

PUBLIC DISCLOSURE

May 17, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

River Bank
Certificate Number: 14995

145 North Main Street
Stoddard, Wisconsin 54658

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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 RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory 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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and the credit needs of its assessment areas (AAs).
- The bank originated a majority of the home mortgage and small business loans within the AAs.
- The geographic distribution of home mortgage and small business loans throughout the bank's AAs is reasonable.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation, therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments and donations, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development within the AAs.

DESCRIPTION OF INSTITUTION

River Bank is a full service commercial bank headquartered in Stoddard, Wisconsin. It is wholly owned by River Holding Company, a two-bank holding company located in Stoddard, Wisconsin. River Bank's affiliates include Wisconsin River Bank (Sauk City, Wisconsin), and River Investments. In 2020, River Bank merged with Union Bank of Sparta, Sparta, Wisconsin. Union Bank of Sparta was a former affiliate institution also owned by the River Holding Company. From this merger, the bank acquired three additional branch offices. One of these branches is located within a moderate-income census tract. Additionally, a new branch office was opened in November 2020 on Leonard Street in West Salem, Wisconsin. No branch offices have been closed since the prior examination. In addition to the main Stoddard office, there are fourteen branch offices, all located in Wisconsin. The institution received a "Satisfactory" rating at its previous FDIC

Performance Evaluation dated February 5, 2018, based on Interagency Intermediate Small Institution Examination Procedures.

River Bank offers various loan products including home mortgage, commercial, agriculture, and consumer loans. The bank’s predominant lending activities continue to be commercial and home mortgage lending, with a targeted focus on commercial lending and recent focus on multifamily lending. River Bank also provides a mix of deposit products including checking, savings, money market deposit accounts, certificates of deposit, and commercial checking. Special 50+ and student checking accounts are also offered. Alternative banking services include 24-hour telephone banking, online banking, mobile banking including mobile deposits, and online bill pay. Investment services are also offered.

River Bank’s assets totaled approximately \$833 million as of March 31, 2021, and included total loans of \$718 million and total securities of \$57 million. The following table illustrates the loan portfolio composition.

Loan Portfolio Distribution as of 3/31/2021		
Loan Category	\$(000s)	%
Construction and Land Development	61,169	8.5
Secured by Farmland	43,771	6.1
Secured by 1-4 Family Residential Properties	87,009	12.1
Secured by Multifamily (5 or more) Residential Properties	196,514	27.4
Secured by Nonfarm Nonresidential Properties	261,864	36.5
Total Real Estate Loans	650,327	90.6
Commercial and Industrial Loans	44,598	6.2
Agricultural Loans	6,728	0.9
Consumer Loans	2,052	0.3
Other Loans	13,819	2.0
Less: Unearned Income	0	0
Total Loans	717,524	100.0
<i>Source: Reports of Condition and Income</i>		

As the above table shows, commercial loans are the predominant lending product representing 42.7 percent of the portfolio. The next highest product is multifamily lending at 27.4 percent of the portfolio. Bank records and discussion with management reflect that, since the prior examination and due to the acquisition of Union Bank of Sparta, multifamily lending has increased significantly. Since the prior examination, the bank’s level of multifamily lending has increased approximately 185 percent. Management commented that the business developers in the area have increased their multifamily projects because of a single-family housing shortage. The other contributing factor with the increased lending is that River Bank implemented a new 10-year, fixed rate loan product that has attracted new and existing developers.

The home mortgage lending figures above do not include all residential mortgage loans originated and sold on the secondary market. During 2019 and 2020, River Bank originated and sold 144 secondary market loans totaling approximately \$26.6 million. In 2019, 31 loans totaling \$5.1

million were sold, and in 2020, 113 loans totaling \$21.5 million were sold. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of the AAs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate the bank's performance. River Bank has two contiguous AAs. One AA includes all of La Crosse County, which is part of the La Crosse, Wisconsin-Minnesota Metropolitan Statistical Area (MSA). This is the same MSA AA as at the previous evaluation. The second AA is located in the non-MSA area of the state and consists of the entire Monroe County, and portions of Crawford, Vernon, and Trempealeau Counties. The Non-MSA AA was expanded since the February 2018 evaluation to include all of Monroe County, due to the added bank branches. Examiners evaluated both AAs individually and on a combined basis. The AAs do not arbitrarily exclude any low- and moderate-income areas and are consistent with the regulation requirements. Details of each AA are discussed in the following individual sections for the La Crosse MSA AA and Non-MSA AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 5, 2018, to the current evaluation dated May 17, 2021. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test. The Appendix details the performance criteria related to these tests. Banks must achieve at least a "Satisfactory" rating under each test to obtain an overall "Satisfactory" rating.

