We also reviewed a sample of business loans. Additionally, we reviewed the Bank's community development investments, loans, and services to ensure they met the definition for community development for CRA purposes.

Description of Institution

Riverview Community Bank is a federally chartered stock savings bank, headquartered in Vancouver, Washington. As of December 31, 2015, Riverview reported total assets of \$883.6 million, and tier one capital of \$95.6 million. The Bank operates 14 branches in the state of Washington and three branches in the state of Oregon. The Bank's market area extends eastward in areas along the Columbia River through branches located in Stevenson (Skamania County), as well as Goldendale and White Salmon (Klickitat County). They have one branch in Longview (Cowlitz County). The Bank continues to develop a presence in Oregon, with branches located in east Portland and Gresham (Multnomah County), and in Aumsville (Marion County). Since the previous CRA examination, the Bank closed the Wal-Mart in-store branch in Wood Village and consolidated it with the Gresham Branch in 2014.

The Bank operates as a local community bank and offers a variety of loan products to serve its community. Its primary focus, however, is commercial real estate lending and home mortgage lending. As of year-end 2015, net loans represented 80 percent of total deposits, and 69 percent of total assets. The following table reflects details about the Bank's loan portfolio at December 31, 2015.

Table 1

Riverview Community Bank Loan Portfolio Composition as of December 31, 2015		
Asset Type	Amount (\$000)	% of Loan Portfolio
Permanent Mortgage Loans		
- Single Family	108,029	17.7%
- Multifamily	34,601	5.7%
- Nonresidential RE and Land	385,429	63.1%
- Farm	117	0.0%
Construction Mortgage Loans	40,054	6.6%
Consumer Loans	42,792	7.0%
Other Loans	91	0.0%

Competitive and economic factors have the greatest impact on the ability of the Bank to originate loans to various segments of the AA population or within certain geographic areas within the AA. The Bank has the financial capacity to assist in meeting the credit needs of its AAs. There are currently no legal, financial, or other impediments that prevent Riverview from meeting the credit needs of its communities. However, for half of this evaluation period, the Bank's ability to meet the credit needs were impeded, to a degree, by a Formal Agreement from January 2012 to April 2014.

The Bank received a "Satisfactory" rating at the last CRA examination dated December 17, 2012.

Please refer to the Bank's CRA public file for more information about the Bank.

Selection of Areas for Full-Scope Review

The Bank operates in four assessment areas (AA) located in one multistate metropolitan area (Portland-Vancouver-Hillsboro OR-WA Metropolitan Statistical Area (MSA) and two states (Washington and Oregon). The Bank's AAs are as follows:

- 1) Portland-Vancouver AA (part of the Portland-Vancouver-Hillsboro OR-WA MSA);
- 2) Klickitat County, WA;
- 3) Longview, WA MSA; and
- 4) Marion County, OR.

For each state and multistate AA that the Bank maintains a branch or deposit-taking facility, we select at least one AA for full-scope review based on the volume of deposits and loans and other factors.

We evaluate multistate AAs that cover more than one state as an individual rating area. Riverview operates branches in both the Oregon and Washington portions of the Portland-Vancouver-Hillsboro, OR-WA MSA. We selected the Bank's delineated portion of the Portland-Vancouver-Hillsboro, OR-WA MSA (Portland-Vancouver AA) for a full-scope review.

In the state of Washington, excluding branches in the Washington portion of the Portland-Vancouver AA, Riverview maintains two branches in Klickitat County (a non-metropolitan area) and one branch in Cowlitz County (Longview MSA). We selected Klickitat County for a full-scope review and we conducted a limited-scope review of the Longview MSA. Klickitat County represents 67 percent of Riverview's Washington branches, 86 percent of state deposits, and 68 percent of number of loans evaluated in the state.

In the state of Oregon, excluding branches in the Oregon portion of the Portland-Vancouver AA, Riverview only operates one branch in Marion County. We performed a full-scope review of performance in Marion County, Oregon.

Ratings

The Bank's overall rating is a blend of the three rating areas. Our review included an analysis of all assessment areas; however, performance in the Portland-Vancouver AA received the greatest weight in our determination of the overall rating. The Portland-Vancouver AA accounts for 76 percent of the branch network, 83 percent of total deposits, and 77 percent of the loans analyzed during the evaluation period.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state for details regarding how the areas were weighted in arriving at the respective conclusions.

Conclusions with Respect to Performance Criteria

Loan-to-Deposit Ratio

Riverview's LTD ratio is reasonable. The Bank's average LTD ratio was 78.98 percent for the 15 quarters from March 2012 through September 2015. The Bank's quarterly LTD ratio ranged from 73.33 percent to 89.25 percent. The LTD ratio is within a

reasonable range of three similarly-situated institutions, with an average LTD ratio of 77.87 percent over the same period. The LTD ratios for the similarly-situated institutions ranged from a low of 72.89 percent to a high of 86.27 percent.

The Bank’s LTD ratio declined since the previous CRA examination in 2012 from an average of 98 percent. This is largely attributable to management shrinking the Bank’s balance sheet starting in the first quarter of 2013, by decreasing the level of nonperforming loans. Deposits grew over the last year by \$60 million, or 8.71 percent, while the Bank’s loan portfolio only grew by \$32 million, or 5.78 percent. The LTD ratio analysis represents all quarters since the previous CRA examination.

Lending in Assessment Area

The Bank’s record of lending in the combined AAs is excellent. Riverview originated a substantial majority of loans, by number and by dollar volume, inside its combined AAs. As shown in the table below, the Bank originated 91 percent by both number and dollar volume of home mortgage loans within the combined AAs during the evaluation period.

