

PUBLIC DISCLOSURE

NOVEMBER 13, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

RIVER BANK

23288

**30 MASSACHUSETTS AVENUE
NORTH ANDOVER, MA 01845**

**Division of Banks
One South Station
Boston, MA 02110**

**Federal Deposit Insurance Corporation
15 Braintree Hill Office Park
Braintree, MA 02184**

NOTE:	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 Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") and the Federal Deposit Insurance Corporation ("FDIC") to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **River Bank (or the "Bank")**, prepared by the Division and FDIC, the institution's supervisory agencies.

INSTITUTION'S CRA RATING:

This institution is rated "Outstanding" by the Division and the FDIC.

A CRA rating of "Outstanding" is assigned. An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Lending Test is rated Outstanding:

- The Bank's loan-to-deposit ratio is more than reasonable given the Bank's size, financial condition, and assessment area credit needs.
- The Bank originated a substantial majority of its loans within its assessment area during the evaluation period; 78.9 percent of the number and 63.0 percent of the dollar volume of all residential mortgages and small business loans were extended within the assessment area.
- The distribution of loans by borrower income and business revenues reflects an excellent penetration among borrowers of different income levels and businesses of different sizes.
- The Bank's loans are dispersed in an excellent manner throughout all geographic segments of the assessment area. Residential mortgages tend to be somewhat below aggregate lender lending levels in low- and moderate-income census tracts, but are consistent with the distribution of the area's owner-occupied housing units. The Bank's performance regarding home mortgage refinancings, the category of residential mortgage lending where lending volume is highest, was excellent. Additionally, the geographic distribution of the Bank's small business loans is substantially above aggregate lender lending levels, particularly in the area's low-income census tracts.
- Neither the Bank, the Division, nor the FDIC has received CRA-related complaints; therefore, this performance criterion was not considered in this evaluation.

Community Development Test is rated Outstanding:

- With approximately \$5.6 million in community development loans, \$2.3 million in qualified investments and grants, and a staff that is involved in organizations that provide community development services of various types to the assessment area's low- and moderate income residents, the Bank's community development performance demonstrates an outstanding level of responsiveness to the community development needs of its assessment area.

PERFORMANCE CONTEXT

Scope of Evaluation

Intermediate Small Institution CRA examination procedures takes into consideration Bank's lending and community development activities. The data and applicable timeframes used for the Lending Test and the Community Development Test are discussed below.

The Lending Test evaluated the Bank's home mortgage and small business lending for calendar years 2005, 2006, and the first nine months of 2007. Lending data for each year is presented in the various tables in the Lending Test section of this report and in Appendix C.

The majority of the Bank's loan portfolio is in commercial lending (commercial real estate and commercial and industrial loans), while residential real estate makes up the second largest category of loans. Based on discussions with management, a review of the composition of the Bank's loan portfolio, and the Bank's lending focus, the Bank is still considered primarily a residential lender, with an increasing commercial lending focus. For the purposes of this evaluation, the weight of the rating will be based on the Bank's residential lending performance.

Information concerning home mortgage lending was derived from the Loan Application Registers ("LAR") maintained by the Bank pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data regarding home purchase loans, home improvement loans, and refinancings, on one- to four-family properties. Loans secured by multifamily properties (five or more units) were included as part of the Inside and Outside of the Assessment Area criterion, but not included in the Geographic Distribution or Borrower Profile criteria due to the minimal number of loans within this category.

Information concerning small business lending for calendar year 2005 was derived from CRA Small Business loan registers maintained by the Bank. Information for 2006 and year to date 2007 was obtained from Bank records and is based on samples of small business loans originated during each respective time period. For purposes of this evaluation, small business loans include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less.

Small farm loans and consumer loans were not considered in the Lending Test as they make up a nominal portion of the Bank's overall loan portfolio.

The Community Development Test evaluates the Bank's qualified community development loans, investments and grants/donations, and services. Regarding community development loans, loans originated since October 12, 2004 through November 12, 2007 were evaluated and considered in this evaluation. All new qualified investments purchased since October 12, 2004 through November 12, 2007 were evaluated and considered in this evaluation. Qualified equity investments purchased prior October 12, 2004, but currently held by the Bank were also included regardless of original investment date. These investments were valued at their August 31, 2007 book value. Qualified grants and donations extended by the Bank since January 1, 2005 through August 24, 2007 were evaluated and considered. Qualified services performed since October 12, 2004 through November 12, 2007 were evaluated and considered.

While River Bank maintains banking offices in its home state of Massachusetts and in New Hampshire, separate CRA performance analysis and ratings are not required for the portions of the assessment area that are in Massachusetts and New Hampshire. This is due to the fact that the Bank's branches are all contained within the Boston-Worcester-Manchester, MA-RI-NH Combined Statistical Area.

PERFORMANCE CONTEXT (CONTINUED)

Description of Institution

River Bank is a state-chartered, investor owned financial institution originally established as Lawrence Savings Bank in 1868. The Bank is a wholly-owned subsidiary of LSB Corporation, a single bank holding company established on July 1, 2001. In addition to the main office located at 30 Massachusetts Avenue in North Andover, the Bank operates five branch offices located in Lawrence, Methuen (2 offices), Andover, and Salem, New Hampshire.

As of September 30, 2007, River Bank had total assets of \$609.1 million consisting principally of loans and securities. Total assets have increased by \$110.7 million, or 22.2 percent since the most recent FDIC CRA evaluation dated July 12, 2004 when they were \$498.4 million. The loan portfolio grew by 61.2 percent from \$216.7 million as of the previous examination to its current level of \$349.3 million. Asset and loan growth has been funded mainly through borrowings, the partial liquidation of the securities portfolio, and an increasing deposit base.

The following table compares the composition of the Bank's loan portfolio as of the Call Report dates used for the current and previous examination:

Table I
Loan Portfolio - 9/30/2004 – 9/30/2007

Loan Type	9/30/07 \$(000s)	% Total Loans	9/30/04 \$(000s)	% Total Loans	\$ Change 2004-2007	% Change 2004-2007
Construction & Land Development	54,020	15.5	11,601	5.4	42,419	356.6
<i>1-4 Family Residential:</i>						
First Liens	76,223	21.8	59,426	27.4	16,797	28.3
Second Mortgages	12,512	3.6	3,219	1.5	9,293	288.7
Home Equity Lines of Credit	9,222	2.6	5,780	2.7	3,442	59.6
Multi-Family Residential	5,783	1.7	6,542	3.0	-759	-11.6
Commercial Real Estate	157,416	45.1	112,540	51.9	44,876	39.9
<i>Sub-Total – Real Estate Loans</i>	<i>315,176</i>	<i>90.2</i>	<i>199,108</i>	<i>91.9</i>	<i>116,068</i>	<i>58.3</i>
Commercial and Industrial	28,064	8.0	11,444	5.3	16,620	145.2
Consumer (revolving)	23	0.0	41	0.0	-18	-43.9
Other consumer loans	1,015	0.3	581	0.3	434	74.7
Other loans*	5,028	1.4	5,494	2.5	-466	-8.5
Total Loans	349,306	100.0	216,668	100.0	132,638	61.2

Source: Consolidated Reports of Condition and Income as of the dates shown.

* - Other loans are made up entirely of loans to state, county, and municipal units of government.

As the data in Table 1 shows, the Bank is primarily a real estate lender with 90.2 percent of the loan portfolio secured by residential and commercial properties. Commercial real estate loans account for the single greatest share with 45.1 percent. These loans are typically collateralized by properties used for business purposes such as small office buildings and retail facilities. Residential real estate loans, which consist of loans secured by one- to four-family residences and include closed-end mortgage loans, equity loans, and home equity lines of credit, are next with 28.0 percent. Other miscellaneous loans make up the remainder of the loan portfolio.