In determining the overall rating of the institution, equal weight was given to the lending performance in each of the AAs. Examiners made this conclusion based on consistent lending in both the small business and home mortgage loans in the La Crosse MSA AA and in the Non-MSA AA, and the distribution of offices and resources throughout both AAs.

This evaluation did not include consideration of any affiliate lending activity; examiners only considered River Bank's lending activity.

Activities Reviewed

Examiners based River Bank's Lending Test on a review of small business and home mortgage loans. These activities represent the most significant lending activities at the bank based on Call Report data and originations during the review period. Given the noted increase in multifamily lending, examiners gave equal consideration to home mortgage loans (which includes loans in the multifamily category) and to small business lending. No other loans types, such as small farm or consumer loans, represent a major product line. Therefore, they provide no material support for conclusions and are not included in the evaluation.

Examiners reviewed a sample of small business loans originated from January 1, 2020 through December 31, 2020. The sample is considered representative of the bank’s performance during the entire evaluation period. The bank originated 315 small business loans totaling \$64.1 million in 2020, of which 63 totaling \$16 million were sampled. D&B data for 2020 provided a standard of comparison for the sampled small business loans.

Given that River Bank reports loans pursuant to the Home Mortgage Disclosure Act (HMDA) requirements, examiners reviewed and analyzed the total universe of 2019 and 2020 HMDA-reported home originations. Examiners note that, in 2020, River Bank acquired Union Bank of Sparta and expanded, adding four additional banking offices. However, the bank’s 2019 and 2020 HMDA lending reports do not include lending activity with Union Bank of Sparta, as the acquisition was not finalized until mid-2020. The home mortgage loans include all home purchase, home improvement, home refinance, and multifamily loans reported pursuant to the HMDA requirements. The 2015 American Community Survey (ACS) demographic data and the 2019 HMDA aggregate mortgage data provided standards of comparison for the bank’s home mortgage lending performance.

Details of the reviewed loans follow:

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage-2019*	106	51,428	106	51,428
Home Mortgage-2020*	235	151,975	235	151,974
Small Business-2020**	315	64,086	63	16,303

*Source: *HMDA Reported Data 2019 and 2020 for River Bank only, does not include acquired Union Bank of Sparta; **Bank Records from 1/01/2020 through 12/31/2020.*

When evaluating the Lending Test, examiners gave more weight to Borrower Profile performance than to performances under the Loan-to-Deposit Ratio, the AA Concentration, and the Geographic Distribution criteria. Borrower Profile directly identifies how well the bank serves the traditionally underserved segments of the population, including low- and moderate-income families and smaller businesses. The lower number of low- and moderate-income AA census tracts further supports Geographic Distribution contributing less weight to the Lending Test rating.

For the Community Development Test, bank management provided data on community development loans, qualified investments and donations, and community development services for each year since the prior CRA evaluation dated February 5, 2018. Only one qualified investment was outstanding from the prior period and was included at current book value.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A “Satisfactory” rating is assigned for the Lending Test. Overall, River Bank demonstrates reasonable lending performance within the AAs. The bank’s loan-to-deposit ratio, AA Concentration, and Borrower Profile performances primarily support this conclusion.

Loan-to-Deposit Ratio

River Bank’s loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size, financial condition, AAs’ credit needs, and area opportunities. River Bank’s LTD ratio, calculated from Call Report data, averaged 107 percent over the past 12 quarters since the previous evaluation. The ratio has stayed fairly consistent since the prior examination ranging from a low of 104.7 percent as of the September 30, 2018 Call Report to a high of 110.3 percent as of September 30, 2020. The bank’s ratio is higher than most of the similarly situated institutions (SSIs), as shown in the following table. Examiners selected SSIs based on their asset size, bank structure, geographic location (proximity to MSA/Non-MSA areas), lending focus, and management comments. Loans sold on the secondary market are not considered in the LTD ratios.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2020 (\$000s)	Average Net LTD Ratio (%)
River Bank, Stoddard	820,355	107.0
SSI #1*	403,491	107.2
SSI #2	591,843	92.0
SSI #3*	457,300	67.9
SSI #4	491,417	100.2
SSI #5*	106,460	86.5
SSI #6*	446,368	101.4
SSI #7	540,567	98.3
SSI #8	485,077	84.5
SSI #9	1,572,782	85.7
<i>Source: Reports of Condition and Income 3/31/2018 through 12/31/2020</i>		
<i>* Denotes management-selected SSIs</i>		