Table 2

Combined Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans (\$000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA	465	90%	49	10%	514	156,125	90%	16,459	10%	172,584
Small Business	25	96%	1	4%	26	7,984	96%	350	4%	8,334
Total	490	91%	50	9%	540	164,109	91%	16,809	9%	180,918

Source: HMDA data; Loan Sample

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank’s (bank) or Federal savings association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Multistate Metropolitan Area Rating

Portland-Vancouver, OR-WA Multistate Metropolitan Assessment Area (Portland-Vancouver AA)

CRA Rating for the Portland-Vancouver AA¹:	Satisfactory.
The Lending test is rated:	Satisfactory.
The Community development test is rated:	Satisfactory.

The major factors that support this rating include:

- The distribution of the Bank's loans by borrower income characteristics reflects reasonable overall penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution of the Bank's loans reflects reasonable dispersion throughout the AA.
- The Bank's community development performance demonstrates reasonable responsiveness to the community development needs of the AA.

Note: The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation relating to states, and assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PORTLAND-VANCOUVER AA

The Portland-Vancouver AA delineated by the Bank is located in the Portland-Vancouver-Hillsboro, Oregon-Washington MSA located in southwestern Washington and northwestern Oregon. The Portland-Vancouver AA includes Clark and Skamania Counties in the state of Washington and Multnomah County and a portion of Clackamas County in the state of Oregon. The Bank operates branches in each county of its AA except Clackamas County. Management adequately demonstrated the rationale for including a portion of Clackamas County, or the North Clackamas Census County Division (CCD), as part of this AA and further justified that the Bank could not

¹This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

reasonably serve the whole county, as it is too large. The Bank’s AA does not reflect illegal discrimination and does not arbitrarily exclude low- or-moderate income areas. Maps of the Northwest Clackamas CCD generated by the US Census Bureau as of 2010 and by the Bank as of 2015, indicate a live-work relationship with customers in the Portland-Vancouver AA and a concentration of loans in that portion of the county.

The Bank’s operations are predominantly in the Portland-Vancouver AA, particularly in the counties of the AA located in the state of Washington. The lending focus is home mortgage lending (including multi-family loans) and commercial lending. Thirteen of the Bank’s 17 branch offices, including its main office, are within this AA. Total deposits of these branch offices represent 83 percent of the Bank’s total branch deposits. Home mortgage and business loans analyzed in the Portland-Vancouver AA for this evaluation comprised 77 percent by number of loans granted during the review period.

Competitive and economic factors have the greatest impact on the Bank’s ability to originate loans to various segments of the AA or within certain geographic areas within the AA. Bank resources, allocated to addressing the Formal Agreement with the Bank’s primary regulator, were also a factor.

Demographic Information for Full Scope Area: Portland-Vancouver, OR-WA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	330	3.64	26.97	45.45	23.64	0.30
Population by Geography	1,420,494	3.50	27.30	46.85	22.35	0.00
Owner-Occupied Housing by Geography	342,914	1.66	22.15	48.73	27.46	0.00
Business by Geography	140,863	5.70	23.55	43.42	27.16	0.18
Farms by Geography	2,889	2.84	18.59	47.28	31.19	0.10
Family Distribution by Income Level	339,177	21.65	18.17	21.38	38.81	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	135,050	5.64	37.91	43.90	12.55	0.00
Median Family Income HUD Adjusted Median Family Income for 2015 Households Below Poverty Level		68,924 69,400 12%		Median Housing Value Unemployment Rate (2010 US Census)	305,435 4.65%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2015 HUD updated MFI

The HUD-adjusted median family income for 2015 is \$69.4 thousand. The poverty rate as of the 2010 Census was 12 percent. According to the US Census Bureau estimates the population of the AA, as of July 2015, to be 1,662,643. Approximately 31 percent of the census tracts in the AA are designated as low- or moderate-income and 31 percent

of the population resides in low- and moderate-income geographies. Low- and moderate-income families represent 40 percent of total families in the AA.

The AA is highly impacted by the city of Portland, Oregon, which is the main driver of economic and market trends throughout the broader geographical area. Economic conditions have improved since 2013. According to the Bureau of Labor Statistics, the average annual unemployment rate for the four counties of Riverview's Portland-Vancouver AA was 7.3 percent in 2013. The average annual unemployment rate declined to 6.3 percent in 2014 and further declined in 2015 to 5.4 percent. According to Moody's Analytics economic report as of December 2015, the broader Portland-Vancouver-Hillsboro MSA is one of the West's best-performing metropolitan areas. Strong growth in manufacturing, healthcare, and professional services have been a primary economic driver. These three industries account for half of all job gains over the past year and are adding workers faster than in the rest of the West and nation. Primary industries include high technology and electronics, logistics, and manufacturing. Leading industries include professional and business services, education and health services, government, manufacturing, retail trade, and leisure and hospitality services.

Housing in the larger Portland-Vancouver-Hillsboro MSA is generally affordable but homeownership opportunities are limited for low- and moderate-income individuals. According to the National Association of Home Builder's (NAHB) Housing Opportunity Index (HOI) for the fourth quarter 2015, the HOI for the Portland-Vancouver-Hillsboro MSA was 55.3 percent. The median home sales price was \$300 thousand during the fourth quarter of 2015. This MSA ranked 186 out of 225 metropolitan areas monitored nationally in affordability. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income.

As of June 30, 2015, there are 27 FDIC-insured financial institutions with branch operations in the Portland-Vancouver AA. According to the June 30, 2015, FDIC Summary of Deposits report, the Bank ranks eighth with 2.10 percent of the deposit market share. The Bank has deposits of \$606 million in 13 branches serving the AA. Bank of America, US Bank, and Wells Fargo are the top financial institutions with deposit market shares of 23.59 percent, 22.94 percent, and 19.03 percent, respectively. The Bank ranks 71 out of 481 HMDA-reporters in the Portland-Vancouver AA with a market share of HMDA-reportable mortgage loans of 0.21 percent.

