



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

December 17, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Riverview Community Bank
Charter Number 704347

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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. The major factors supporting Riverview's rating are:

- The Bank's loan-to-deposit ratio is more than reasonable.
- A majority of the Bank's loans are made within its assessment areas.
- The Bank's distribution of lending to borrowers of different incomes and businesses of different sizes reflects a reasonable penetration.
- The Bank's lending to borrowers in different geographies has reasonable dispersion.
- The Bank has demonstrated responsiveness to community development needs.
- The Bank did not receive any Community Reinvestment Act related complaints.

Riverview's CRA performance was last evaluated in June 2009, at which time the Bank received a satisfactory rating.

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 \$280 million, but remaining below \$1.12 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 community development loans, community development investments, and community development services. The two criteria, the lending test and the community development test, are weighted equally in determining the Bank's overall CRA rating.

This Performance Evaluation (PE) assesses the Bank's performance under the lending and community development tests. In evaluating the Bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses originated between January 1, 2009 and December 31, 2011. The Bank's lending results were compared to the 2000 U.S. Census demographic information and also compared with the lending results for the aggregate of Home Mortgage Disclosure Act lenders in 2011. For CD activities, the evaluation covers the period from January 1, 2009 to December 17, 2012. We placed

greatest weight on the Bank's home mortgage lending performance as it represented 91 percent of the Bank's combined lending.

We conducted a data integrity review of the Bank's HMDA loan application register (LAR) in August 2012 and determined the level of errors in the data does not prevent an accurate evaluation of the Bank's home mortgage lending performance. We also selected and reviewed a sample of 79 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.

Our review included an analysis of all assessment areas; however, we placed particular focus on the Portland-Vancouver, Oregon-Washington MSA assessment area (AA), which accounts for most of the Bank's branch offices, deposits, and lending activities.

Description of Institution

Riverview is a federally chartered stock savings bank, headquartered in Vancouver, Washington. As of June 30, 2011, the Bank operates 14 branches in the state of Washington and three branches in the state of Oregon. Riverview closed one branch located in downtown Portland, Oregon in 2009, and opened one new branch in Gresham, Oregon in 2012.

As of December 31, 2012, Riverview reported total assets of \$807.8 million, and capital of \$101.1 million. 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 2012, the Bank's loan portfolio represented 71 percent of total assets. The table below shows the composition of the loan portfolio.

Table 1

Riverview Community Bank Loan Portfolio Composition as of December 31, 2012		
Asset Type	Amount (\$000)	% of Loan Portfolio
Permanent Mortgage Loans		
- Single Family	\$114,935	21%
- Multifamily	41,274	7%
- Nonresidential RE and Land	303,005	54%
Construction Mortgage Loans:		
Single Family Construction Loans	\$ 2,431	1%
Other Construction Loans	46,898	8%
Commercial Loans	\$ 51,206	9%
Consumer Loans	1,985	-

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. Additionally, the Bank's ability to meet the credit needs of the

community have been impeded, to a degree, by operating under a Memorandum of Understanding from January 2009 until January 2012 and a Formal Agreement from January 2012 to present.

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 AAs located in one multistate metropolitan area (Portland-Vancouver-Hillsboro OR-WA Multistate MSA) and two states (Washington and Oregon). The Bank's four assessment areas are:

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

We performed a full-scope review for each AA, except the Longview, Washington AA. We selected the Longview, Washington AA for a limited scope review because of the relatively low contribution to the Bank's total loans and deposits in the state of Washington. Please refer to the scope section of the state of Washington rating section for additional details.

Ratings

The Bank's overall CRA rating is a blend of the multistate AA and state ratings, i.e., the Portland-Vancouver AA rating and the Washington and Oregon State ratings. We weighted performance in the Portland-Vancouver AA most heavily given the majority of the Bank's loan origination activity is in the AA during the evaluation period and the majority of branch offices and deposits are in the AA. The Portland-Vancouver AA contains 13 branches (76 percent of the Bank's 17 branch offices). The deposits of these branch offices comprise 83 percent of the Bank's total deposits. HMDA and business loans originated in the Portland-Vancouver AA comprised 77 percent by number of loans and 80 percent by dollar amount of total home mortgage and business loans originated during the review period.

We based the rating for the state of Washington predominantly on the assessment area within the state that received the full-scope review. Refer to the scope section of the state of Washington rating section for additional details.

Conclusions with Respect to Performance Criteria

The Bank's performance under the lending test evaluates five performance criteria: (1) loan-to-deposit ratio; (2) percentage of lending-related activity in the assessment area (lending in assessment areas); (3) lending to borrowers of different incomes and to businesses of different sizes; (4) geographic distribution of loans; and (5) response to CRA-related complaints.