Assessment Area Concentration

River Bank originated a majority of its home mortgage and small business loans, by number and dollar volume, within its combined AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	82	77.4	24	22.6	106	35,653	69.3	15,775	30.7	51,428
2020	191	81.3	44	18.7	235	83,019	54.6	68,955	45.4	151,974
Subtotal	273	80.1	68	19.9	341	118,672	58.3	84,730	41.7	203,402
Small Business	54	85.7	9	14.3	63	12,409	76.1	3,894	23.9	16,303
<i>Source: Bank Data: 2019 and 2020 HMDA data; 2020 Small Business Loan Trial Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the La Crosse MSA and the Non-MSA AAs. There is limited diversification of the AAs' census tract income designations. The La Crosse MSA includes only one low-income census tract and four moderate-income tracts. The Non-MSA AA has no low-income census tracts and only one moderate-income tract. Examiners analyzed the lending performance in relation to office locations, bank resources, opportunities, and competition, focusing on the percentage by number and dollar amount of loans in the few low- and moderate-income census tracts. The location of the bank's offices in proximity to the low- and moderate-income census tracts, along with the amount of competition serving these areas had a direct effect on the geographic distribution of the bank's loans. River Bank's strategy has historically been to focus on meeting the needs of small businesses and individuals residing in and around the census tracts where their offices are located. Specific details for each AA are detailed under the respective AA analyses below. Performance was consistent throughout the AAs.

Borrower Profile

The distribution of loans to borrowers within the AAs reflects reasonable penetration among businesses of different sizes and individuals of different income levels. Examiners focused on the percentage by number of small business loans to businesses with Gross Annual Revenues (GARs) of \$1 million or less, and comparison to D&B data. Examiners also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and comparison to the 2019 aggregate performance levels. Performance was consistent throughout the AAs.

Response to Complaints

River Bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

A "Satisfactory" rating is assigned for the Community Development Test. River Bank has demonstrated adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments and donations, and community development

services. Examiners gave quantitative consideration based on the bank's capacity, as well as the opportunities and how the activities meet the needs of the AAs. Details follow.

Community Development Loans

River Bank originated or renewed 693 community development loans totaling \$56.6 million in the AAs and 58 community development loans totaling \$39.1 million throughout the broader statewide or regional area during the evaluation period. This level of activity represents 11.5 percent of total assets and 13.2 percent of total loans. Examiners considered the number and dollar amount of community development loans in the broader statewide or regional area because River Bank has been responsive to the community development needs and opportunities within the AAs.

Of the 751 total community development loans, 703 totaling \$40 million have economic development purposes. The substantial majority of the economic development loans (702) consisted of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans. River Bank originated 660 PPP loans totaling \$37.5 million in the AAs and 42 PPP loans totaling \$2.3 million in the broader statewide and regional area. These loans demonstrate the bank’s responsiveness to a primary community development need during the current evaluation period.

Excluding the SBA PPP lending activity discussed above, River Bank originated 33 community development loans totaling \$19.5 million in the AAs. The bank originated 16 loans totaling \$36.7 million in the broader statewide/regional area. This level of activity represents 6.7 percent of total assets and 7.8 percent of total loans. This level of lending is greater than the 19 loans totaling \$19 million at the previous evaluation, which equaled 4 percent of total assets and 4.5 percent of net loans.

River Bank’s community development lending performance is consistent with the performance of SSIs in Wisconsin evaluated under the Interagency Intermediate Small Institution procedures and receiving “Satisfactory” ratings in the Community Development Test. Examiners made this comparison without the PPP loans, as not all of the SSIs’ performance evaluations covered the time-period that this program was available. The following tables illustrate the bank’s community development lending by AA, year, and purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
La Crosse MSA AA	11	8,628	2	45	257	24,338	3	4,257	273	37,268
Non-MSA AA	9	3,822	0	0	404	13,666	7	1,819	420	19,307
Statewide Activities	13	11,351	0	0	23	1,475	2	25,000	38	37,826
Regional Activities	1	419	0	0	19	820	0	0	20	1,239
Total	34	24,220	2	45	703	40,299	12	31,076	751	95,640
<i>Source: Bank Data</i>										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018 (Partial)	7	1,840	0	0	0	0	3	1,040	10	2,880
2019	9	2,216	0	0	0	0	3	660	12	2,876
2020	14	17,047	1	10	323	27,901	4	15,757	342	60,715
YTD 2021	4	3,117	1	35	380	12,398	2	13,619	387	29,169
Total	34	24,220	2	45	703	40,299	12	31,076	751	95,640
<i>Source: Bank Data</i>										