SCOPE OF EVALUATION IN PORTLAND-VANCOUVER AA

We conducted a full-scope review of Riverview's performance in the Portland-Vancouver AA.

For the loan distributions criteria under the lending test, we analyzed all residential mortgage loans reported under HMDA and a sample of small loans to businesses.

To help evaluate credit and community development needs, we contacted a local community group. According to the contact, the largest opportunity for financial involvement is housing development loans. The contact indicated that banks could partner with housing developers like the contact's organization to help create strategic plans in helping solve the community's housing shortages. Financial institutions could also help fund projects for low-income housing that often lack access to favorable financing options.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PORTLAND-VANCOUVER AA

The Bank's performance under both the Lending Test and the Community Development Test is "Satisfactory" in the Portland-Vancouver AA.

LENDING TEST

The Bank's performance under the lending test in Portland-Vancouver AA is rated "Satisfactory."

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

Overall, the distribution of borrowers reflects reasonable penetration among borrowers of different income levels and businesses of different sizes in the Portland-Vancouver AA. Both the Bank's home mortgage lending and small business lending reflect reasonable penetration.

Home Mortgage Lending

The distribution of home mortgage loans to borrowers reflects reasonable penetration among borrowers of different income levels in the Portland-Vancouver AA. The Bank's home purchase and home refinance lending to low-income borrowers is reasonable. The Bank's home purchase and home refinance lending to moderate-income borrowers is reasonable.

The percentage of the Bank's home purchase loans to low-income borrowers is significantly below the percentage of low-income families in the AA and the percentage of its home refinance loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. However, the Bank's home purchase and

home refinance lending to low-income borrowers exceeds the 2014 HMDA peer aggregate’s lending to low-income borrowers and is considered reasonable.

The Bank’s home purchase lending to moderate-income borrowers is near to both the percentage of moderate-income families in the AA and the 2014 HMDA aggregate’s lending to moderate-income borrowers. The Bank’s home refinance lending is somewhat lower than the both the percentage of moderate-income families and the 2014 HMDA aggregate’s lending to moderate-income borrowers and is considered reasonable.

Table 3 - Borrower Distribution of Residential Real Estate Loans in Portland-Vancouver AA										
Borrower Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	21.65	4.65	4.19	18.17	17.44	18.81	22.09	26.83	55.81	50.16
Home Refinance	21.65	10.14	6.38	18.17	12.90	17.94	21.66	27.11	55.30	48.57

Data Source: 2010 Census; HMDA data

Small Business Lending

The distribution of loans to businesses reflects reasonable penetration among businesses of different sizes. The percentage of the Bank’s small business loans to small businesses is somewhat lower than the percentage of businesses with revenues of \$1 million or less, but is within a reasonable range.

Table 3a - Borrower Distribution of Loans to Businesses in Portland-Vancouver AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	79.71	4.15	16.13	100.0
% of Bank Loans in AA by #	65.22	34.78	0.00	100.0
% of Bank Loans in AA by \$	58.96	41.04	0.00	100.0

Data Source: 2015 Dun and Bradstreet; Loan Sample

Geographic Distribution of Loans

Overall, the geographic distribution of loans reflects reasonable penetration throughout the Portland-Vancouver AA. Both the Bank's home mortgage lending and small business loans reflect reasonable penetration.

Home Mortgage Lending

The geographic distribution of home loans reflects overall reasonable penetration throughout the AA. The geographic distribution of the Bank's home purchase lending is excellent. The geographic distribution of the Bank's home refinance lending is reasonable.

The distribution of home mortgage loans in low-income census tracts is reasonable overall. The Bank's home purchase lending within low-income census tracts in the Portland-Vancouver AA is excellent and home refinance lending in low-income census tracts is reasonable when considering performance context. The Bank's percentage of home purchase lending within low-income census tracts exceeds both the percentage of owner-occupied housing units in low-income census tracts and the 2014 HMDA aggregate lending in low-income census tracts. The Bank's percentage of home refinance lending within low-income census tracts is significantly lower than both the percentage of owner-occupied housing units in low-income census tracts and the 2014 HMDA aggregate refinance lending in low-income census tracts. However, we considered significant competitive factors; while there are only 27 depository institutions operating within the AA, there are a total of 354 lenders offering residential real estate refinance loans. The Bank ranks number 58 based on market share, which is not unreasonable given the significant amount of competition. In addition, the Bank's ability to meet credit needs was impeded to some degree by the Formal Agreement that was in place for half of the evaluation period.

The distribution of home mortgage loans in moderate-income census tracts is excellent overall. Both the Bank's home purchase and home refinance lending within moderate-income census tracts in the Portland-Vancouver AA is excellent. The bank's percentage of home purchase and home refinance lending within moderate-income census tracts exceeds both the percentage of owner-occupied housing units in moderate-income census tracts and the 2014 HMDA aggregate data.

Table 4 - Geographic Distribution of Residential Real Estate Loans in Portland-Vancouver AA										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans		% of AA Owner Occupied Housing	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	1.66	1.90	1.86	22.15	23.81	21.40	48.57	48.77	25.71	27.97
Home Refinance	1.66	0.44	1.59	22.15	23.14	22.01	55.02	50.23	21.40	26.17

Data Source: 2010 Census; HMDA data

Small Business Lending

The geographic distribution of small loans to businesses reflects reasonable dispersion throughout the AA. The percentage of the Bank’s small business loans granted within low-income census tracts is somewhat lower than the percentage of businesses within low-income census tracts but is near to the 2014 Small Business aggregate lending to businesses in low-income census tracts. The percentage of the Bank’s small business loans within moderate-income census tracts is near to both the percentage of businesses in moderate-income census tracts and the 2014 Small Business aggregate lending to businesses in moderate-income census tracts.