The FDIC assigned the Bank a CRA rating of "Outstanding" at its last CRA evaluation on October 12, 2004. The Division assigned a rating of "High Satisfactory" during its July 12, 2004 CRA evaluation. There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area. Based upon its asset size, product offerings, and branch network, the Bank retains the ability to help meet local credit needs.

PERFORMANCE CONTEXT (CONTINUED)

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its performance will be evaluated. The Bank's assessment area is centered on Lawrence and covers 23 communities located in Northeastern Massachusetts and Southern New Hampshire. The designated cities and towns in Massachusetts are Andover, Boxford, Georgetown, Groveland, Haverhill, Lawrence, Merrimac, Methuen, North Andover, and West Newbury. The designated cities and towns in New Hampshire are Atkinson, Chester, Danville, Derry, Freemont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, and Windham. As currently defined, the area meets all technical requirements of the regulation since it (a) is contiguous, (b) does not arbitrarily exclude low- and moderate-income areas, and (c) is made up of whole geographies. The 10 Massachusetts communities are part of the Peabody, MA Metropolitan Division (MD). The 13 New Hampshire communities are part of the Rockingham County-Stratford County, NH MD. Both of these MDs are located within the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA). In turn, the Boston-Cambridge-Quincy, MA-NH MSA is in the Boston-Worcester-Manchester, MA-RI-NH Combined Statistical Area (CSA).

Demographic and Housing Characteristics

According to 2000 census data, the assessment area contains 86 census tracts. Of these, 11 are low-income, 15 are moderate-income, 39 are middle-income, and 21 are upper-income. The City of Lawrence accounts for all of the area's low-income geographies and 6 of its 15 moderate-income areas. The nine remaining moderate-income geographies are located in Haverhill, Massachusetts (5), Derry, New Hampshire (2), Methuen, Massachusetts (1), and Raymond, New Hampshire (1).

The area has a total population of 396,230 residing in 103,748 family households. Of all family households in the assessment area, 20.2 percent are low-income, 17.2 percent are moderate-income, 22.3 percent are middle-income, and 39.8 percent are upper-income. Families below the poverty level account for 9.0 percent of all families in the assessment area, a level that is slightly below the 9.5 percent of families below the poverty level in the Peabody, MA MD but well above the 6.0 percent of families below the poverty level in the Rockingham County-Stratford, NH County MD.

The assessment area contains a total of 148,168 housing units, 65.0 percent of which are owner-occupied. However, owner occupancy varies significantly by census tract income level. Low-, moderate-, middle-, and upper-income areas have owner occupancy rates of 17.1 percent, 38.2 percent, 73.3 percent, and 84.0 percent, respectively.

Following nationwide and regional trends, housing values in the area have declined during the past twelve to eighteen months but still remain high. In 2004, the median sales price of single family homes and condominiums ranged from \$258,000 in Haverhill to \$626,000 in Boxford. However, during the first ten months of 2007, the median price in Haverhill declined to \$242,000 while in Boxford, the median price declined to \$560,000. The City of Lawrence experienced the largest price decline, from \$265,000 in 2004 to \$205,000 during the first ten months of 2007.¹

1. Sales price data for Massachusetts courtesy of The Warren Group. Similar data for New Hampshire is not available.

PERFORMANCE CONTEXT (CONTINUED)

Competitive Environment

The Bank faces competition from 39 other depository institutions that operate 116 offices within the assessment area. These institutions range in size from small locally oriented thrift institutions with one or two offices such as Haverhill Credit Union and Economy Co-operative Bank to the largest banks in New England including Sovereign, BankNorth, Bank of America, and Citizens Bank, which operate 19, 18, 15, and 22 local offices in the area, respectively.

The area's residential mortgage market is even more competitive. HMDA data for calendar year 2005, the latest year for which such data is publicly available, show that 462 lenders originated 24,867 residential mortgage loans totaling \$5.1 billion in the Bank's assessment area. However, no single lender is dominant. Countrywide Home Loans, the lender that ranks first, has only a 5.5 percent market share. Wells Fargo ranks second with 4.0 percent of the market followed by Option One Mortgage Company with 3.5 percent, and New Century Mortgage Corporation 2.8 percent. River Bank ranked 61st with a 0.5 percent market share. However, out of the 60 lenders that ranked higher, only 4 (including Citizens Bank of New Hampshire and Citizens Bank of Massachusetts) are Massachusetts- or New Hampshire-based financial institutions with deposit-taking offices located in the assessment area.

CRA Small Business Loan data shows that 90 lenders originated a total of 33,004 small business loans totaling \$948.4 million during calendar year 2005. River Bank is not a CRA data reporter. However, the 16 small business loans totaling \$4.1 million made by the Bank that year would have placed it approximately 29th in overall rank.

Community Contact

A representative of a Lawrence, Massachusetts based community development organization was contacted for insights into the area's housing and credit needs. A contact from this city was selected as the majority of the Bank's low- and moderate-income census tracts and individuals reside in Lawrence.

The community contact indicated that housing market values have dropped over the last few years, but not enough for most low- or moderate-income individuals to be able to afford a home. She also noted that she has observed an increasing number of check cashier and dollars stores, representing a new class of businesses trying to develop a niche in the community.

According the contact there is a great need for financial institutions to develop and provide financial literacy programs like first time home-buyers seminars and post-purchase counseling. She also noted that local financial institutions should provide a great deal more support to create loans, products, and grants that assist in the revitalization of the City of Lawrence. She also noted there is a great need for more low-income housing for the large group of working poor in Lawrence.

Based on discussions with management, community contacts, and a review of the assessment area's economic and demographic information, community credit needs include residential mortgage loans and small business loans, including loans targeted toward low- and moderate-income individuals and areas.

CONCLUSIONS REGARDING PERFORMANCE CRITERIA

LENDING TEST - Scope of the Analysis

The Lending Test considers the institution's performance under the following criteria: (1) its loan-to-deposit ("LTD") ratio, (2) lending within its defined assessment area, (3) lending to borrowers of different incomes, (4) the geographic distribution of loans, and (5) its record of taking action in response to CRA complaints.

1. LOAN TO DEPOSIT RATIO ANALYSIS

This performance criterion assesses the proportion of the Bank's deposit base that is invested in loans and evaluates its appropriateness. The Bank's LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.

As of September 30, 2007, the Bank's LTD ratio is 105.0 percent. The Bank's average LTD ratio is 83.3 percent. The average LTD ratio was calculated by averaging the Bank's quarterly LTD ratios for the period December 31, 2004 through June 30, 2007. In order to evaluate its appropriateness, the Bank's average LTD ratio was compared to a group of financial institutions of similar asset size and loan portfolio composition that do business in Eastern Massachusetts and Southern New Hampshire. Similarly situated banks included: MassBank, Pentucket Bank, StonehamBank – A Co-operative Bank, Stoneham Savings Bank, The Lowell Five Cent Savings Bank, The Provident Bank, and The Savings Bank. The average LTD ratios for this group of banks ranged from 46.3 percent to 111.3 percent. In comparison with the similarly situated bank's average LTD ratios, the Bank's average LTD ratio was higher than four of the banks' ratios.