The loan-to-deposit ratio and the lending in assessment area performance criteria apply to the overall bank. These two performance criteria are discussed below. The conclusions with respect to the remaining lending test performance criteria, as well as the community development test performance criteria, are addressed in the ratings sections for each state and the Portland-Vancouver AA.

Loan-to-Deposit Ratio

Riverview's loan-to-deposit ratio is more than reasonable given the Bank's size, credit needs of its combined AAs, and local economic conditions. The Bank's quarterly loan-to-deposit ratio during the evaluation period averaged 98 percent. This compares to an average loan-to-deposit ratio of 79 percent for peers with a similar geography and asset size. The Bank's loan-to-deposit ratio declined since the previous CRA examination in 2009. External factors, such as a weak economy and soft loan demand, have been key drivers of this trend, with similar declines experienced across the peer group.

Lending in Assessment Area

The Bank's record of lending in its combined AAs is reasonable. The Bank originated a majority of loans, by number and by dollar volume, inside its combined AAs. As shown in the table below, the Bank originated 85 percent by number of loans and 79 percent by dollar volume of home mortgage and business loans within its combined AAs during the evaluation period.

Table 2

<i>RIVERVIEW COMMUNITY BANK</i>										
Combined Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans (\$000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA Loans	567	87%	86	13%	653	\$124,539	81%	\$29,611	19%	\$154,150
Business Loan	55	70%	24	30%	79	12,257	67%	\$6,052	33%	\$18,309
Totals	622	85%	110	15%	732	\$136,798	79%	\$35,663	21%	\$172,459

Source: HMDA data and Loan Sample

See the multistate and state rating sections for conclusions with respect to the remaining performance criteria.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 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 ASSESSMENT AREA (Portland-Vancouver AA)

CRA RATING for Portland-Vancouver AA:

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.
- The geographic distribution of the Bank's loans reflects reasonable dispersion throughout the AA.
- The Bank's community development performance demonstrates satisfactory 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 Bank overall. No discussion of these performance criteria apply to the performance evaluation of this AA.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PORTLAND-VANCOUVER AA

The Portland-Vancouver AA delineated by the Bank is located in the Portland-Vancouver-Hillsboro, Oregon-Washington multistate metropolitan area located in Southwestern Washington and Northwestern Oregon. The Portland-Vancouver AA includes Clark and Skamania Counties in the state of Washington and portions of Multnomah and Clackamas Counties in the state of Oregon. Management adequately demonstrated that the counties are too large for the Bank to reasonably service as a whole. The adjustments do not arbitrarily exclude low- or-moderate income areas.

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 the head 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 originated in the Portland-Vancouver AA comprised 77 percent by number of loans and 80 percent by dollar amount of total home mortgage and business loans originated during the review period.

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. Bank resources, allocated to addressing the Memorandum of Understanding and Formal Agreement with the Bank’s primary regulator, are also a factor.

Description of Assessment Area

Demographic Information for Full-Scope Area: portion Portland-Vancouver-Hillsboro OR-WA MSA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	194	3.09	28.35	55.67	12.89
Population by Geography	830,900	2.41	28.25	55.65	13.69
Owner-Occupied Housing by Geography	200,464	1.09	22.43	58.69	17.78
Business by Geography	58,534	2.69	26.76	55.25	15.29
Farms by Geography	1,580	1.39	16.90	62.15	19.56
Family Distribution by Income Level	211,249	20.59	20.82	24.70	33.89
Distribution of Low and Moderate Income Families throughout AA Geographies	87,479	3.86	36.49	51.84	7.81
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		55,453 72,000 9%	Median Housing Value Unemployment Rate (2000 US Census)	156,633 3.20%	

Source: 2000 US Census and 2011 HUD updated MFI

The HUD-adjusted median family income for 2011 is \$72 thousand. The poverty rate as of the 2000 Census was nine percent. 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.

The AA is highly impacted by the City of Portland, Oregon metropolitan area, which is the main driver of economic and market trends throughout the broader geographical area. Primary industries include natural resources, high-technology and electronics, and medical services. Leading industries include trade and transportation, government, health and education services, professional and business services, and manufacturing. Economic conditions have modestly improved since 2009. According to the Bureau of Labor Statistics, the average unemployment rate was 10.7 percent in 2009. The unemployment rate declined slightly to 9.3 percent in 2011 and further declined in 2012 to 8.2 percent.

Housing in the Portland-Vancouver-Hillsboro MSA is generally affordable. According to the National Association of Home Builder’s (NAHB) Housing Opportunity Index (HOI) for the fourth quarter 2011, the HOI for the Portland-Vancouver-Hillsboro MSA was 74.2 percent of the median family income in 2011. The median home sales price was \$210 thousand during the fourth quarter of 2011. This MSA ranked 177 out of 225 metropolitan areas monitored nationally for 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. Homeownership opportunities, however, are limited for low- and moderate-income individuals due to barriers, such as accumulating sufficient funds for the down payment.