Table 4a - Geographic Distribution of Loans to Businesses in Portland-Vancouver-Hillsboro OR-WA AA										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans		% of AA Businesses	% of Number of Loans		% of AA Businesses	% of Inst Loans	% of AA Businesses	% of Inst Loans
		% of Inst Loans	2014 SB/Agg		% of Inst Loans	2014 SB Agg				
Small Business	5.70	4.35	4.40	23.55	21.74	22.29	43.42	45.39	27.16	27.93

Data Source: 2015 Dun and Bradstreet; Loan Sample

Responses to Complaints

Riverview did not receive any written complaints regarding its CRA performance.

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the community development test in the Portland-Vancouver AA is "Satisfactory."

Number and Amount of Community Development Loans

Riverview provides an excellent level of community development loans in the Portland-Vancouver AA. Riverview made 17 CD loans or advances to CD projects totaling \$15 million in the Portland-Vancouver AA during the evaluation period. The Bank's community development loans provide affordable housing for low- and moderate-income families or health services predominately benefiting low- and moderate-income individuals. The breakdown of the Bank's CD loans by purpose are as follows:

- Five multifamily apartment loans totaling \$9.9 million, providing affordable housing for low- and moderate-income individuals.
- Four loans to health clinics totaling \$4.8 million, providing services to predominately low- and moderate-income individuals.
- Riverview participates in two revolving loan pool funds for the development of affordable housing throughout the states of Oregon and Washington, which includes its AAs. Through these loan consortiums, the Bank's participation provided direct benefit to the AA through the Network for Oregon Affordable Housing (NOAH). The Bank advanced \$196 thousand for nine affordable housing projects in the Portland-Vancouver AA.

We also gave positive consideration for CD loans to loan consortiums that serve a broader statewide or regional area that includes the Bank's AAs. While these loans do not directly benefit the Bank's AAs, participation in these loan consortiums expands the lenders opportunities for CD lending while allowing the lenders to pool funds and share the credit risk to fund affordable housing projects. More importantly, participation fosters cooperation between participating lenders to fund projects outside of a particular lender's AA to incentivize other lenders to fund projects in that lender's AA.

- In addition to the nine CD loans to NOAH mentioned above, Riverview advanced \$363 thousand towards 12 affordable housing projects throughout the State of Oregon that were outside of the Bank's immediate AAs.
- Like the NOAH loan consortium, the Washington Community Reinvestment Association (WCRA) provides loans for the development or preservation of affordable housing for low- and moderate-income individuals throughout the state of Washington. The Bank advanced \$146 thousand towards ten affordable housing projects in Washington that were outside of the Bank's AAs.

Number and Amount of Qualified Investments

Riverview provides an adequate level of qualified investments in the Portland-Vancouver AA. Riverview made investments totaling approximately \$366 thousand in the Portland-Vancouver AA, as detailed in the following table.

CLARK COUNTY CD Investments	
\$ 80,570	Scholarships for low- and moderate-income local students
\$ 205,728	Community Services & Basic Needs
\$ 8,965	Food Banks / Food Drives
\$ 19,912	Affordable Housing to Low- and Moderate-Income persons
\$ 19,688	Job / Vocational training for low-income persons
\$ 334,863	Clark County Total CD Investments
SKAMANIA COUNTY CD Investments	
\$ 700	Food Banks / Food Drives
\$ 700	Skamania County Total CD Investments
MULTNOMAH COUNTY CD Investments	
\$ 5,000	Affordable housing for low-income families
\$ 17,646	Community Services & Basic Needs
\$ 22,646	Multnomah County Total CD Investments
CLARK and SKAMANIA COUNTIES CD Investments	
\$ 7,893	Community Services & Basic Needs
\$ 7,893	Clark and Skamania Counties Total CD Investments

Extent to Which the Bank Provides Community Development Services

Riverview provides an adequate level of community development services in the Portland-Vancouver AA. Riverview’s staff provided 3,301 financial service hours to 32 CD organizations. The Bank’s CD services included technical assistance through Board and committee memberships and volunteerism, fundraising, and financial and small business education. The CD organizations serve various needs of the community including providing food banks, health and social services, counseling services, financial education, job and life skills training, economic development, and housing to low-and moderate-income children and families.

Responsiveness to Community Development Needs

The Bank's CD activities demonstrates adequate responsiveness to the community credit and economic development needs of the AA through CD loans, qualifying investments, and CD services, considering the Bank's capacity and the need and availability of opportunities in the Portland-Vancouver AA. The Bank provides an adequate level of CD investments and services, and an excellent level of CD loans that address the critical need for affordable housing in the AA and in the broader regional area.

State Rating

State of Washington

CRA Rating for Washington²:

The Lending test is rated:

The Community development test is rated.

Needs to Improve.

Outstanding.

Needs to Improve.

The major factors that support this rating include:

- The distribution of the Bank's loans by borrower income characteristics reflects excellent overall penetration among individuals of different income levels. More weight was placed on this performance criteria compared to the geographic distribution.
- The geographic distribution of the Bank's loans reflects reasonable dispersion throughout the AAs.
- The Bank's community development performance demonstrates *poor* responsiveness to the community development needs of the AAs.

Note: The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation relating to states, and assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON

The Bank has designated two assessment areas within the state of Washington, Klickitat County, Washington and the Longview, Washington MSA. The Bank delineated the whole counties, in which it maintains branches. The assessment area meets regulatory requirements and does not reflect illegal discrimination or arbitrary exclusion of low- or moderate-income areas. This statewide evaluation does not reflect performance in the parts of this state contained within the Portland-Vancouver AA.

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.

The Bank's lending focus is home mortgage lending and commercial lending. Two of the Bank's 17 branch offices are within this AA. Total deposits of these branch offices represent 12 percent of the Bank's total branch deposits. Home mortgage and business loans analyzed in Klickitat County for this evaluation comprise 14 percent of the number of loans granted during the evaluation period.