The Bank's average LTD ratio has increased steadily from 76.2 percent as of December 31, 2004 to its current calculation at 105.0 percent. The steady increase in the LTD ratio is the result of the partial liquidation of the Bank's securities portfolio, borrowings, and other actions taken by management specifically designed to increase lending activity.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA

This performance criterion determines the proportion of loans that the Bank originates within the assessment area and evaluates its appropriateness. Based on a review of residential mortgage and small business loan data, a substantial majority of the Bank's lending activity occurs in the assessment area. The following table provides specific information regarding the distribution of loans inside and outside the assessment area:

PERFORMANCE CRITERIA (CONTINUED)

Table 2
Credit Extended Inside and Outside
the Assessment Area

Residential Mortgage Loans 2005										
Loan Type	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
Purchase	24	70.6%	10	29.4%	34	5,105	64.7%	2,788	35.3%	7,893
Home Imp	18	94.7%	1	5.3%	19	567	79.1%	150	20.9%	717
Refinancing	75	86.2%	12	13.8%	87	10,492	60.7%	6,789	39.3%	17,281
Multifamily	1	20.0%	4	80.0%	5	600	21.8%	2,150	78.2%	2,750
Total Home	118	84.3%	23	16.4%	140	16,764	64.7%	11,877	45.9%	25,891
Residential Mortgage Loans 2006										
Purchase	25	56.8%	19	43.2%	44	3,688	41.0%	5,317	59.0%	9,005
Home Imp	74	89.2%	9	10.8%	83	4,205	87.5%	600	12.5%	4,805
Refinancing	68	81.0%	16	19.0%	84	8,964	69.5%	3,930	30.5%	12,894
Multifamily	4	57.1%	3	42.9%	7	765	17.8%	3,539	82.2%	4,304
Total Home	171	81.0%	44	20.9%	211	17,622	66.0%	13,386	50.1%	26,704
Residential Mortgage Loans YTD 2007										
Purchase	15	51.7%	14	48.3%	29	3,613	48.6%	3,815	51.4%	7,428
Home Imp	44	97.8%	1	2.2%	45	2,284	98.9%	25	1.1%	2,309
Refinancing	37	88.1%	5	11.9%	42	5,161	72.2%	1,985	27.8%	7,146
Multifamily	3	75.0%	1	25.0%	4	1,285	33.9%	2,500	66.1%	3,785
Total Home	99	85.3%	20	17.2%	116	12,343	73.1%	8,325	49.3%	16,883
Total Home 2005-2007	388	83.1%	87	18.6%	467	46,729	67.3%	33,588	48.3%	69,478
Small Business Loans 2005-YTD 2007										
Sm Bus 2005	16	64.0%	9	36.0%	25	4,108	57.3%	3,060	42.7%	7,168
Sm Bus 2006	40	63.5%	23	36.5%	63	12,614	60.2%	8,336	39.8%	20,950
Sm Bus 2007	45	69.2%	20	30.8%	65	9,771	52.3%	8,914	47.7%	18,685
Total Sm Bus	101	66.0%	52	34.0%	153	26,493	56.6%	20,310	43.4%	46,803
Total Loans	489	78.9%	139	22.4%	620	73,222	63.0%	53,898	46.4%	116,281

Source: 2005 – YTD 2007 Bank HMDA LARs, 2005 Bank CRA Small Business LAR, and 2006 and YTD 2007 Bank CRA Small Business data

As shown in Table 2, the Bank originated 78.9 percent of the number and 63.0 percent of the dollar volume of all residential mortgages and small business loans within its assessment area during 2005, 2006 and year-to-date 2007. Within the two categories of lending shown in Table 2, residential mortgages display the highest assessment area concentration with 83.1 percent of the number and 67.3 percent of the total dollar volume originated. Small business lending within the assessment area was somewhat lower at 66.0 percent of the total number and 56.6 percent of the total dollar volume of small business loans originated. During the evaluation period, the trend in data shows the proportion of residential mortgages originated within the assessment area declined slightly while small business loan activity increased.

PERFORMANCE CRITERIA (CONTINUED)

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS AND BUSINESSES OF DIFFERENT SIZES

The distribution of loans by borrower income level and business gross annual income was reviewed to determine the extent to which the Bank is addressing the credit needs of the area's residents and small businesses. Based on HMDA and CRA small business data for calendar years 2005, 2006, and year-to-date 2007, the Bank has achieved an excellent penetration of loans among borrowers of different income levels and businesses of different sizes.

Residential Mortgage Lending

Given the area's demographic characteristics and the performance of other HMDA-reporting lenders, the Bank's residential mortgages are distributed in an excellent manner among borrowers of different incomes, including low- and moderate-income borrowers. This performance reflects management's commitment to provide financing to all residents of its assessment area regardless of income level.

Home Purchase Loans

As the result of the area's high housing prices and recent trends in sales activity on the national, regional, and local levels, the Bank's home purchase lending represents 16.8 percent of its total one-to-four family lending activity based on the number of loans originated.

Table 3
Home Purchase Loans by Borrower Income

Borrower Income Category	Family Households		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
	#	%	2005 % Total	2006 % Total	#	% Total	#	% Total	#	% Total	#	% Total
Low	21,492	20.7%	3.6%	4.9%	3	12.5%	2	8.0%	1	6.7%	6	9.4%
Moderate	17,861	17.2%	17.9%	21.1%	4	16.7%	7	28.0%	4	26.7%	15	23.4%
Middle	23,099	22.3%	29.0%	33.6%	4	16.7%	8	32.0%	1	6.7%	13	20.3%
Upper	41,296	39.8%	31.8%	40.4%	13	54.2%	7	28.0%	9	60.0%	29	45.3%
NA	0	0.0%	17.7%	0.0%	0	0.0%	1	4.0%	0	0.0%	1	1.6%
Total	103,748	100.0%	100.0%	100.0%	24	100.0%	25	100.0%	15	100.0%	64	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

As shown in Table 3, the volume of home purchase lending to low-income borrowers significantly exceeds that reflected by the aggregate data for both 2005 and 2006. Home purchase lending to moderate-income borrowers is slightly below aggregate in 2005, but increased to a point where it exceeded the aggregate level in 2006.

Lending activity among both low- and moderate-income borrowers declined slightly during the first three quarters of 2007, but appears to remain reasonably consistent with its 2006 level. However, it should be noted that since the total number of home purchase loans originated during any given year during the evaluation period is relatively low, a small change in loan volume within any single income category could have a significant impact on the proportionate distribution of the Bank's home purchase loans.

PERFORMANCE CRITERIA (CONTINUED)

Home Improvement Loans

The Bank's home improvement lending, at 35.8 percent of the number of all one-to-four family loans, is more than twice the volume of home purchase loans.

Table 4
Home Improvement Loans by Borrower Income

Borrower Income Category	Family Households		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
			2005 %	2006 %	#	%	#	%	#	%	#	%
	#	%	Total	Total								
Low	21,492	20.7%	7.2%	7.3%	2	11.1%	8	10.8%	4	9.1%	14	10.3%
Moderate	17,861	17.2%	22.9%	20.8%	2	11.1%	15	20.3%	12	27.3%	29	21.3%
Middle	23,099	22.3%	29.4%	31.0%	5	27.8%	21	28.4%	8	18.2%	34	25.0%
Upper	41,296	39.8%	36.0%	40.9%	9	50.0%	28	37.8%	19	43.2%	56	41.2%
NA	0	0.0%	4.4%	0.0%	0	0.0%	2	2.7%	1	2.3%	3	2.2%
Total	103,748	100.0%	100.0%	100.0%	18	100.0%	74	100.0%	44	100.0%	136	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

As shown in Table 4, the proportion of home improvement loans originated by the Bank to low-income borrowers exceeds that reflected by aggregate data for both 2005 and 2006. Lending by the Bank to moderate-income borrowers was less than half the aggregate level in 2005, but increased in 2006 to a level consistent with aggregate activity.

Home improvement lending among low-income borrowers remained strong, but declined slightly during the first 9 months of 2007 while activity among moderate-income homeowners continued to increase.

Home Refinance Loans

With 47.4 percent of all loans secured by one-to-four family residential properties originated during the evaluation period, home mortgage refinancing is the single largest type of one-to-four family residential mortgage financing.