As of June 30, 2011, there are 40 financial institutions with branch operations in the Portland-Vancouver-Hillsboro MSA. According to the June 30, 2011, FDIC summary of deposits report, the Bank ranks 11 with 1.53 percent of the deposit market share. The Bank has deposits of \$619 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 21.1 percent, 18.8 percent, and 15.4 percent, respectively.

SCOPE OF EVALUATION IN PORTLAND-VANCOUVER AA

We conducted a full-scope review of Riverview's performance in its Portland-Vancouver AA using the CRA lending test and the community development test. In addition, to help evaluate credit and community development needs, we contacted the Network for Oregon Affordable Housing (NOAH), a statewide non-profit organization engaged in affordable housing development.

For the CRA loan distributions criteria under the lending test, we analyzed all residential mortgages reported under HMDA and a sample of 37 commercial loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PORTLAND-VANCOUVER AA

The Bank's lending performance and community development performance for the Portland-Vancouver AA is satisfactory.

LENDING TEST

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

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

The Bank's lending reflects reasonable penetration to borrowers of different incomes and business of different sizes. While the Bank's distribution of loans to lower-income borrowers is significantly below the demographic comparator, the overall conclusion considers the Bank's performance relative to peer home mortgage lenders in the AA, the Bank's home mortgage market share in the AA, and the excellent penetration of very small businesses.

Home Mortgage Loans

The Bank's record of home mortgage lending to low- and moderate-income borrowers reflects overall reasonable penetration.

Table 3 below shows the distribution of home mortgage loans to borrowers of different income levels.

Table 3 - Borrower Distribution of Residential Real Estate Loans in Portland-Vancouver Assessment Area										
Borrower Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans
		Bank	2011 HMDA Agg		Bank	2011 HMDA Agg				
HMDA	21%	9.93%	8.74%	21%	19.64%	21.60%	24%	21.22%	34%	38.60%

Note: Bank percentages may not total to 100%. The table does not show loans granted to borrowers whose income was not reported.

The Bank's percentage of home mortgage loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, the Bank's mortgage lending among low-income borrowers exceeds the 2011 HMDA aggregate. Additionally, in 2011, the Bank's market share of the number of loans originated to low-income borrowers in the AA (0.76 percent) is higher than the Bank's overall market share of the number of home mortgage loans originated in the AA (0.57 percent). With consideration given to these factors, as well as the generally higher degree of difficulty for low-income borrowers to qualify for home mortgage loans based on traditional underwriting standards, the Bank's home mortgage lending to low-income borrowers in the Portland-Vancouver AA is considered reasonable.

The Bank's percentage of home mortgage loans to moderate-income borrowers is below but near to the percentage of moderate-income families in the AA. The bank's home mortgage lending among moderate-income borrowers is near the 2011 HMDA aggregate. Additionally, the Bank's market share of the number of loans originated to moderate-income borrowers in the AA (0.64 percent) is higher than the Bank's overall market share of the number of home mortgage loans originated in the AA (0.57 percent). The Bank's home mortgage lending to moderate-income borrowers in the Portland-Vancouver AA is reasonable.

Small Loans to Businesses

The Bank's distribution of loans to businesses of different sizes, given the demographics of the AA, reveals excellent penetration.

Table 3a below shows the distribution of business loans to businesses of different revenues based on our sample.

Table 3a - Borrower Distribution of Loans to Businesses in Portland-Vancouver Assessment Area				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70.15%	2.39%	27.46%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Demographic Data Source: 2010 Dun and Bradstreet

The Bank's percentage of loans to very small businesses exceeds the percentage of very small businesses (businesses with revenues of \$1 million or less) in the AA. The Bank's lending to very small businesses also exceeds the 2010 Small Business aggregate of 44.64 percent.

Geographic Distribution of Loans

The Bank's overall geographic distribution of home mortgage and business loans is reasonable. In arriving at our conclusion, we more heavily weighted the Bank's excellent performance in dispersions within low-income census tracts (for both home mortgage and business lending), which are generally more underserved than moderate-income geographies. While home mortgage lending represents the majority of loans analyzed for this evaluation, the business lending analysis, based on a sample of the Bank's business lending, represents a larger proportion of the Bank's lending in this AA. As such, we weighted home mortgage lending and business lending equally.

Home Mortgage Loans

The geographic distribution of the Bank's home mortgage loans reflects excellent dispersion throughout the AA.

Table 4 below shows the distribution of home mortgage loans within geographies of different income levels.