The Longview MSA covers Cowlitz County. The Longview MSA is located in southwest Washington State and borders both the Washington and Oregon portions of the Portland-Vancouver AA. The Bank has one branch office in this AA. Total deposits of this branch represent 2 percent of the Bank's total branch deposits. Home mortgage and business loans analyzed in the Longview MSA for this evaluation comprise 7 percent of the number of loans granted during the evaluation period.

Competitive and economic factors have the greatest impact on the Bank's ability to originate loans to various segments of the AA or within certain geographic areas within the AA. Bank resources, allocated to addressing the Formal Agreement with the Bank's primary regulator, were also a factor.

Demographic Information for Full Scope Area: Klickitat County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	3	0.00	33.33	66.67	0.00	0.00
Population by Geography	20,318	0.00	40.97	59.03	0.00	0.00
Owner-Occupied Housing by Geography	5,874	0.00	43.79	56.21	0.00	0.00
Business by Geography	1,493	0.00	44.07	55.93	0.00	0.00
Farms by Geography	187	0.00	56.68	43.32	0.00	0.00
Family Distribution by Income Level	5,767	27.59	18.85	21.19	32.37	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,678	0.00	51.53	48.47	0.00	0.00
Median Family Income		54,500	Median Housing Value	207,017		
HUD Adjusted Median Family Income for 2015		58,300	Unemployment Rate (2010 US Census)	2.77%		
Households Below Poverty Level		17%				

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

Source: 2010 US Census and 2015 HUD updated MFI

The HUD adjusted median family income for 2015 is \$58,300. The poverty rate as of the 2010 Census was 17 percent. The US Census Bureau estimates the population of Klickitat County, as of July 2015, to be 21,026. There are no low- or upper- income census tracts in the Klickitat County AA. Only one census tract, or 33 percent of the census tracts in the AA, is moderate-income and 41 percent of the population resides in

the single moderate-income census tract. Forty-six percent of the families in the AA are designated as either low- or moderate-income.

Leading industries include government, agriculture and forestry, manufacturing, and trade. Economic conditions have improved significantly since 2013. According to the Bureau of Labor Statistics, the average annual unemployment rate was 9.5 percent in 2013, declining to 7.1 percent in 2015.

Housing in Klickitat County is more expensive than average. According the U.S. Census Bureau's 5-Year American Community Survey (2010-2014) Klickitat County's affordability ratio was 4.26, which is nearly 30 percent higher than the national average of 3.29. The affordability ratio measures homeownership opportunity by dividing the median value of owner occupied housing by the median household income of the area. According to the 5-year American Community Survey, the homeownership rate in Klickitat County is 68.6 percent.

According to the June 30, 2015, FDIC Summary of Deposits report, Riverview ranks second among four FDIC-insured financial institutions, with a deposit market share of 32 percent in Klickitat County. The Bank has deposits of \$85.8 million in two branches located within the AA. Umpqua Bank is the top financial institution in the AA with a deposit market share of 35 percent. The Bank ranks fourth out of 102 HMDA-reporters in Klickitat County with a market share of HMDA-reportable mortgage loans of 4.16 percent.

SCOPE OF EVALUATION IN WASHINGTON

We conducted a full-scope review of Riverview's performance in Klickitat County. In the state of Washington, excluding branches in the Washington portion of the Portland-Vancouver AA, Riverview maintains two branches in Klickitat County (a non-metropolitan area) and one branch in Cowlitz County (Longview MSA). We selected Klickitat County for a full-scope review. Klickitat County branches, deposits, and number of loans represent 67 percent of Washington branches, 86 percent of state deposits, and 68 percent of the number of loans evaluated in the state, respectively. We conducted a limited-scope review of the Longview MSA, based on the lower volume of activity in that AA.

For the loan distributions criteria under the lending test, we analyzed residential mortgage loans reported under HMDA. While the Bank offers business loans in the AA, the volume of small loans to businesses in either Klickitat County or the Longview MSA is low, and so analysis is less meaningful.

We contacted a local community group to assist in the identification of credit and community development needs in the AA. According to one contact, there is plenty of opportunity for financial involvement in providing loans to small business owners and startup companies, particularly in the more isolated parts of the county. There is also a need for affordable housing development financing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON

In the state of Washington, the Bank's lending test is rated "Outstanding" and the CD test is rated "Needs to Improve," based primarily on a full-scope review in Klickitat County.

LENDING TEST

The Bank's performance under the lending test in the state of Washington is rated "Outstanding." More weight was placed on the borrower distribution because there were no low-income tracts, and only one moderate-income tract to analyze for the geographic distribution.

Lending to Borrowers of Different Incomes

Overall, the distribution reflects excellent penetration among borrowers of different income levels in Klickitat County. The Bank's home mortgage lending reflects excellent penetration based on both home mortgage and refinance lending. Loans to small businesses were not analyzed for this AA.

Home Mortgage Lending

The distribution of home loans reflects excellent overall penetration among borrowers of different income levels in Klickitat County. The fact that there are more low-income families than moderate-income families was a consideration in our overall assessment. In addition, greater weight was placed on the comparison to HMDA aggregate data based upon guidelines specific to savings institutions. The Bank's home refinance lending performance relative to both low- and moderate-income borrowers is excellent. The Bank's home purchase lending performance is excellent overall.

In the Klickitat County AA, the Bank's home refinance lending is excellent. The percentage of the Bank's home refinance loans to low-income borrowers is lower than the percentage of low-income families in the AA. However, the Bank's home refinance lending to low-income borrowers significantly exceeds the 2014 HMDA peer aggregate

lending to low-income borrowers and is considered excellent. The Bank’s home refinance lending exceeds both the percentage of moderate-income families in the AA and the 2014 HMDA aggregate lending to moderate-income borrowers and is excellent. Market data confirms that Riverview is a top refinance lender in the AA. The Bank ranked third out of 68 HMDA-reporters granting home refinance loans in 2014, with a home refinance market share of 6.76 percent. The Bank’s market share of home refinance loans to low- and moderate-income borrowers is 22.22 percent and 17.39 percent, respectively. The Bank ranked second out of six HMDA-reporters granting home refinance loans to low-income borrowers and ranked first among 15 HMDA-reporters granting home refinance loans to moderate-income borrowers.