Table 5
Home Mortgage Refinancings by Borrower Income

Borrower Income Category	Family Households		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
			2005 %	2006 %	#	%	#	%	#	%	#	%
	#	%	Total	Total								
Low	21,492	20.7%	5.1%	5.6%	14	18.7%	11	16.2%	7	18.9%	32	17.8%
Moderate	17,861	17.2%	19.7%	21.5%	19	25.3%	16	23.5%	9	24.3%	44	24.4%
Middle	23,099	22.3%	27.4%	33.5%	24	32.0%	17	25.0%	8	21.6%	49	27.2%
Upper	41,296	39.8%	28.3%	39.5%	15	20.0%	23	33.8%	12	32.4%	50	27.8%
NA	0	0.0%	19.5%	0.0%	3	4.0%	1	1.5%	1	2.7%	5	2.8%
Total	103,748	100.0%	100.0%	100.0%	75	100.0%	68	100.0%	37	100.0%	180	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

As shown in Table 5, the proportion of loans originated by the Bank to low-income borrowers was more than three times the aggregate lending levels during both 2005 and 2006. The proportion of Bank originated refinancings among moderate-income borrowers also exceeds the level reflected by the aggregate data for 2005 and 2006, but not to such a significant degree.

PERFORMANCE CRITERIA (CONTINUED)

Data for the first three quarters of 2007 shows that comparable levels of activity are being maintained among both income groups. As the volume of refinancings reflects the single largest proportion of the Bank's one-to-four family residential lending activity, this category is the most reflective of the Bank's commitment to making loans to borrowers of all incomes, particularly to those of low- and moderate-income.

Small Business Lending

Given the area's business demographics and the performance of other CRA Small Business data reporting lenders, the Bank's small business loans are distributed in an excellent manner among businesses of different sizes. Table 6 reflects the Bank's loan distribution based on the gross annual revenue size of the business. Table 7 reflects the Bank's loan distribution based on the size of the loan, as demand for loans of lesser dollar amounts is often greatest among the small businesses.

Table 6
Small Business Loans by Gross Annual Revenue Category

Gross Annual Revenues	Aggregate		2005		2006		YTD 2007		Total	
			RiverBank		RiverBank		RiverBank		RiverBank	
	2005 % Total	2006 % Total	# Loans	% Total	# Loans	% Total	# Loans	% Total	#	% Total
<=\$1 million	45.9%	34.9%	10	62.5%	33	82.5%	35	77.8%	78	77.2%
>\$1 million	54.1%	65.1%	6	37.5%	7	17.5%	10	22.2%	23	22.8%
Total	100.0%	100.0%	16	100.0%	40	100.0%	45	100.0%	101	100.0%

Source: Dunn & Bradstreet Business Data, 2005 Bank CRA Small Business LAR, and 2006 and YTD 2007 Bank CRA Small Business data

As shown in Table 6, all CRA data reporting lenders (aggregate) extended 45.9 percent of all small business loans in the assessment area to businesses with gross annual revenues of \$1 million or less during 2005 and 34.9 percent during 2006. In comparison, 62.5 percent of the Bank's small business loans during 2005 and 82.5 percent in 2006 were extended to businesses with gross annual revenues of \$1 million or less. The comparison with the aggregate small business data indicates that the Bank significantly outperformed the aggregate in lending to small businesses.

Table 7
Small Business Loans by Loan Size

Loan Amount	Aggregate		2005		2006		YTD 2007		Total	
			RiverBank		RiverBank		RiverBank		RiverBank	
	2005 % Total	2006 % Total	# Loans	% Total	# Loans	% Total	# Loans	% Total	#	% Total
<=\$100	95.7%	97.0%	7	43.8%	10	25.0%	19	42.2%	36	35.6%
>\$100 & <=\$250	2.4%	1.6%	2	12.5%	9	22.5%	12	26.7%	23	22.8%
>\$250 & <=\$1,000	1.8%	1.4%	7	43.8%	21	52.5%	14	31.1%	42	41.6%
Total	100.0%	100.0%	16	100.0%	40	100.0%	45	100.0%	101	100.0%

Source: Dunn & Bradstreet Business Data, 2005 Bank CRA Small Business LAR, and 2006 and YTD 2007 Bank CRA Small Business data

Further supporting the Bank's commitment to small business lending is that 43.8 percent of all their small business loans were for amounts of \$100,000 or less during 2005. Loans in this size range declined to 25.0 percent during 2006, but increased to 42.2 percent year-to-date 2007. When the loan amount is used as a proxy for business size, the data indicates that a good number of the Bank's commercial credits are to the area's smaller businesses.

PERFORMANCE CRITERIA (CONTINUED)

It is noted that the aggregate data shows that in 2005 and 2006, 95.7 and 97.0 percent, respectively, of all small business loans originated in the Bank's assessment area were for amounts of less than \$100,000. However, that proportion is potentially misleading since market share data for 2005 and 2006 show that over 90 percent of those loans are business credit cards issued by large institutions with a nation-wide market such as CitiBank, Capital One, and MBNA America. Business credit cards are not among the credit products currently offered by the Bank and a majority of its locally based competitors.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of residential mortgage and small business loans was reviewed to assess how well the Bank is addressing credit needs throughout its assessment area. Based on the review of HMDA and CRA small business data for calendar years 2005, 2006, and year-to-date 2007, the geographic distribution of loans reflects an excellent penetration throughout the assessment area, including low- and moderate-income census tracts.

Residential Mortgage Lending

Given the area's demographic characteristics and the performance of other HMDA-reporting lenders, the Bank's residential mortgages reflect a reasonable penetration among geographies of different income levels, including low- and moderate-income census tracts. Residential mortgage lending activity over the entire evaluation period shows that the Bank originated loans in excess of the proportion of owner-occupied properties in both low- and moderate-income census tracts. Activity in middle-income census tracts was nearly equal to the proportion of housing in those areas while activity in upper-income census tracts, lending activity was well below the proportion of housing units that those census tracts contain.

Home Purchase Loans

As shown in Table 8, a majority of the Bank's home purchase loans were originated within the assessment area's middle-income census tracts. However, this is not unreasonable considering that middle-income census tracts contain a majority of the area's owner-occupied housing units and represent a majority of the home purchase loans originated by other HMDA reporting lenders (aggregate).

Table 8
Home Purchase Loans by Geographic Distribution

Census Tract Income Category	Owner-Occupied Housing Units		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
	#	%	2005 % Total	2006 % Total	#	% Total	#	% Total	#	% Total	#	% Total
Low	1,985	2.1%	0.0%	5.1%	0	0.0%	1	4.0%	0	0.0%	1	1.6%
Moderate	10,608	11.0%	21.3%	18.3%	3	12.5%	1	4.0%	0	0.0%	4	6.3%
Middle	52,474	54.5%	53.0%	49.7%	12	50.0%	14	56.0%	12	80.0%	38	59.4%
Upper	31,246	32.4%	25.6%	26.9%	9	37.5%	9	36.0%	3	20.0%	21	32.8%
Total	96,313	100.0%	100.0%	100.0%	24	100.0%	25	100.0%	15	100.0%	64	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

The data in Table 8 shows that the demand for home purchase loans in the area's low-income geographies is low, as these areas contain only 2.1 percent of the area's owner-occupied housing units. Neither the Bank nor any other HMDA reporting lenders (aggregate) originated any home purchase loans in low-income census tracts during 2005.

PERFORMANCE CRITERIA (CONTINUED)

Some home purchase loan activity was evidenced in low-income census tracts during 2006, but this appears to be minimal.

Other HMDA reporting lenders (aggregate) data indicates that the level of demand in moderate-income census tracts tends to be somewhat higher than in low-income census tracts. The Bank has been able to meet some of this demand; however, its level of activity falls well below aggregate during both 2005 and 2006. In addition, no home purchase loans have been originated in moderate-income census tracts thus far during 2007.