Table 4 - Geographic Distribution of Residential Real Estate Loans in Portland-Vancouver Assessment Area										
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 AA Owner Occupied Housing	% of Number of Bank Loans	% of AA Owner Occupied Housing	% of Number of Bank Loans
		Bank	2011 HMDA Agg		Bank	2011 HMDA Agg				
HMDA	1%	1.13%	0.79%	22%	14.67%	17.90%	59%	65.01%	18%	19.19%

The Bank's percentage of home mortgage lending within low-income census tracts exceeds the percentage of owner-occupied housing units in low-income census tracts. The Bank's home mortgage lending within both low-income census tracts exceeds the 2011 HMDA aggregate. In 2011, the Bank's market share of the number of home mortgage loans originated within low-income census tracts in the AA (0.94 percent) is higher than the Bank's overall market share of the number of home mortgage loans originated in the AA of 0.57 percent. The Bank's home mortgage lending within low-income census tracts in the Portland-Vancouver AA is excellent.

The bank's percentage of home mortgage lending within moderate-income census tracts is below the percentage of owner-occupied housing units in moderate-income census tracts. The bank's home mortgage lending within moderate-income census tracts is also below the 2011 HMDA aggregate. In 2011, the Bank's market share of the number of home mortgage loans originated in moderate-income census tracts of 0.52 percent is consistent with the Bank's overall home mortgage market share in the Portland-Vancouver AA (0.57 percent). The Bank's home mortgage lending within moderate-income census tracts in the Portland-Vancouver AA is reasonable.

Small Loans to Businesses

The geographic distribution of business loans reflects reasonable dispersion throughout the AA. Lending within low-income geographies is excellent while lending within moderate income geographies reflects poor dispersion.

Table 4a below shows the distribution of business loans within geographies of different income levels.

Table 4a - Geographic Distribution of Loans to Businesses in Portland-Vancouver Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	Bank % of Number of Loans	% of AA Businesses	Bank % of Number of Loans	% of AA Businesses	Bank % of Number of Loans	% of AA Businesses	Bank % of Number of Loans
Business Loans	2.46%	8.11%	25.73%	13.51%	55.20%	62.16%	16.61%	16.22%

Demographic Data Source: 2010 Dun and Bradstreet

The Bank's percentage of business loans granted within low-income census tracts exceeds the percentage of small businesses located in low-income census tracts. The Bank's business lending within low-income census tracts exceeds the 2010 small business aggregate's 2.18 percent. The Bank's business lending within low-income census tracts in the Portland-Vancouver AA is excellent.

The Bank's percentage of business loans granted within moderate-income census tracts is significantly below the percentage of small businesses located in moderate-income geographies. The Bank's business lending within moderate-income census tracts is also well below the 2010 Small Business aggregate of 24.41 percent. The

Bank's business lending within moderate-income census tracts in the Portland-Vancouver AA is poor.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

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

Number and Amount of Community Development Loans

The Bank made two community development loans and made 11 community development loan advances, totaling \$4.4 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. The Bank's community development loans are as follows:

- A loan totaling \$1.8 million for the refinancing of a 72-unit apartment complex reserved for low- and moderate-income individuals.
- The \$2.15 million pro-rata share of an \$8.6 million construction and permanent financing loan for the development of a mixed-use and 72 unit apartment building of which 25 percent of the units are set aside for low- and moderate-income families. Riverview participates in two revolving loan pool funds for the development of affordable housing throughout the states of Oregon and Washington.
 - \$289,000 - Network for Oregon Affordable Housing: The Bank advanced \$445 thousand for 18 projects located throughout the state of Oregon. Of the total advances, \$289 thousand funded 11 projects in the Vancouver-Portland AA during the evaluation period.

Broader-area benefit - Washington Community Reinvestment Association (WCRA): The Bank advanced \$121 thousand to fund 14 mortgage loans to borrowers throughout the state of Washington. None of these loans directly benefit this AA but participation in the WCRA fund benefits a statewide area that includes the Bank's AAs.

Number and Amount of Qualified Investments

Riverview made grants of \$253 thousand in the Portland-Vancouver AA, as detailed below.

CLARK COUNTY CD Investments	
\$ 19,000	Scholarships for low- and moderate-income local students
\$ 111,667	Economic stabilization and revitalization of downtown area
\$ 9,015	Food Banks / Food Drives
\$ 8,823	Affordable Housing to low- and moderate-income persons
\$ 63,598	Community Services & Basic Needs
\$ 11,250	Job / Vocational training for low-income persons with disabilities
\$ 4,730	Junior Achievement – financial literacy education
\$ 228,083	Clark County Total CD Investments
MULTNOMAH COUNTY CD Investments	
\$ 4,348	Affordable housing for low-income families
\$ 5,900	Community Services for low- and moderate-income children
\$ 10,866	Food Banks / Food Drives
\$ 21,114	Multnomah County Total CD Investments
SKAMANIA COUNTY CD Investments	
\$ 4,145	Food Banks / Food Drives
\$ 4,145	Skamania County Total CD Investments

Extent to Which the Bank Provides Community Development Services

Riverview provides a satisfactory level of community development services in the Portland-Vancouver AA. Riverview's staff continued to donate their time to assist local nonprofit organizations with a variety of needs including serving on boards and as officers of organizations providing social services, community services, counseling services, financial education, and housing to low-and moderate-income children and families.