As discussed previously, it should be noted that a large portion of River Bank’s community development lending is comprised of loans for multifamily housing and mobile home parks in and outside of the AA, but primarily located in Wisconsin. These loans help to serve the housing needs of low- and moderate-income families. Excluding the above 702 PPP loans, 33 out of 49 community development loans, or 67 percent, were for multifamily lending. The bank also originates loans through the Wisconsin Housing and Economic Development Authority (WHEDA) which primarily benefits low- and moderate-income borrowers. River Bank originated twelve WHEDA loans totaling \$1.2 million in the La Crosse MSA AA and three WHEDA loans in the Non-MSA AA during the review period.

Qualified Investments

River Bank made only six qualified investments totaling approximately \$2.0 million during the evaluation period, and only four qualified donations totaling \$35,000. River Bank had one outstanding qualified investment from the prior period. This level of investments is significantly less than the prior examination in which River Bank had 25 qualified investments totaling \$2.5 million. River Bank’s qualified investment activity is lower than comparable institutions considering the community development investment needs of the AAs and the capacity of the institution and the need for and availability of such opportunities.

The dollar amount of qualified investments equates to 0.24 percent of total assets, 3.5 percent of total securities, and 2.1 percent of equity capital. This level is lower than the previous evaluation where the investments equaled 0.6 percent of total assets, 7.7 percent of total securities, and 5.3 percent of equity capital. The following tables illustrate the bank’s qualified investments by AA, year, and purpose. Statewide activity includes bonds that benefit schools with over 50 percent of the student population receiving subsidized lunches.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
La Crosse MSA	0	0	3	30	1	310	0	0	4	340
Non-MSA	0	0	0	0	0	0	1	5	1	5
Statewide Activities	0	0	1	185	4	1,459	0	0	5	1,644
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	0	0	4	215	5	1,769	1	5	10	1,989
<i>Source: Bank Data</i>										

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	1	125	0	0	1	125
2018 (Partial)	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	3	1,334	0	0	3	1,334
2020	0	0	0	0	1	310	0	0	1	310
YTD 2021	0	0	1	185	0	0	0	0	1	185
Subtotal	0	0	1	185	5	1,769	0	0	6	1,954
Qualified Grants & Donations	0	0	3	30	0	0	1	5	4	35
Total	0	0	4	215	5	1,769	1	5	10	1,989
<i>Source: Bank Data</i>										

Community Development Services

During the evaluation period, River Bank provided 27 instances of community development services within the AAs. They provided an additional three qualified services in a broader statewide area. However, despite the bank's growth in resources and offices, and the AA expansion, examiners note a decline in the level of community development services since the prior examination. At that time, 49 instances of qualified community development services were identified. The following tables show the summary of community development services by AA and year.

Community Development Services – Combined Years					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
La Crosse MSA	0	1	10	2	13
Non-MSA	1	3	8	2	14
Statewide	2	0	1	0	3
Total	3	4	19	4	30
<i>Source: Bank Records</i>					

Community Development Services – Combined AAs					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018 (Partial)	1	1	5	0	7
2019	2	0	5	2	9
2020	0	3	5	2	10
2021 (to April 17)	0	0	4	0	4
Total	3	4	19	4	30
<i>Source: Bank Records</i>					

Notable examples of community development services by River Bank include:

- River Bank offers a checking account that has no service charges and no minimum balances. Currently over 5,500 customers hold such an account.
- River Bank helps extend real estate loans through the WHEDA. Some borrowers also received additional down-payment assistance loans to help low- and moderate-income borrowers afford home ownership.
- During the Federal Emergency Management Agency (FEMA) declared flood disaster in the area, River Bank assisted more than 50 AA businesses in obtaining a \$5,000 Federal Home Loan Bank (FHLB) grant.
- During the COVID crisis, River Bank stopped charging late fees to mortgage and business loan customers. Over \$100,000 in late fee charges were waived.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