While the Bank's lending activity in the area's low- and moderate-income census tracts is below the level that might be expected based on the activity of other lenders, it should be noted that the total number of home purchase loans originated during any given year during the evaluation period is relatively low and that a small change in loan volume within any single income category could have a significant impact on the proportionate distribution of the Bank's home purchase loans. In addition, the sharp decline in the local, regional, and national housing markets that has increased in intensity since it began in 2006 is likely to have a strong impact on home purchase activity in low- and moderate-income census tracts.

Home Improvement Loans

As with home purchase lending, the majority of home improvement loans were originated in the area's middle-income census tracts.

Table 9
Home Improvement Loans by Geographic Distribution

Census Tract Income Category	Owner-Occupied Housing Units		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
			2005 % Total	2006 % Total	#	% Total	#	% Total	#	% Total	#	% Total
	#	%										
Low	1,985	2.1%	3.7%	2.3%	0	0.0%	2	2.7%	0	0.0%	2	1.5%
Moderate	10,608	11.0%	14.5%	13.2%	3	16.7%	7	9.5%	5	11.4%	15	11.0%
Middle	52,474	54.5%	56.8%	57.8%	9	50.0%	41	55.4%	28	63.6%	78	57.4%
Upper	31,246	32.4%	25.0%	26.7%	6	33.3%	24	32.4%	11	25.0%	41	30.1%
Total	96,313	100.0%	100.0%	100.0%	18	100.0%	74	100.0%	44	100.0%	136	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

The Bank originated only two home improvement loans in the assessment area's low-income census tracts during the entire evaluation period. However, the other HMDA reporting lenders (aggregate) data indicates that, like home purchase loans, the demand for home improvement loans in these census tracts is relatively low.

The level of home improvement loan lending activity displayed by the Bank in the area's moderate-income census tracts is comparable to other HMDA reporting lenders (aggregate) data and has remained reasonably consistent with the proportion of owner-occupied housing units located in the area's moderate-income census tracts throughout the evaluation period.

Home Refinance Loans

As with the other types of residential lending, the data in Table 10 shows that a majority of all of the home mortgage refinancings originated by the Bank and other HMDA reporting lenders (aggregate) are generated within the assessment area's middle-income census tracts.

PERFORMANCE CRITERIA (CONTINUED)

Table 10
Home Mortgage Refinancings by Geographic Distribution

Census Tract Income Category	Owner-Occupied Housing Units		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
			2005 % Total	2006 % Total	#	% Total	#	% Total	#	% Total	#	% Total
Low	1,985	2.1%	4.2%	5.0%	2	2.7%	4	5.9%	0	0.0%	6	3.3%
Moderate	10,608	11.0%	14.6%	17.8%	18	24.0%	7	10.3%	5	13.5%	30	16.7%
Middle	52,474	54.5%	55.1%	53.0%	41	54.7%	34	50.0%	23	62.2%	98	54.4%
Upper	31,246	32.4%	26.2%	24.2%	14	18.7%	23	33.8%	9	24.3%	46	25.6%
Total	96,313	100.0%	100.0%	100.0%	75	100.0%	68	100.0%	37	100.0%	180	100.0%

Source: 2000 Census Data, 2005 and 2006 Aggregate HMDA data, 2005 – YTD 2007 Bank HMDA LARs

The proportion of refinancings originated by the Bank in the area's low-income census tracts is slightly below the level reflected by other HMDA reporting lenders (aggregate) in 2005, but increased to a level slightly above other HMDA reporting lenders (aggregate) in 2006. However, no home mortgage refinancings have been originated by the Bank in the area's low-income census tracts thus far during 2007. The Bank's level of activity within the area's moderate-income census tracts considerably exceed the other HMDA reporting lenders (aggregate) performance in 2005, but declined to a level somewhat below the other HMDA reporting lenders (aggregate) during 2006.

Small Business Loans

Given the area's business demographics and the performance of CRA Small Business data reporting lenders, the Bank's small business lending displays an excellent penetration among geographies of different income levels, including low- and moderate-income census tracts.

Table 11
Small Business Loans by Geographic Distribution

Census Tract Income Category	Small Businesses		Aggregate		2005		2006		YTD 2007		Total	
					RiverBank		RiverBank		RiverBank		RiverBank	
			2005 % Total	2006 % Total	#	% Total	#	% Total	#	% Total	#	% Total
Low	2053	7.9%	5.9%	2.6%	5	31.3%	8	20.0%	10	22.2%	23	22.8%
Moderate	3753	14.4%	12.1%	10.5%	3	18.8%	4	10.0%	2	4.4%	9	8.9%
Middle	12043	46.3%	49.4%	57.8%	5	31.3%	23	57.5%	25	55.6%	53	52.5%
Upper	8181	31.4%	32.6%	29.1%	3	18.8%	5	12.5%	8	17.8%	16	15.8%
Total	26,030	100.0%	100.0%	100.0%	16	100.0%	40	100.0%	45	100.0%	101	100.0%

Source: Dunn & Bradstreet Business Data, 2005 Bank CRA Small Business LAR, and 2006 and YTD 2007 Bank CRA Small Business data

As shown in that Table 11, the proportional distribution of the Bank's lending throughout the assessment area's different census tract income groups generally exceeds the proportional distribution reflected by the aggregate data and the proportional distribution of local businesses. This is particularly true of low-income census tracts, all of which are located in the City of Lawrence, where the Bank has a strong presence as a source of small business financing. The reduced level of performance in moderate-income census tracts is attributed to relatively recent expansion of the Bank's commercial lending activities in 2006 and the time it will take to establish a similar market presence in the moderate-income census tracts located outside of Lawrence, where the Bank is not as well known as a commercial lender.

PERFORMANCE CRITERIA (CONTINUED)

5. RESPONSE TO SUBSTANTIATED COMPLAINTS

Neither the Bank, the Division, nor the FDIC has received complaints regarding its performance in meeting the assessment area credit needs. Consequently, this criterion is not applicable.

COMMUNITY DEVELOPMENT TEST

Overall, River Bank's community development performance demonstrates an excellent responsiveness to the community development needs in its assessment area. The Bank has met the community development needs through community development loans, qualified investments and grants, and community development services.

Community Development Loans

For the purpose of this evaluation, a community development loan is defined as a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multifamily dwelling loan), and (3) benefits the Bank's assessment area or a broader statewide or regional area that includes the Bank's assessment area.

The Bank made an excellent level of community development loans during the evaluation period. The Bank originated nine qualified community development loans totaling \$5,680,000 in its assessment area. All of the loans met the community development primary purpose of affordable housing or economic development. The Bank's performance exceeded that of similarly situated banks throughout the assessment area.

The Bank's primary community development lending focus has been the City of Lawrence, a "Renewal Community", as designated in 2002 by the U.S. Department of Housing and Urban Development (HUD). Lawrence is one of forty communities around the country with such a designation. As a "Renewal Community," Lawrence is eligible to share in an estimated \$17 billion in tax incentives to stimulate job growth, promote economic development and create affordable housing.

A Renewal Community receives regulatory relief and tax breaks to help local businesses provide more jobs and promote community revitalization.

Listed below is a sample of the community development loans originated by the Bank:

- The Bank made a \$1,850,000 secured commercial real estate loan to a company in Lawrence that provided economic development to the City.
- The Bank made \$625,000 revolving construction loan to a non-profit community development organization. The proceeds of the loan will be used to assist in the acquisition and construction of an 11 affordable rental apartments located in a low-income census tract in the City of Lawrence.
- River Bank granted a \$150,000 to a non-profit organization that assists families in attaining home ownership through self help and outside donations. The proceeds from the loan will be utilized to assist with the development of a five unit affordable housing project located in a low-income census tract in the City of Lawrence.