State Ratings

State of Oregon

CRA RATING for State of Oregon:

The Lending Test is rated:

The Community Development Test is rated:

Needs to Improve

Needs to Improve

Needs to Improve

The major factors that support this rating include:

- The level of home mortgage and business loan originations is minimal.
- The level of community development lending, investments, and services are minimal.

The major factors that support this rating include:

- Given the minimal home mortgage and business lending in the AA, the distribution of the Bank's loans by borrower income characteristics reflects poor overall penetration among individuals of different income (including low- and moderate) levels and businesses of different sizes.
- The Bank's CD performance demonstrates poor 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 applies to the Bank overall. No discussion of these performance criteria applies to the performance evaluation of this assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF OREGON

The Bank has one assessment area (Marion County, OR AA) in the state of Oregon. Marion County is part of the Salem, Oregon MSA. The Bank defines the assessment area as the area surrounding the city of Aumsville, Oregon, where the bank maintains its single branch serving the AA and one census tract in adjacent Linn County. Given the Bank's branch location, the assessment area delineation 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.

The operations in Oregon State remain a secondary market for the Bank. The Bank operates one branch office in the state of Oregon (other than the three Oregon branches within the Portland-Vancouver AA). Aumsville is a small rural farming community with a population of 3,584 as of the 2010 census. The Marion County,

Oregon assessment area consists of four census tracts in Marion County and one census tract in adjacent Linn County.

The Bank's operations in the Marion County, Oregon AA are not material compared to the Bank's overall operations. Deposits of the Aumsville branch office represent only three percent of the Bank's total deposits. The Bank originated an aggregate of three home mortgage and business loans during the evaluation period.

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. Bank resources allocated to addressing the Memorandum of Understanding and Formal Agreement with the Bank's primary regulator are also a factor.

Description of Assessment Area

Demographic Information for Full-Scope Area: Marion County, OR (5 tract) AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	5	0.00	0.00	60.00	40.00
Population by Geography	31,829	0.00	0.00	57.14	42.86
Owner-Occupied Housing by Geography	8,900	0.00	0.00	52.26	47.74
Business by Geography	2,386	0.00	0.00	55.95	44.05
Farms by Geography	335	0.00	0.00	55.22	44.78
Family Distribution by Income Level	9,069	15.89	14.35	23.98	45.78
Distribution of Low and Moderate Income Families throughout AA Geographies	2,742	0.00	0.00	65.06	34.94
Median Family Income		41,535	Median Housing Value		154,774
HUD Adjusted Median Family Income for 2011		54,251	Unemployment Rate (2000 US Census)		2.92%
Households Below Poverty Level		9%			

Source: 2000 US Census and 2011 HUD updated MFI

The HUD-adjusted median family income for 2011 is \$54,251. The poverty rate as of the 2000 Census was 9 percent. There are no low- or moderate-income census tracts in this AA. The portion of the county that makes up the AA is more rural and less populated than the county as a whole. Economic and housing information is at the county level.

Leading industries in Marion County include government, trade and transportation, and health and education services. Economic conditions in the county have modestly improved since 2009. According to the Bureau of Labor Statistics, the average unemployment rate was 11.0 percent in 2009. The unemployment rate declined to 9.6 percent in 2011 and remains 9.6 percent in 2012.

Housing in the Salem MSA is generally affordable. According to the NAHB Housing Opportunity Index for 4th Quarter 2011, the HOI for the Salem MSA was 85.7 based on the Median Family Income in 2011 (\$59,200) and the median home sales price of

\$150,000 during fourth-quarter 2011. This MSA ranked 73 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, 2011, there are seven financial institutions with branch operations in the larger towns (Aumsville, Stayton, Sublimity, Mill City, and Scio) located within the delineated AA. The Bank is the only financial institution with a branch in Aumsville. According to the June 30, 2011, FDIC Summary of Deposits report, the Bank ranks fifth with 8.45 percent of the deposit market share. The Bank has deposits of \$23 million in its single branch serving the AA. West Coast Bank, US Bank, and JP Morgan Chase Bank are the top financial institutions with deposit market shares of 32.1 percent, 21.2 percent, and 13.8 percent, respectively.