LA CROSSE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN LA CROSSE MSA AA

Economic and Demographic Data

The La Crosse MSA AA consists of 25 census tracts, of which one tract is designated as N/A, one is low-income, four are moderate-income, 14 are middle-income, and five are upper-income. The low- and moderate-income tracts are located within the city of La Crosse. River Bank has six banking offices located in the La Crosse MSA AA. Four of the offices are in middle-income tracts, and two are located in moderate-income tracts. The two branches in moderate-income tracts are in the City of La Crosse, Wisconsin. The other branches in the middle-income census tracts are

located Bangor, Holmen, and two in West Salem, Wisconsin. The following table illustrates key demographic data specific to the La Crosse MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: River Bank - La Crosse MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	4.0	16.0	56.0	20.0	4.0
Population by Geography	117,048	2.1	15.7	60.3	17.7	4.2
Housing Units by Geography	49,008	2.7	17.5	60.4	17.9	1.6
Owner-Occupied Units by Geography	30,084	0.4	7.8	68.2	23.2	0.4
Occupied Rental Units by Geography	16,261	6.2	33.8	47.3	8.7	4.1
Vacant Units by Geography	2,663	7.2	27.6	52.3	12.8	0.0
Businesses by Geography	6,348	11.6	17.0	56.8	13.5	1.1
Farms by Geography	251	0.8	4.4	76.1	17.9	0.8
Family Distribution by Income Level	28,033	18.3	18.9	22.1	40.6	0.0
Household Distribution by Income Level	46,345	21.9	17.5	19.0	41.5	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$68,531	Median Housing Value			\$155,655
			Median Gross Rent			\$761
			Families Below Poverty Level			6.7%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the 2020 D&B data, there were 6,348 reporting businesses operating in the La Crosse MSA AA. The GAR distribution for these businesses are listed below. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level.

- 76.3 percent report \$1 million or less
- 7.9 percent report more than \$1 million
- 15.8 percent do not report revenue data

Information from the 2019 State of Wisconsin Workforce Profile for La Crosse County shows the largest employment industries as: education and health; trade, transportation, and utilities; and leisure and hospitality. These industries represent more than 59 percent of the workforce. Top employers for La Crosse County include Gunderson Health Systems, Mayo Clinic Health Systems, Trane Company, and the University of Wisconsin – La Crosse.

Examiners use the 2019 and 2020 FFIEC estimated median family income levels to analyze the 1-4 family home mortgage loans under the Borrower Profile criterion. The following table illustrates the 2019 and 2020 income categories for the La Crosse MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
La Crosse, WI MSA Median Family Income				
2019 (\$78,600)	<\$39,300	\$39,300 to <\$62,880	\$62,880 to <\$94,320	≥\$94,320
2020 (\$76,800)	<\$38,400	\$48,400 to <\$61,440	\$61,440 to <\$92,160	≥\$92,160
<i>Source: FFIEC</i>				

There are 49,008 housing units within the La Crosse MSA AA, with 61.4 percent owner-occupied, 33.1 percent occupied rental units, and 5.4 percent vacant units. The Geographic Distribution criterion compares 1-4 family home mortgage loans to the distribution of owner-occupied housing units. The bank's multifamily lending is compared to the distribution of multifamily housing units.

The Wisconsin Realtors Association provides information on number of home sales and median sales price by county. This information, which follows, provides insight into the AA's housing market availability and credit needs, as well as the potential affordability of housing to low- and moderate-income borrowers. The table shows that the median sales prices for La Crosse County has increased from the prior year's data. This also provides an indication of housing affordability within the La Crosse MSA AA.

Housing Sales and Median Prices for La Crosse County		
Year	YTD # of Sales	YTD Median Sales Price
2019	103	\$215,000
2020	131	\$220,000
<i>Source: Wisconsin Realtors Association</i>		

The most recent information for the U.S. Bureau of Labor Statistics indicates that the unemployment rate for the State of Wisconsin was 4.0 percent as of December 2020. The unemployment rate for La Crosse County as of December 2020 was slightly less at 3.3 percent. The COVID-19 pandemic has impacted the unemployment rates, and according to the Bureau of Labor Statistics, La Crosse County's leisure and hospitality industry was impacted the most with a 20 percent decline in employment as of December 2020.

Competition

The La Crosse MSA AA is very competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 2020, there were fourteen financial institutions that operate 37 full-service branches within the La Crosse MSA AA. Of these institutions, River Bank ranked fifth with a 10.3 percent deposit market share.

There is a moderate level of competition in the La Crosse MSA AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to HMDA aggregate data, 169 lenders reported a total of 4,678 mortgage loans in the La Crosse MSA AA in 2019. River Bank ranked 21st with a market share of 0.9 percent.

River Bank is not required to collect or report small business data, and it has elected not to do so. Therefore, the analysis of these loan types under the Lending Test does not include comparisons to aggregate data. However, the aggregate data does provide an indication of the level of demand for lending. Aggregate data for 2019 showed that 39 lenders reported 1,801 small business loans in the La Crosse MSA AA. Examiners note that many institutions are not required to report small business lending data, and therefore, competition for these loan types may be greater than the aggregate small business data reflects.