PERFORMANCE CRITERIA (CONTINUED)

Other Loans

River Bank made several loans that did not meet the technical definition of community development loan, as they were already reported as either residential or small business loans and given consideration under the Lending Test portion of the evaluation. Nonetheless, the loan's primary purpose was community development. This illustrates the Bank's willingness to seek out loans with a community development purpose throughout the assessment area, in particular, the City of Lawrence.

During the evaluation period, River Bank granted \$2,513,000 in loans with a community development purpose. Listed below is a sample these loans:

- The Bank provided a \$25,000 revolving line of credit to be used to fund short term working capital needs to a company in Lawrence that operates several apartment units funded primarily through Section 8 and occupied by mentally challenged individuals.
- The Bank provided a \$300,000 commercial real estate mortgage to be used for property improvements for property located in a low-income census tract in Lawrence. This loan provided funds for economic development and provided affordable opportunities for businesses.

Community Development Investments

A qualified investment, for the purposes of this CRA evaluation, is a lawful investment, deposit, membership share, or grant that has community development as its primary purpose. Given the size of the institution and the number and amount of investments, River Bank has demonstrated an excellent level of investment and grant activity.

Qualified Equity Investments

The Bank's qualified investments currently total approximately \$2.3 million. At their present level, qualified investments represent 1.2 percent of the Bank's total investments and 0.4 percent of total assets.

Mortgage-Backed Security (MBS) – FNMA offers CRA-targeted securities that are often tailored to meet the community development needs of a financial institution. These securities are backed by residential mortgages, a substantial majority of which is either located in low- or moderate-income tracts, or was originated to low- or moderate-income borrowers.

During 2005, River Bank purchased FNMA MBS totaling \$1.3 million within the assessment area. A review of the underlying mortgages revealed that each of the respective borrowers were either low- or moderate-income. As of August 31, 2007, the Bank's balance sheet showed a book value of \$1,209,000 for these investments.

Massachusetts Business Capital Fund II - This fund is managed by the Massachusetts Business Development Corporation, an entity that specializes in the financing of small businesses in Massachusetts, including the Bank's assessment area.

During 2005, 2006, and year-to-date 2007, the Bank advanced \$46,600, \$71,656, and \$24,448, respectively. As of August 31, 2007, the Bank's current book value for this entire investment is \$140,482.

PERFORMANCE CRITERIA (CONTINUED)

CRA Qualified Investment Mutual Fund - This fund's principal investment strategy is to invest in debt securities that ensure shares of the funds are qualified under the CRA. Each shareholder indirectly owns an undivided interest in all of the Fund's investments; however, specific securities are designated to specific shareholders for CRA qualifying purposes.

The Bank continues to hold its investment in this fund. As of August 31, 2007, the current book value of the original \$1,000,000 commitment to various pools is \$942,779.

Qualified Donations and Grants

River Bank is committed to assisting the assessment area by making contributions and donations towards community based initiatives, with a strong emphasis on affordable housing. From January 1, 2005 through August 24, 2007, the Bank contributed \$138,125 to qualified organizations and programs, an amount that represents 1.2 percent of its pre-tax net operating income. The following items highlight some of the more significant qualified grants provided by the Bank:

Lawrence Community Works – This is a non-profit community development corporation dedicated to the sustained economic and physical revitalization of the City of Lawrence.

Greater Lawrence Family Health Center (GLFHC) – The mission of GLFHC is to improve and maintain the health of individuals and families in the Merrimack Valley by providing a network of high quality, comprehensive health care and services, and by training health care professionals who can respond to the needs of a culturally diverse population. The majority of the clients are low- or moderate-income individuals

Elder Services of the Merrimack Valley - Elder Services is a private, non-profit agency incorporated in 1974 to serve older residents who reside in the 23 cities and towns comprising the Merrimack Valley. We are federally designated as the Area Agency on Aging and manage the State Home Care Program. The majority of the clients are low- or moderate-income individuals.

Other Programs

In addition to the specific organizations noted above, River Bank is also an active contributor to organizations that support and/or administer affordable housing or assist the area's homeless population. The following are some of the organizations that have received assistance from the Bank:

- *Bread and Roses Housing, Inc.*
- *Lazarus House Ministries*
- *Merrimack Valley Housing Partnership*
- *Neighbors in Need*
- *Family Service, Inc.*

PERFORMANCE CRITERIA (CONTINUED)

Community Development Services

The CRA regulation defines a community development service as having community development as its primary purpose and is related to the provision of financial services. Given the size of the institution, the number of organizations the Bank supports through its involvement, and its branch distribution, its qualified services are adequate.

Detailed below are examples of the Bank's qualified community development services:

Involvement in Community Organizations

Lawrence Boys & Girls Clubs: the organization is the premier youth development agency in the city of Lawrence. Over 3,000 young boys and girls find refuge at the Club every year and participate in positive and constructive activities. Approximately 400 to 500 kids use the facilities every single day; most are from low- or moderate-income families. The President/CEO of the Bank serves as the director of this organization.

Lawrence Communityworks Inc.: a non-profit community development corporation (CDC) dedicated to the economic and physical revitalization of the City of Lawrence, Massachusetts. The Bank's Vice President of Consumer Lending serves as treasurer/director of this organization.

Chamber of Commerce Revolving Loan Fund: this entity promotes the growth of businesses committed to the city of Lawrence through gap financing. The activities undertaken must benefit person of low and moderate-income and/or aid in the prevention or elimination of underprivileged neighborhoods. The Bank's Vice President of Consumer Lending serves as director of this entity.

Lawrence Family Development and Education: this organization is a charter school located in Lawrence, MA. The school is committed to strengthening families through education as a way to help rebuild the community. It thus became a kind of center for family education, especially in English as a Second Language (ESL), for practical purposes: better parenting, better schooling, better jobs, and better citizenship. The majority of the student body and adult clients are low- or moderate-income individuals or families. The Bank's Executive Vice President/Chief Lending Officer serves as a director of this organization.

St. Ann's Home: a non-profit organization located in Methuen, MA, that supports, nurtures, rehabilitates, educates and is an advocate for children who are emotionally and or behaviorally disturbed, learning disabled, or mentally ill. Many of the clients of this organization are low- or moderate-income individuals or families. The Bank's Vice president of Branch Administration serves as a director of this organization.

Branch Distribution

The Bank operates its main office in North Andover, as well as five full service branch offices in Lawrence, Methuen (2 offices), Andover, Massachusetts and Salem, New Hampshire. The North Andover main office and one of the Methuen offices have ATM and drive-up window facilities. The other Methuen office and the Andover office have ATMs only. The Lawrence office does not have either an ATM or a drive-up window facility. The Salem office has an ATM and a drive-up window facility.

PERFORMANCE CRITERIA (CONTINUED)

As previously mentioned, the Bank's assessment area has a total of 11 low-income census tracts and 15 moderate-income census tracts. Of the Bank's six office, one is located in a low-income census tract and none are located in moderate-income census tracts. It is noted that 12.8 percent of the census tracts in the Bank's assessment area are low-income while 16.7 percent of the branches are located in those tracts. Further, 17.4 percent of the census tracts in the Bank's assessment area are moderate-income and 0 percent of the branches are located in those tracts.

While the Bank lacks a presence in the moderate-income census tracts, it does maintain a branch in a low-income census tract, demonstrating the availability of banking services to individuals and businesses in the low-income tract.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 2.3-101.

A review of the Bank's public comment file indicated that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the Bank's residential loan application files was conducted to evaluate fair lending policies and procedures. A review was conducted for compliance with fair lending regulations and no evidence of disparate treatment was noted.

River Bank has a written Fair Lending Policy, incorporated into its overall Lending Policy. Included in this policy are the Bank's efforts to eliminate discrimination in all aspects of lending, as well as to provide guidance to Bank employees on how to comply with fair lending policies and procedures. The Bank provides fair lending training to all employees at least annually. Management develops training programs that cover all aspects of the lending process.