In the Klickitat County AA, the Bank’s home purchase lending is excellent overall. Performance relative to low-income families is excellent in comparison to demographic data, and is within a reasonable range of demographic comparator data for moderate-income families.

Table 3 - Borrower Distribution of Residential Real Estate Loans in Klickitat County										
Borrower Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	27.59	15.38	4.76	18.85	15.38	14.29	23.08	30.16	46.15	50.79
Home Refinance	27.59	12.50	5.81	18.85	23.21	14.84	21.43	22.58	42.86	56.77

Data Source: 2010 Census; HMDA data

Geographic Distribution of Loans

Overall, the geographic distribution of loans reflects reasonable dispersion throughout Klickitat County.

Home Mortgage Lending

The geographic distribution of home loans reflects reasonable dispersion throughout the AA. The Bank’s percentage of both home refinance and home purchase lending within moderate-income census tracts is within a reasonable range of both the demographic comparator and HMDA aggregate ratios. There are no low-income census tracts in Klickitat County to analyze.

Table 4 - Geographic Distribution of Residential Real Estate Loans in Klickitat County										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans		% of AA Owner Occupied Housing	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	0.00	0.00	0.00	43.79	30.77	33.49	69.23	66.51	0.00	0.00
Home Refinance	0.00	0.00	0.00	43.79	36.84	31.61	63.16	68.39	0.00	0.00

Data Source: 2010 Census; HMDA data

Conclusion for Limited-Scope AA

Performance in the Longview MSA is not inconsistent with performance in the full-scope AA in the state of Washington, and is reasonable overall. While data suggests weaker performance in the borrower distribution when compared to the Klickitat County AA, the very low volume of Bank deposits in the Longview MSA, at only 1.92 percent of the total, was a consideration. In addition, the overall strong geographic distribution performance in the Longview MSA helps to mitigate relatively poor borrower distribution performance.

The Bank made no home loans to low-income families, and no home refinance loans to moderate-income families, but home purchase loans to moderate-income families were within a reasonable range of demographic and HMDA aggregate data.

Table 3 - Borrower Distribution of Residential Real Estate Loans in Longview MSA										
Borrower Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	20.72	0.00	4.13	17.78	12.5	19.79	37.50	29.41	50.00	46.68
Home Refinance	20.72	0.00	6.68	17.78	0.00	14.44	0.00	24.94	100.00	53.94

Data Source: 2010 Census; HMDA data

Home purchase lending in both low- and moderate-income tracts is excellent. While no home refinance loans were originated in low-income tracts, lending in moderate-income tracts was excellent compared to demographic and HMDA aggregate data.

Table 4 - Geographic Distribution of Residential Real Estate Loans in Longview MSA										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans		% of AA Owner Occupied Housing	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Purchase	3.68	21.43	2.09	11.36	21.43	10.63	42.86	67.44	14.29	19.84
Home Refinance	3.68	0.00	3.26	11.36	30.77	10.17	30.77	63.90	38.46	22.67

Data Source: 2010 Census; HMDA data

Responses to Complaints

Riverview did not receive any written complaints regarding its CRA performance.

COMMUNITY DEVELOPMENT TEST

The Bank’s performance under the community development test in the state of Washington is rated “Needs to Improve.”

Number and Amount of Community Development Loans

Riverview provided a limited level of community development loans in the state of Washington. Riverview did not make any community development loans in Klickitat County during the evaluation period, and made one CD loan totaling \$8 thousand in the Longview MSA. The Bank’s CD loan was an advance to the Washington Community Reinvestment Association (WCRA) for the development or preservation of affordable housing for low- and moderate-income individuals.

As previously discussed in the Portland-Vancouver AA section, we gave positive consideration for CD loans to loan consortiums that serve a broader statewide or regional area that include the Bank’s AAs. In addition to the one CD loan to WCRA mentioned above, Riverview advanced \$146 thousand towards ten affordable housing projects in throughout Washington that were outside of the Bank’s AAs.

Number and Amount of Qualified Investments

Riverview provides a limited level of qualified investments in the state of Washington. Riverview granted \$3,420 to organizations that provide target services, basic needs assistance, and food, including food drives in Klickitat County and \$200 in the Longview MSA. This level of investment reflects a decline of approximately 76 percent since the last evaluation.

Extent to Which the Bank Provides Community Development Services

Riverview provides an adequate level of community development services in the state of Washington. During the review period, Riverview employees volunteered a total of 253 financial services hours to six CD organizations in Klickitat County. These services address affordable housing for low- and moderate-income individuals, services targeted to low- and moderate-income individuals, and economic development. This level of CD services marks a significant increase in services provided within Klickitat County by both number of CD organizations served and number of service hours provided since the last evaluation.

Responsiveness to Community Development Needs

The Bank's community development performance demonstrates *poor* responsiveness to the community credit and economic development needs of the AA through community development loans, qualifying investments, and community development services, considering the Bank's capacity and the need and availability of opportunities in the state of Washington. While CD activity overall remains limited, the Bank's CD services have improved since the last CRA evaluation.

State Rating

State of Oregon

CRA Rating for Oregon³:

The Lending test is rated:

The Community development test is rated:

Satisfactory.

Satisfactory.

Satisfactory.

The major factors that support this rating include:

- The distribution of the Bank's loans by borrower income characteristics reflects reasonable overall penetration among individuals of different income (including low- and moderate) levels and businesses of different sizes, given the Bank's branch location and footprint, deposit market share, and home mortgage loan competition.
- The geographic distribution of the Bank's loans reflects reasonable dispersion throughout the AA, given the Bank's branch location and footprint, deposit market share, and home mortgage loan competition.
- The Bank's community development performance demonstrates reasonable responsiveness to the community development needs of the AA.