SCOPE OF EVALUATION IN STATE OF OREGON

We conducted a full-scope review of Riverview's performance in its Marion County, Oregon AA using the CRA lending test and the community development test. Our review, however, was constrained by the low level of loan originations. We were unable to analyze the Bank's performance under the borrower distribution criterion of the lending test. The AA also does not include any low- or moderate-income census tracts. Accordingly, the geographic distribution criterion of the lending test is not applicable.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STATE OF OREGON

The Bank's performance in the state of Oregon needs to improve. The Bank's lending in the assessment, as well as the Bank's community development activities, are very low relative to the Bank's size and capabilities.

LENDING TEST

The Bank's performance under the lending test in the state of Oregon is rated "needs to improve." Riverview originated two home refinance mortgage loans and one small business loan, totaling \$405 thousand from January 2009 and December 2011. The lending levels, for home mortgage and business lending, are weak, and do not reflect responsiveness to the credit needs of the assessment area.

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

The lending volume is not sufficient to analyze the Bank's performance to borrowers of different incomes and to businesses of different sizes. We note, one of the two home mortgage loans originated, is to a moderate-income borrower and the one business loan originated is to a business with revenues of less than \$1 million.

Geographic Distribution of Loans

The Marion County, Oregon AA does not include any low- and moderate-income tracts. Accordingly, this criterion is not applicable.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the community development test in the state of Oregon is rated "needs to improve."

Number and Amount of Community Development Loans

Riverview participates in a revolving loan pool administered by NOAH. During the review period, the Bank advanced an aggregate of \$445 thousand to help fund 18 affordable housing loans throughout the state of Oregon, including this AA and the Oregon portion of the Portland-Vancouver AA. Of the aggregate amount, \$20 thousand of the advance supported affordable housing in Linn County.

Number and Amount of Qualified Investments

Riverview granted \$1,837 to food banks in Marion County.

Extent to Which the Bank Provides Community Development Services

Bank employees did not participate in any community activities that qualified as community development services for the CRA community development test.

State of Washington

CRA RATING for State of Washington:

The Lending Test is rated:

The Community Development Test is rated:

Needs to Improve

Satisfactory

Needs to Improve

The major factors that support this rating include:

- Based on the performance in Klickitat County, 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.
- Based on the performance in Klickitat County, the Bank's community development performance demonstrates poor 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 applies to the Bank overall. No discussion of these performance criteria applies to the performance evaluation of this assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF WASHINGTON

The Bank has designated two assessment areas within the state of Washington: Klickitat County 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 arbitrarily exclude low- or moderate-income areas.

Klickitat County is located in southern Washington along the Oregon-Washington border and adjacent to the Washington portion of the Portland-Vancouver-Hillsboro, OR-WA MSA. The Bank has two branches in Klickitat County. These branches represent 67 percent of the Bank's total branches in the state of Washington AA, excluding the branches in the Portland-Vancouver AA. Deposits in the Klickitat County branches represent 76 percent of state deposits. Approximately 67 percent of the total number of home mortgage and business loans originated in the state AA were made in Klickitat County.

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-Hillsboro, OR-WA MSA. The Bank has one branch office in the MSA. The branch in Longview MSA represents 33 percent of state AA branches, excluding the branches in the Portland-Vancouver AA and deposits in these branches represent 24 percent of state AA deposits. Approximately 33 percent of the total number of home mortgage and business loans originated in the state AA during the review period were made in the Longview MSA.

Description of Assessment Area

Demographic Information for Full-Scope Area: Klickitat County WA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	3	0.00	0.00	100.00	0.00
Population by Geography	19,161	0.00	0.00	100.00	0.00
Owner-Occupied Housing by Geography	5,138	0.00	0.00	100.00	0.00
Business by Geography	1,403	0.00	0.00	100.00	0.00
Farms by Geography	156	0.00	0.00	100.00	0.00
Family Distribution by Income Level	5,380	21.49	18.96	23.35	36.21
Distribution of Low and Moderate Income Families throughout AA Geographies	2,176	0.00	0.00	100.00	0.00
Median Family Income		42,367	Median Housing Value		113,472
HUD Adjusted Median Family Income for 2011		56,600	Unemployment Rate (2000		4.78%
Households Below Poverty Level		16%	US Census)		

Source: 2000 US Census and 2011 HUD updated MFI

The HUD adjusted median family income for 2011 is \$56,600. The poverty rate as of the 2000 Census was 16 percent. There are no low- or moderate-income census tracts in the Klickitat County AA. More than 40 percent of the families in the AA are designated as low- or moderate-income. Klickitat County's population is 20,700 as of 2012, an increase of 1.9 percent since the 2010 Census.