River Bank markets its services and products to its community primarily through print advertisements.

Minority Application Flow

The Bank's LARs for 2005 and 2006 were reviewed to determine if the application flow from the different racial and ethnic groups within the Bank's assessment area was reflective of the assessment area's demographics.

For the period reviewed, River Bank received 21 HMDA reportable mortgage applications from minorities within its assessment area. Of these 21 minority applications, ten or 47.6 percent of them resulted in originations. Of the four minority applications received in 2005, two resulted in originations. In 2006, the Bank received a total of twelve applications from Black or African American applicants. Of these applications, nine or 75 percent of them were denied. In contrast, ten or 5.8 percent out of 172 white applicants in 2006 were denied. All other minority group applications in 2006 resulted in originations. Also included in the table is the 2005 aggregate data (exclusive of River Bank) in comparison to the Bank's data. The Bank's percentage of applications to minorities is below the 2005 aggregate. The aggregate's applications from minorities were 5.9 percent, while the Bank's minority applications were 3.2 percent. Refer to the following table for more information.

Refer to the following table for further details.

MINORITY APPLICATION FLOW								
RACE	Bank 2005		2005 Aggregate Data		Bank 2006		Bank TOTAL	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	1	0.8	363	0.7	1	0.5	2	0.6
<i>Asian</i>	1	0.8	852	1.5	3	1.5	4	1.2
<i>Black/ African American</i>	1	0.8	1,384	2.5	12	6.2	13	4.0
<i>Hawaiian/Pac Isl.</i>	1	0.8	331	0.6	1	0.5	2	0.6
<i>2 or more Minority</i>	0	0.0	11	0.0	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	0	0.0	351	0.6	0	0.0	0	0.0
Total Minority	4	3.2	3,292	5.9	17	8.7	21	6.4
<i>White</i>	118	90.8	37,973	68.6	172	88.2	290	89.2
<i>Race Not Available</i>	8	6.1	14,083	25.5	6	3.1	14	4.4
Total	130	100.0	55,348	100.0	195	100.0	325	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	9	6.9	6,269	11.3	12	6.2	21	6.5
<i>Not Hispanic or Latino</i>	112	86.1	34,263	61.9	172	88.2	284	87.4
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	1	0.8	367	0.7	0	0.0	1	0.3
<i>Ethnicity Not Available</i>	8	6.2	14,449	26.1	11	5.6	19	5.8
Total	130	100.0	55,348	100.0	195	100.0	325	100.0

Source: US Census, HMDA LAR, HMDA Aggregate Data

APPENDIX B

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50% in the case of a geography.

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

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

Upper-Income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120% in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Appendix C

Table 1. Lending Volume

LENDING VOLUME		INSTITUTION: RIVERBANK				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007						
Geographic Area	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)		
MA 2005	98	14,406	11	2,368	0	0			110	17,774	0.00	
NH 2005	20	2,358	5	1,740	0	0			25	4,098	0.00	
Total 2005	118	16,764	16	4,108	0	0			135	21,872	0.00	
MA 2006	143	14,689	31	10,295	0	0			143	14,689	0.00	
NH 2006	28	2,933	9	2,319	0	0			28	2,933	0.00	
Total 2006	171	17,622	40	12,614	0	0			171	17,622	0.00	
MA 2007	75	8,363	29	5,154	0	0			75	8,363	0.00	
NH 2007	24	3,980	16	4,617	0	0			24	3,980	0.00	
Total 2007	99	12,343	45	9,771	0	0			99	12,343	0.00	

** The evaluation period for Community Development Loans is from January 01, 2006 to December 31, 2006.

*** Deposit Data as of November 14, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE													
INSTITUTION: RIVERBANK				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007									
Geographic Area	Total Home Purchase Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<u>MA 2005</u>	18	3.35	0.00	12.74	16.67	52.48	44.44	31.42	38.89	8.20	22.93	46.61	22.25
<u>NH 2005</u>	6	0.00	0.00	8.27	0.00	57.67	66.67	34.06	33.33	0.00	14.60	57.09	28.31
<u>Total 2005</u>	24	2.06	0.00	11.01	12.50	54.48	50.00	32.44	37.50	5.40	20.08	50.19	24.32
<u>MA 2006</u>	20	3.35	5.00	12.74	5.00	52.48	65.00	31.42	25.00	7.73	20.67	47.64	23.96
<u>NH 2006</u>	5	0.00	0.00	8.27	0.00	57.67	20.00	34.06	80.00	0.00	13.53	53.73	32.74
<u>Total 2006</u>	25	2.06	4.00	11.01	4.00	54.48	56.00	32.44	36.00	5.12	18.26	49.70	26.93
<u>MA 2007</u>	10	3.35	0.00	12.74	0.00	52.48	100.00	31.42	0.00	0.00	0.00	0.00	0.00
<u>NH 2007</u>	5	0.00	0.00	8.27	0.00	57.67	40.00	34.06	60.00	0.00	0.00	0.00	0.00
<u>Total 2007</u>	15	2.06	0.00	11.01	0.00	54.48	80.00	32.44	20.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		INSTITUTION: RIVERBANK				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007							
Geographic Area	Total Home Improvement Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<u>MA 2005</u>	12	3.35	0.00	12.74	25.00	52.48	50.00	31.42	25.00	6.35	19.13	54.44	20.08
<u>NH 2005</u>	6	0.00	0.00	8.27	0.00	57.67	50.00	34.06	50.00	0.00	8.69	59.61	31.70
<u>Total 2005</u>	18	2.06	0.00	11.01	16.67	54.48	50.00	32.44	33.33	3.57	14.57	56.70	25.16
<u>MA 2006</u>	60	3.35	3.33	12.74	10.00	52.48	60.00	31.42	26.67	4.21	16.39	56.99	22.41
<u>NH 2006</u>	14	0.00	0.00	8.27	7.14	57.67	35.71	34.06	57.14	0.00	9.50	58.69	31.81
<u>Total 2006</u>	74	2.06	2.70	11.01	9.46	54.48	55.41	32.44	32.43	2.29	13.25	57.77	26.70
<u>MA 2007</u>	34	3.35	0.00	12.74	11.76	52.48	67.65	31.42	20.59	0.00	0.00	0.00	0.00
<u>NH 2007</u>	10	0.00	0.00	8.27	10.00	57.67	50.00	34.06	40.00	0.00	0.00	0.00	0.00
<u>Total 2007</u>	44	2.06	0.00	11.01	11.36	54.48	63.64	32.44	25.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE INSTITUTION: RIVERBANK Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007													
Geographic Area	Total Home Mortgage Refinance Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<u>MA 2005</u>	67	3.35	2.99	12.74	26.87	52.48	55.22	31.42	14.93	6.83	18.52	51.56	23.10
<u>NH 2005</u>	8	0.00	0.00	8.27	0.00	57.67	50.00	34.06	50.00	0.00	8.49	60.65	30.86
<u>Total 2005</u>	75	2.06	2.67	11.01	24.00	54.48	54.67	32.44	18.67	4.11	14.53	55.17	26.19
<u>MA 2006</u>	59	3.35	6.78	12.74	11.86	52.48	52.54	31.42	28.81	8.00	22.86	48.88	20.27
<u>NH 2006</u>	9	0.00	0.00	8.27	0.00	57.67	33.33	34.06	66.67	0.00	9.50	59.60	30.89
<u>Total 2006</u>	68	2.06	5.88	11.01	10.29	54.48	50.00	32.44	33.82	4.96	17.78	52.95	24.30
<u>MA 2007</u>	29	3.35	0.00	12.74	17.24	52.48	62.07	31.42	20.69	0.00	0.00	0.00	0.00
<u>NH 2007</u>	8	0.00	0.00	8.27	0.00	57.67	62.50	34.06	37.50	0.00	0.00	0.00	0.00
<u>Total 2007</u>	37	2.06	0.00	11.01	13.51	54.48	62.16	32.44	24.32	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES INSTITUTION: RIVERBANK Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007													
Geographic Area	Total Small Business Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp
<u>MA 2005</u>	11	14.04	45.45	15.77	27.27	38.14	9.09	32.05	18.18	0.00	0.00	0.00	0.00
<u>NH 2005</u>	5	0.00	0.00	12.68	0.00	56.69	80.00	30.63	20.00	0.00	7.95	71.97	20.08
<u>Total 2005</u>	16	7.89	31.25	14.42	18.75	46.27	31.25	31.43	18.75	0.00	7.95	71.97	20.08
<u>MA 2006</u>	31	14.04	25.81	15.77	9.68	38.14	51.61	32.05	12.90	3.85	12.24	50.72	33.18
<u>NH 2006</u>	9	0.00	0.00	12.68	11.11	56.69	77.88	30.63	11.11	0.00	7.21	71.58	21.20
<u>Total 2006</u>	40	7.89	20.00	14.42	10.00	46.27	57.50	31.43	12.50	2.55	10.54	57.80	29.12
<u>MA 2007</u>	29	14.04	34.48	15.77	0.00	38.14	51.72	32.05	17.24	0.00	0.00	0.00	0.00
<u>NH 2007</u>	16	0.00	0.00	12.68	12.50	56.69	68.75	30.63	18.75	0.00	0.00	0.00	0.00
<u>Total 2007</u>	45	7.89	22.22	14.42	4.44	46.27	55.56	31.43	17.78	0.00	0.00	0.00	0.00