Note: The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation relating to states, and assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OREGON

Marion County is the Bank's only assessment area in the state of Oregon. Marion County is part of the Salem, Oregon MSA. The Bank maintains a single branch in Aumsville, Oregon to serve this AA. The AA delineation does not reflect illegal discrimination and does not arbitrarily exclude low- or moderate-income geographies. This statewide evaluation does not reflect performance in the parts of this state contained within the Portland-Vancouver AA.

³ 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.

The operations in Oregon State remain a secondary market for the Bank. The Bank's lending focus is home mortgage lending and commercial lending. Only one of the Bank's 17 branch offices is located within this AA. The Aumsville branch is located a rural and less populated part of the county. Total deposits of this branch office represent just under 3 percent of the Bank's total branch deposits. Home mortgage and business loans analyzed in Marion County for this evaluation comprised 2 percent by number of loans granted during the review period.

Competitive and economic factors have the greatest impact on the Bank's ability to originate loans to various segments of the AA or within certain geographic areas within the AA. Bank resources, allocated to addressing the Formal Agreement with the Bank's primary regulator, were also a factor.

Demographic Information for Full Scope Area: Portion Marion County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	58	0.00	22.41	56.90	20.69	0.00
Population by Geography	315,335	0.00	25.36	54.99	19.65	0.00
Owner-Occupied Housing by Geography	69,943	0.00	14.58	59.29	26.13	0.00
Business by Geography	23,424	0.00	24.49	55.20	20.30	0.00
Farms by Geography	1,518	0.00	10.08	70.29	19.63	0.00
Family Distribution by Income Level	77,101	20.75	19.46	21.03	38.75	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	31,006	0.00	33.97	51.20	14.83	0.00
Median Family Income		56,016	Median Housing Value	210,341		
HUD Adjusted Median Family Income for 2015		55,800	Unemployment Rate (2010 US Census)	4.80%		
Households Below Poverty Level		14%				

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

Source: 2010 US Census and 2015 HUD updated MFI

The HUD-adjusted median family income for 2015 is \$55,800. The poverty rate as of the 2010 Census was 14 percent. The US Census Bureau estimates the population of Marion County, as July 2015, to be 330,700. There are no low-income census tracts in this AA. Approximately 22 percent of census tracts are designated as moderate-income and 25 percent of the population resides in moderate-income census tracts. Low- and moderate-income families represent 40 percent of total families in the AA.

Leading industries in Marion County include agriculture and food processing in addition to lumber, manufacturing, and education. Economic conditions in the county have

improved since 2013. According to the Bureau of Labor Statistics, the average annual unemployment rate was 8.9 percent in 2013, and declined to 6.1 percent in 2015.

Housing in the Salem MSA is generally affordable but home ownership opportunities may be limited for low- and moderate-income individuals. According to the National Association of Home Builders' Housing Opportunity Index (HOI) for 4th Quarter 2015, the HOI for the Salem MSA was 67.1 percent. The median home sales price was \$195,000 during fourth-quarter 2015. This MSA ranked 148 out of 225 metropolitan areas monitored nationally. The HOI is defined as the share of homes sold in that area that would have been affordable to a family earning the median income.

As of June 30, 2015, there are 14 FDIC-insured financial institutions with branch operations within Marion County. Riverview is the only financial institution with a branch in Aumsville. According to the June 30, 2015, FDIC Summary of Deposits report, the Bank ranks 14th with a deposit market share of 0.48 percent in Marion County. The Bank has deposits of \$20 million in its single branch serving the AA. Wells Fargo Bank, U.S. Bank, and Columbia State Bank are the top financial institutions with deposit market shares of 19.8 percent, 18.3 percent, and 14.1 percent, respectively. The Bank ranks 172 out of 261 HMDA-reporters in Marion County with a market share of HMDA-reportable mortgage loans of 0.03 percent.

SCOPE OF EVALUATION IN OREGON

We performed a full-scope review of performance in Marion County, Oregon. In the state of Oregon, excluding branches in the Oregon portion of the Portland-Vancouver AA, Riverview operates only one branch in Oregon. This branch is located in Aumsville in Marion County.

We contacted a local community group to assist in the identification of credit and community development needs in the AA. According to the contact, financial education for low- and moderate-income individuals to teach budgeting and financial planning is needed. Also, during an interagency CRA listening session of community development organizations in Northwest Oregon in March 2016, attendees identified needs and opportunities that included:

- Small business loans, particularly in the \$2,000 to \$100,000 range;
- Technical assistance for small business owners;
- Financial support for community development financial institutions;
- Affordable housing development and financial support for nonprofit affordable housing developments; and
- Participation in the Bank On Oregon Program.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OREGON

Both the Bank's lending performance and community development performance for the state of Oregon is "Satisfactory."

LENDING TEST

The Bank's performance under the lending test in the state of Oregon is rated "Satisfactory." Reasonable overall performance in lending to borrowers of different incomes, along with performance context factors affecting the Bank's capacity to lend in Marion County, helps mitigate poor geographic distribution performance.

Lending to Borrowers of Different Incomes

Overall, the lending distribution reflects reasonable penetration among borrowers of different income levels in Marion County. Analysis was limited to home refinance loans, as this was the only home loan type originated in this AA during the evaluation period. Loans to small businesses were not analyzed in this AA.

Home Mortgage Lending

The distribution of home loans reflects reasonable penetration among borrowers of different income levels in Marion County. Home refinance lending to low-income borrowers is excellent, and to moderate-income borrowers is reasonable in comparison to demographic and HMDA aggregate data. The overall limited loan volume in this AA was considered in relation to low deposit volumes.