Leading industries include government, agriculture and forestry, manufacturing, and trade. Economic conditions have modestly improved since 2009. According to the Bureau of Labor Statistics, the average unemployment rate was 10.3 percent in 2009. The unemployment rate increased slightly to 10.7 percent in 2011 and declined in 2012 to 9.6 percent.

Housing in Klickitat County is relatively expensive. According the U.S. Census Bureau's 5-Year American Community Survey (2007-2011), Klickitat County's affordability ratio was 5.17, which is nearly 1.5 times the national ratio. 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 69.4 percent. Homeownership opportunities may be limited for low- and moderate-income individuals due to barriers, such as accumulating sufficient funds for the down payment.

As of June 30, 2011, there are three financial institutions with branch operations in Klickitat County. According to the June 30, 2011, FDIC's Summary of Deposits report, the Bank ranks third with 30.6 percent of the deposit market share. The Bank has deposits of \$77 million in the two branches serving the AA. Columbia State Bank and Sterling Savings Bank are the other two banks in the county and hold deposit market shares of 37.2 percent and 32.2 percent, respectively.

SCOPE OF EVALUATION IN STATE OF WASHINGTON

Given the majority of Washington State AA deposits are held in the Klickitat County branches, more weight is given to the Bank's performance in Klickitat County. As such, we performed a full-scope review of the Bank's performance in Klickitat County and a limited review of the Bank's performance in the Longview MSA. For the analysis of the loan distributions criteria under the lending test, we analyzed all home mortgage loans reported under HMDA and all business loans (11 loans) originated in the AA during the review period.

This statewide evaluation does not reflect performance in the parts of this state contained within the Portland-Vancouver AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STATE OF WASHINGTON

The Bank's lending performance for the state of Washington is satisfactory but its community development performance needs to improve. The Bank must receive ratings of at least satisfactory on both the lending test and the community development test to receive an overall rating of satisfactory.

LENDING TEST

The Bank's performance under the lending test in Klickitat County is satisfactory.

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

The Bank's lending reflects reasonable overall penetration to borrowers of different incomes and business of different sizes. While the Bank's distribution of loans to lower-income borrowers is significantly below the demographic comparator, the overall conclusion considers the Bank's performance relative to peer HMDA lenders in the AA, the Bank's HMDA market share in the AA, and the excellent penetration of moderate-income borrowers and very small businesses.

Home Mortgage Loans

The Bank's record of home mortgage lending to low- and moderate-income borrowers reflects reasonable penetration in Klickitat County.

Table 5 below shows the distribution of home mortgage loans to borrowers of different income levels.

Table 5 - Borrower Distribution of Residential Real Estate Loans in Klickitat County, WA										
Borrower Income Level	Low			Moderate			Middle	Upper		
Loan Type	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans
		Bank	2011 HMDA Agg		Bank	2011 HMDA Agg				
HMDA	22%	6.10%	4.26%	19%	19.51%	12.03%	23%	34.15%	36%	39.02%

Note: Bank percentages may not total to 100%. The table does not show loans granted to borrowers whose income was not reported.

The Bank's percentage of home mortgage loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, the Bank's mortgage lending among low-income borrowers exceeds the 2011 HMDA aggregate. Additionally, in 2011, the Bank's market share of the number of loans originated to low-income borrowers in the AA (5.88 percent) exceeds the Bank's overall market share of the number of home mortgage loans originated in the AA of 4.01 percent. With consideration given to these factors, as well as the generally higher degree of difficulty for low-income borrowers to qualify for home mortgage loans based on traditional underwriting standards, the Bank's home mortgage lending to low-income borrowers in Klickitat County is reasonable.

The Bank's percentage of home mortgage loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The Bank's home mortgage lending among moderate-income borrowers also exceeds the 2011 HMDA aggregate. Additionally, the Bank's market share of the number of loans originated to moderate-income borrowers in the AA (14.58 percent) is higher than the Bank's overall market share of the number of home mortgage loans originated in the AA (4.01 percent). The Bank's home mortgage lending to moderate-income borrowers in Klickitat County is excellent.

Small Loans to Businesses

The Bank's distribution of loans to businesses of different sizes, given the demographics of the AA, reflects excellent penetration.

Table 5a below shows the distribution of business loans to businesses of different revenues based on our sample.

Table 5a - Borrower Distribution of Loans to Businesses in Klickitat County, WA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.83%	2.44%	25.73%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Demographic Data Source: 2010 Dun and Bradstreet

The Bank's percentage of loans to very small businesses exceeds the percentage of very small businesses (businesses with revenues of \$1 million or less) in the AA. The Bank's lending to very small businesses exceeds the 2010 small business aggregate of 46.79 percent.