* Based on 2005 Peer Small Business Data -- US and PR

*** Source Data - Dun and Bradstreet (2005).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE INSTITUTION: RIVERBANK Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007													
Geographic Area	Total Home Purchase Loans	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% Families***	% BANK Loans****	% Families2	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<u>MA 2005</u>	18	24.24	0.00	17.14	16.67	20.17	22.22	38.45	61.11	4.45	22.64	35.77	37.15
<u>NH 2005</u>	6	13.98	50.00	17.37	16.67	26.26	0.00	42.39	33.33	4.37	19.98	33.95	41.70
<u>Total 2005</u>	24	20.72	12.50	17.22	16.67	22.26	16.67	39.80	54.17	4.42	21.73	35.15	38.71
<u>NH 2006</u>	5	13.98	0.00	17.37	20.00	26.26	20.00	42.39	60.00	5.39	21.44	34.13	39.04
<u>MA 2006</u>	20	24.24	10.53	17.14	31.58	20.17	36.84	38.45	21.05	4.13	20.47	32.57	42.83
<u>Total 2006</u>	25	20.72	8.33	17.22	29.17	22.26	33.33	39.80	29.17	4.95	21.11	33.59	40.35
<u>MA 2007</u>	10	24.24	10.00	17.14	40.00	20.17	10.00	38.45	40.00	0.00	0.00	0.00	0.00
<u>NH 2007</u>	5	13.98	0.00	17.37	0.00	26.26	0.00	42.39	100.00	0.00	0.00	0.00	0.00
<u>Total 2007</u>	15	20.72	6.67	17.22	26.67	22.26	6.67	39.80	60.00	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

2 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		INSTITUTION: RIVERBANK				Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007							
Geographic Area	Total Home Improvement Loans	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% Families***	% BANK Loans****	% Families3	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<u>MA 2005</u>	12	24.24	16.67	17.14	16.67	20.17	33.33	38.45	33.33	8.35	25.96	29.30	36.39
<u>NH 2005</u>	6	13.98	0.00	17.37	0.00	26.26	16.67	42.39	83.33	6.64	21.29	32.46	39.62
<u>Total 2005</u>	18	20.72	11.11	17.22	11.11	22.26	27.78	39.80	50.00	7.59	23.89	30.69	37.82
<u>MA 2006</u>	60	24.24	13.79	17.14	18.97	20.17	29.31	38.45	37.93	7.61	20.90	29.84	41.65
<u>NH 2006</u>	14	13.98	0.00	17.37	28.57	26.26	28.57	42.39	42.86	6.84	20.71	32.43	40.02
<u>Total 2006</u>	74	20.72	11.11	17.22	20.83	22.26	29.17	39.80	38.89	7.26	20.82	31.01	40.91
<u>MA 2007</u>	34	24.24	11.76	17.14	29.41	20.17	17.65	38.45	41.18	0.00	0.00	0.00	0.00
<u>NH 2007</u>	10	13.98	0.00	17.37	22.22	26.26	22.22	42.39	55.56	0.00	0.00	0.00	0.00
<u>Total 2007</u>	44	20.72	9.30	17.22	27.91	22.26	18.60	39.80	44.19	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

3 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE INSTITUTION: RIVERBANK Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007													
Geographic Area	Total Home Mortgage Refinance Loans	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% Families** *	% BANK Loans****	% Families4	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<u>MA 2005</u>	67	24.24	21.88	17.14	26.56	20.17	34.38	38.45	17.19	6.88	25.70	32.73	34.69
<u>NH 2005</u>	8	13.98	0.00	17.37	25.00	26.26	25.00	42.39	50.00	5.67	22.57	36.12	35.64
<u>Total 2005</u>	75	20.72	19.44	17.22	26.39	22.26	33.33	39.80	20.83	6.41	24.48	34.05	35.06
<u>MA 2006</u>	59	24.24	13.56	17.14	25.42	20.17	27.12	38.45	33.90	5.77	21.50	33.77	38.96
<u>NH 2006</u>	9	13.98	37.50	17.37	12.50	26.26	12.50	42.39	37.50	5.25	21.39	32.95	40.41
<u>Total 2006</u>	68	20.72	16.42	17.22	23.88	22.26	25.37	39.80	34.33	5.57	21.46	33.46	39.52
<u>MA 2007</u>	29	24.24	20.69	17.14	27.59	20.17	24.14	38.45	27.59	0.00	0.00	0.00	0.00
<u>NH 2007</u>	8	13.98	14.29	17.37	14.29	26.26	14.29	42.39	57.14	0.00	0.00	0.00	0.00
<u>Total 2007</u>	37	20.72	19.44	17.22	25.00	22.26	22.22	39.80	33.33	0.00	0.00	0.00	0.00

* Based on 2005 Peer Mortgage Data (Eastern)

*** Percentage of Families is based on the 1990 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

4 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES INSTITUTION: RIVERBANK Evaluation Period: JANUARY 1, 2005 TO NOVEMBER 13, 2007								
Geographic Area	Total Small Loans to Businesses	Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<u>MA 2005</u>	11	64.36	63.64	54.55	18.18	27.27	0	0
<u>NH 2005</u>	5	66.20	60.00	20.00	0.00	80.00	0	0
<u>Total 2005</u>	16	65.17	62.50	43.75	12.50	43.75	0	0
<u>MA 2006</u>	31	65.72	83.87	25.81	16.13	58.06	0	0
<u>NH 2006</u>	9	65.85	77.78	33.33	33.33	33.33	0	0
<u>Total 2006</u>	40	65.77	82.50	27.50	20.00	52.50	0	0
<u>MA 2007</u>	29	65.72	79.31	51.72	20.69	27.59	0	0
<u>NH 2007</u>	16	65.85	81.25	43.75	25.00	31.25	0	0
<u>Total 2007</u>	45	65.77	77.78	48.89	22.22	28.89	0	0

* Based on 2005 Peer Small Business Data -- US and PR

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2005).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 30 Massachusetts Avenue, North Andover, MA 01845."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.