Community Contact(s)

As part of the evaluation process, examiners use information obtained from third parties active in the AAs to assist in identifying the credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to those needs. Examiners obtained information from an economic development group that serves communities in the La Crosse MSA AA. Additionally, information from a residential real estate agency in the La Crosse area was obtained.

The economic development contact stated that there is a need for start-up business financing and more assistance programs for small businesses. The real estate contact stated that the residential home market is very active and there is a shortage of available homes. The contact stated that there are often bidding wars for homes, and this can be difficult for low- and moderate-income borrowers, as there is not an adequate supply of affordable homes. The contact stated that housing costs are increasing and there is a need for more affordable housing.

Credit and Community Development Needs and Opportunities

Considering information from bank management, demographic and economic data, and the community contacts, examiners determined that there are credit and community development needs for affordable housing and small businesses in the AA, including financing for start-up businesses and flexible small business and home loan programs. There is a need for affordable housing and down payment assistance programs to help low- and moderate-income borrowers afford to buy a home. The COVID-19 pandemic has had an adverse impact on small businesses and has resulted in a need for more flexible business lending programs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LA CROSSE MSA AA

LENDING TEST

River Bank demonstrated reasonable lending performance within the La Crosse MSA AA.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. The bank's reasonable performance of small business and home mortgage lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts. As stated previously, there is only one low-income census tract and four moderate-income census tracts within this AA.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the La Crosse MSA AA. The below table presents the geographic distribution of the reviewed 2020 small business loans. The analysis focuses on number of loans within the low- and moderate-income census tracts, and comparison to the 2020 D&B demographic data. The analysis only includes small business loans originated within the La Crosse MSA AA.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	11.6	3	10.7	174	2.1
Moderate	17.0	2	7.1	357	4.4
Middle	56.8	19	67.9	5,417	66.9
Upper	13.5	4	14.3	2,154	26.6
NA	1.1	0	0.0	0	0.0
Total	100.0	28	100.0	8,102	100.0
<i>Sources: 2020 D&B Data, Bank Records</i>					

By number, the geographic distribution of River Bank’s small business loans reflects 10.7 percent originated within the low-income census tracts. This is slightly lower, but in line with, the presented D&B data. However, the bank’s distribution of small business loans within the moderate-income census tracts is below the presented demographics. It should be noted that not all small businesses have a need for small business loans. Overall, considering the census tract demographics, D&B data, office locations, competition, and credit opportunities, the bank’s geographic distribution of small business loans throughout this AA is reasonable.

Home Mortgage Loans

River Bank’s geographic distribution of home mortgage loans to individuals of different income levels within the La Crosse MSA AA reflects reasonable dispersion. Examiners focused on performance by number of loans within the low- and moderate-income census tracts, and the comparison to aggregate performance levels. Examiners compared 2020 lending performance to ACS demographic data as 2020 aggregate is not yet available. The following table presents all HMDA-reportable mortgage loans originated within this AA. However, as stated previously, River Bank has recently increased its lending focus for multifamily housing. Multifamily represents over half of the reported loans in 2019 and 2020. Given the significant volume of multifamily lending, examiners conducted separate analyses for these two loan types to arrive at more accurate conclusions of overall performance. Please refer to the separate narratives following the table.

Geographic Distribution of Home Mortgage Loans							
Assessment Area: River Bank La Crosse MSA							
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2019	0.4	0.9	0.0	0	0.0	0	0.0
2020	0.4	--	--	4	3.4	14,344	20.0
Moderate							
2019	7.8	7.1	2.7	9	20.5	4,640	15.3
2020	7.8	--	--	15	12.6	25,752	35.9
Middle							
2019	68.2	68.7	0.7	23	52.3	16,742	55.1
2020	68.2	--	--	80	67.2	24,506	34.2
Upper							
2019	23.2	22.8	1.1	12	27.3	9,022	29.7
2020	23.2	--	--	20	16.8	7,076	9.9
Not Available							
2019	0.4	0.6	0.0	0	0.0	0	0.0
2020	0.4	--	--	0	0.0	0	0.0
Totals							
2019	100.0	100.0	0.9	44	100.0	30,404	100.0
2020	100.0	--	--	119	100.0	71,678	100.0
Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%							
River Bank (30000014995) excluded from Aggregate							