Geographic Distribution of Loans

The Bank's lending reflects reasonable overall penetration to borrowers of different incomes and business of different sizes. While the Bank's distribution of loans to lower-income borrowers is significantly below the demographic comparator, the overall conclusion considers the Bank's performance relative to peer HMDA lenders in the AA, the Bank's HMDA market share in the AA, and the excellent penetration of moderate-income borrowers and very small businesses.

Home Mortgage Loans

The Bank's record of home mortgage lending to low- and moderate-income borrowers reflects reasonable penetration in Klickitat County.

Table 6 below shows the distribution of home mortgage loans to borrowers of different income levels.

Table 6 - Borrower Distribution of Residential Real Estate Loans in Klickitat County, WA										
Borrower Income Level	Low			Moderate			Middle		Upper	
	% of AA Families	% of Number of Loans		% of AA Families	% of Number of Loans		% of AA Families	% of Number of Bank Loans	% of AA Families	% of Number of Bank Loans
Loan Type		Bank	2011 HMDA Agg		Bank	2011 HMDA Agg				
HMDA	22%	6.10%	4.26%	19%	19.51%	12.03%	23%	34.15%	36%	39.02%

Note: Bank percentages may not total to 100%. The table does not show loans granted to borrowers whose income was not reported.

The Bank's percentage of home mortgage loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, the Bank's mortgage lending among low-income borrowers exceeds the 2011 HMDA aggregate. Additionally, in 2011, the Bank's market share of the number of loans originated to low-income borrowers in the AA (5.88 percent) exceeds the Bank's overall market share of the number of home mortgage loans originated in the AA (4.01 percent). With consideration given to these factors, as well as the generally higher degree of difficulty for low-income borrowers to qualify for home mortgage loans based on traditional underwriting standards, the Bank's home mortgage lending to low-income borrowers in Klickitat County is reasonable.

The Bank's percentage of home mortgage loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The Bank's home mortgage lending among moderate-income borrowers also exceeds the 2011 HMDA aggregate. Additionally, the Bank's market share of the number of loans originated to moderate-income borrowers in the AA (14.58 percent) is higher than the Bank's overall market share of the number of HMDA loans originated in the AA (4.01 percent). The Bank's home mortgage lending to moderate-income borrowers in Klickitat County is excellent.

Small Loans to Businesses

The Bank's distribution of loans to businesses of different sizes, given the demographics of the AA, reflects excellent penetration.

Table 6a below shows the distribution of business loans to businesses of different revenues based on our sample.

Table 6a - Borrower Distribution of Loans to Businesses in Klickitat County, WA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.83%	2.44%	25.73%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Demographic Data Source: 2010 Dun and Bradstreet

The Bank's percentage of loans to very small businesses exceeds the percentage of very small businesses (businesses with revenues of \$1 million or less) in the AA. The Bank's lending to very small businesses exceeds the 2010 small business aggregate of 46.79 percent.

CONCLUSIONS FOR AREAS RECEIVING LIMITED-SCOPE REVIEWS

Based on limited-scope reviews, the Bank's performance under the lending test in the Longview MSA is weaker than the Bank's overall reasonable performance under the lending test in Washington. The limited lending in the Longview MSA and weak

economy in the Longview MSA are contributing factors to the Bank's poor performance. Performance in the limited-scope AA does not negatively impact overall performance under the lending test.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the community development test in the state of Washington is rated needs to improve. Riverview granted one eligible community development investment during the review period, and did not make any community development loans in its two Washington assessment areas. Additionally, we only identified one eligible community development service during our review.

Number and Amount of Community Development Loans

The Bank did not make any community development loans in either of its AAs in the state of Washington during the review period.

The Bank, however, participates in WCRA. During the review period, the Bank advanced \$121 thousand to fund 14 mortgage loans to borrowers throughout the state of Washington. None of these loans directly benefit this AA but participation in the WCRA fund benefits a statewide area that includes the Bank's AAs.

Number and Amount of Qualified Investments

Riverview granted \$15,162 to food banks in Klickitat County.

Extent to Which the Bank Provides Community Development Services

In Klickitat County, the branch manager serves on the board, and as secretary, of an organization that provides affordable housing for local low- and moderate-income persons.

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: 01/01/2009 to 12/31/2011 Community Development Test: 01/01/2009 to 07/31/2012	
Financial Institution		Products Reviewed
Riverview Community Bank Vancouver, WA		Home Mortgage Loans Business Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Portland-Vancouver AA	Full-Scope	
Washington State Longview, WA MSA Klickitat County, WA	Limited-Scope Full-Scope	
Oregon State Marion County, OR	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-Hillsboro, OR-WA MSA	Satisfactory	Satisfactory	Satisfactory
Oregon State	Needs to Improve	Needs to Improve	Needs to Improve
Washington State	Satisfactory	Needs to Improve	Needs to Improve