Table 3 - Borrower Distribution of Residential Real Estate Loans in Marion County										
Borrower Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Refinance	20.75	14.29	5.22	19.46	14.29	13.55	42.86	25.86	28.57	55.36

Data Source: 2010 Census; HMDA data

Geographic Distribution of Loans

Overall, the geographic distribution of home loans is not unreasonable after consideration of performance context factors. The low deposit and loan volume in this AA, along with competitive factors, indicates limited ability and capacity to lend.

Home Mortgage Lending

Overall, the geographic distribution of loans in Marion County appears unreasonable based on demographic and HMDA aggregate data summarized in the table below, because the Bank did not originate any loans in moderate-income tracts. The AA has no low-income tracts to analyze. However, performance context factors indicate that very poor loan dispersion is mitigated to a reasonable degree. Deposit volume is one factor, as Bank deposits in this AA represent only 2.8 percent of the Bank's total. The Bank's capacity to lend in this AA is therefore limited compared to the other full-scope AAs. In addition, an analysis of home mortgage loan applications in Marion County during the evaluation period show that 30 percent were originated, 22 percent were denied based upon legitimate underwriting concerns, and 48 percent were withdrawn or closed for incompleteness. The Bank received only one application in a moderate-income tract, which was either withdrawn or incomplete. This information indicates that demand is more limited in this market, but the Bank is making a reasonable effort to offer mortgage loans within their ability and capacity in Marion County.

The Bank is also at a disadvantage given competitive factors, and the rural nature of this AA. Riverview operates one branch in Aumsville, and Riverview is the only bank in Aumsville. While Aumsville is about 12 miles east of Salem, Aumsville is a rural community. Outside of Salem, Marion County is largely a rural county. As of June 30, 2015, Riverview is one of 14 FDIC-insured financial institutions with branch operations in Marion County. Riverview is ranked 14th in deposit market share among these financial institutions. Further, in 2014, there were 261 HMDA-reporters in Marion County. The top ten lenders, consisting of megabanks, large regional banks and mortgage companies, garner nearly 45 percent of the HMDA loan market share. Riverview ranked 172 out of the 261 HMDA-reporters. In the four census tracts surrounding the Aumsville Branch, there were 121 HMDA-reporters and the top ten lenders garner 43 percent of HMDA loans. Riverview ranked 93 out of the 121 HMDA-reporters.

Table 4 - Geographic Distribution of Residential Real Estate Loans in Marion County										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans		% of AA Owner Occupied Housing	% of Number of Loans		% of Inst Loans	2014 HMDA Agg	% of Inst Loans	2014 HMDA Agg
		% of Inst Loans	2014 HMDA Agg		% of Inst Loans	2014 HMDA Agg				
Home Refinance	0.00	0.00	0.00	14.58	0.00	15.00	57.14	58.83	42.86	26.17

Data Source: 2010 Census; HMDA data

Responses to Complaints

Riverview did not receive any written complaints regarding its CRA performance.

COMMUNITY DEVELOPMENT TEST

The Bank’s performance under the community development test in state of Oregon is rated “Satisfactory.”

Number and Amount of Community Development Loans

Riverview provides an adequate level of community development loans in the state of Oregon. Riverview made advances to two CD projects totaling \$67 thousand in Marion County during the evaluation period. The Bank’s CD loans provide affordable housing for low- and moderate-income families through its participation with the Network for Oregon Affordable Housing (NOAH).

As previously discussed in the Portland-Vancouver AA section, we gave positive consideration for CD loans to loan consortiums that serve a broader statewide or regional area that includes the Bank’s AAs. In addition to the two CD loans to NOAH mentioned above, Riverview advanced \$363 thousand towards 12 affordable housing projects throughout the state of Oregon that were outside of the Bank’s immediate AAs.

Number and Amount of Qualified Investments

Riverview provides a limited level of qualified investments in the state of Oregon. Riverview granted \$3,940 to food banks or food drives in Marion County. This level of

investment, while still low relative to deposits, is more than double the investments at the last evaluation.

Extent to Which the Bank Provides Community Development Services

Riverview provides a limited level of community development services in the state of Oregon. During the evaluation period, a Riverview employee provided 29 hours of qualifying CD services. A branch manager serves as a Board member for a local economic development organization that offers free, confidential business coaching to entrepreneurs to open, expand, or improve a business. This is a new relationship for Riverview so the amount of service hours is limited as of this evaluation period. Going forward, this CD service activity is expected continue and service hours will increase. At the last CRA evaluation, the Bank provided no CD services in Marion County. The Bank employs five staff in the Aumsville Branch. Management states that the Bank's staff is very active in the community, but many of these activities do not have a community development purpose as described in the CRA.

Responsiveness to Community Development Needs

The Bank's community development performance demonstrates adequate responsiveness to the community credit and economic development needs of the AA through community development loans, qualifying investments, and community development services, considering the Bank's capacity and the need and availability of opportunities in the state of Oregon. While the Bank's CD investments and services are limited, the Bank is best suited for serving community development needs through its lending and its CD lending is adequate.

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: 01/01/2013 to 12/31/2015 Community Development Test: 12/17/2012 to 05/31/2016)	
Financial Institution	Products Reviewed	
Riverview Community Bank (Riverview or Bank) Vancouver, WA	HMDA Small Business CD Activities	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Portland-Vancouver AA (portion MSA # 38900) Washington Klickitat County (MSA #99999) Longview MSA (MSA #31020) Oregon Marion County (portion MSA #41420)	Full-Scope Full-Scope Limited-Scope Full-Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
Riverview Community Bank	Satisfactory	Satisfactory	Satisfactory
Portland-Vancouver AA	Satisfactory	Satisfactory	Satisfactory
Washington	Outstanding	Needs to Improve	Needs to Improve
Oregon	Satisfactory	Satisfactory	Satisfactory