1-4 family Housing Loans

Examiners compared the bank's record of lending 1-4 family housing loans to the percentage of owner-occupied housing units within each census tract designation and related aggregate data. In 2019, 18 loans (about 40.9 percent) were for 1-4 family housing units. The bank did not extend any 2019 residential real estate loans in low-income census tracts in the AA; however, demographic and aggregate data show that there is limited opportunity and demand for this type of lending in low-income census tracts. Specifically, demographic data shows that only 8.7 percent of the 1,300 housing units in this tract are owner-occupied, and 76.5 percent are rental occupied units. Further, aggregate lending levels in low-income census tracts are notably low, at just 0.9 percent, reflecting low opportunity and demand. The bank did not originate any loans to moderate-income census tracts. This performance trails aggregate (7 percent) more significantly.

In 2020, River Bank increased lending to both low- and moderate-income census tracts in the AA. The bank originated one loan in a low-income census tract, representing 1.7 percent of 1-4 family housing loans. River Bank originated five loans (8.6 percent) to moderate-income census tracts. Lending in both low- and moderate-income areas in 2020 compares favorably to the demographic data. Given competition, location of branches, and noted improvements throughout the review period, 1-4 family housing lending is reasonable.

Multifamily Loans

The level of multifamily lending was analyzed in comparison to the percentage of multifamily properties within each census tract, as this provides a better comparative factor for this type of lending. The low- and moderate-income census tracts have a higher percentage of multifamily units primarily from university housing.

In 2019, the bank originated 26 multifamily loans. None of these loan originations were in low-income census tracts, which trails both the demographic (9.9 percent) and aggregate data (6.5 percent). The bank originated 34.6 percent of loans to moderate-income census tracts. While still trailing the demographic (40.6 percent) and aggregate data (44.2 percent), moderate-income lending performance is more within reason of comparable factors.

The bank originated 61 multifamily loans in 2020. Multifamily housing lending in low-income census tracts improved as the bank originated three loans (approximately 4.9 percent) to these areas. River Bank originated 10 loans (approximately 16.4 percent) to moderate-income census tracts. Performance in 2020 trails demographic data. While mixed performance is identified throughout the review period, examiners note that River Bank has recently emphasized multifamily lending, and the low- and moderate- income areas are also near the University of Wisconsin – La Crosse, where there is a large volume of student housing and competition. Overall, performance is reasonable.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels in the La Crosse MSA AA. The analysis of River Bank’s small business lending and home mortgage lending supports the overall reasonable conclusion.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. Details of the bank’s lending performance for the reviewed 2020 small business loans follow. Only La Crosse MSA AA loans are included in the table.

Distribution of Small Business Loans by Gross Annual Revenue Category - 2020					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	76.3	18	64.3	4,214	52.0
>\$1,000,000	7.9	8	28.5	3,498	43.2
Revenue Not Available	15.8	2	7.1	390	4.8
Total	100.0	28	100.0	8,102	100.0
<i>Sources: 2020 D&B Data, Bank Records (2020); Due to rounding, totals may not equal 100%</i>					

River Bank’s lending performance reflects that 64.3 percent by number of its small business loans were originated to businesses with GARs of \$1 million or less. This is below, but within reason, of the presented demographics. The demographic provides insight as to the total number of businesses in the area. Not all businesses could qualify for or are seeking traditional small business financing. Given the AA demographics, credit needs and opportunities, and competition, the bank’s distribution of small business loans reflects reasonable penetration among businesses of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The presented data includes the bank’s 2019 home mortgage loans, which is compared to the aggregate data, and the 2020 reported home mortgage loans compared to the percentage of families, as aggregate data for that year is not yet available.

Distribution of Home Mortgage Loans by Borrower Income Level							
Assessment Area: River Bank La Crosse MSA							
Borrower Income Level	% of Families	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2019	18.3	9.0	0.5	2	4.5	148	0.5
2020	18.3	--	--	10	8.4	795	1.1
Moderate							
2019	18.9	20.3	0.1	1	2.3	125	0.4
2020	18.9	--	--	12	10.1	1,864	2.6
Middle							
2019	22.1	24.8	0.3	4	9.1	700	2.3
2020	22.1	--	--	15	12.6	1,894	2.6
Upper							
2019	40.6	35.0	0.7	11	25.0	3,495	11.5
2020	40.6	--	--	21	17.6	5,240	7.3
Not Available							
2019	0.0	10.9	4.9	26	59.1	25,937	85.3
2020	0.0	--	--	61	51.3	61,887	86.3
Totals							
2019	100.0	100.0	0.9	44	100.0	30,404	100.0
2020	100.0	--	--	119	100.0	71,678	100.0

*Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data; River Bank (30000014995) excluded from Aggregate
 "--" data not available; Due to rounding, totals may not equal 100.0%*

Based on the table considering overall HMDA data, the bank originated home mortgage loans to low-income borrowers at a lower level than the aggregate performance. The bank's lending among low-income borrowers also significantly trails the percentage of low-income families that reside within the AA (at 18.3 percent). However, the AA families that live below the poverty level (6.7 percent) partially contribute to this disparity. Given their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a traditional home mortgage, limiting the demand and opportunity for lending to low-income borrowers. River Bank's level of lending to moderate-income borrowers is also significantly below aggregate performance and the percentage of AA moderate-income families. While the bank's lending performance to the two lowest borrower income segments does not compare favorably to aggregate performance or presented demographics, various mitigating factors support the conclusion of reasonable distribution of loans to borrowers of different income levels.

As noted previously, the bank originates a significant portion of multifamily loans for which income is not reported for HMDA purposes. These loans are included in the "NA" category in the above table. Of the home mortgage loans reported in 2019 above, 26 loans (59.1 percent) did not include income information, and in 2020, 61 loans (51.3 percent) did not include income. While aggregate data shows that other banks in the area also participate in multifamily lending, they reported just 10.7 percent of such loans. River Bank's reported loans in the "NA" category is substantially higher, and this artificially deflates the level of lending within the various other income categories of borrowers.

When excluding the "NA" loans from the analysis, the percentage of loans to low-income borrowers increases to 11.1 percent in 2019, which exceeds the aggregate data. Performance to low-income borrowers in 2020 increases to 17.2 percent. Using the same adjustment, lending to moderate-income borrowers increases to 5.5 percent in 2019. In 2020, performance increases to 20.7 percent. While the level of lending in 2019 significantly trails aggregate data, 2020 performance is very similar to the demographic composition of families within these census tracts.

Further, the higher median home values in this AA (as noted previously) impact home mortgage lending to low- and moderate-income borrowers. The AA median home prices have continued to increase since the prior performance evaluation, making it difficult for low- and moderate-income borrowers to qualify for conventional home mortgage financing. Comments from the community contact also support that the AA has high housing costs, and the area needs more affordable housing. As noted under the "Community Development Loans" section of the report, a significant volume of the bank's AA multifamily loans are for properties that have affordable housing costs for low- and moderate-income borrowers. Given the high volume of multifamily loans, the bank is assisting in serving the needs of multiple low- and moderate-income families per multifamily loan.

When considering the bank's lending performance, demographic data, aggregate performance levels, and these noted mitigating factors, the bank's distribution of home mortgage loans to borrowers of different income levels is reasonable.

COMMUNITY DEVELOPMENT TEST

River Bank has demonstrated adequate responsiveness to the community development needs of its La Crosse MSA AA through community development loans, qualified donations and investments, and community development services. Examiners considered the bank’s capacity, as well as the need for and availability of such opportunities. The community development lending performance primarily supports overall conclusions. Details follow.

Community Development Loans

River Bank’s community development lending in the La Crosse MSA AA has increased from 4 community development loans totaling \$5.2 million at the previous evaluation to 269 community development loans totaling \$25.2 million at the current evaluation. This is predominantly the result of River Bank’s participation in the SBA PPP. During the evaluation period, River Bank made 257 SBA PPP loans totaling \$24.3 million in the La Crosse MSA AA. Excluding the SBA PPP lending activity, River Bank originated 12 community development loans totaling \$12.9 million. This is still higher than the level of community development loans at the previous examination. The majority of the community development lending (\$11.8 million) has been for multifamily affordable housing. As mentioned previously, River Bank is active in extending loans for multifamily housing and mobile home parks, which help benefit low- and moderate-income borrowers.

Qualified Investments

River Bank made one qualified investment and three donations, all totaling \$330,000 in the La Crosse MSA AA during the evaluation period. There were no outstanding investments in the La Crosse MSA AA from prior periods. The total of \$330,000 in qualified investments in the La Crosse MSA AA was higher by dollar volume than the six donations totaling \$2,000 at the prior examination. The current investments were comprised of a local school bond for \$300,000 and three community service donations for \$30,000. All donations and investments were made during 2020, with no such activity in any of the other evaluation years.

Community Development Services

River Bank’s staff provided 13 community development services in the La Crosse MSA AA during the evaluation period. This is less than the 21 community development services at the prior evaluation. The following table shows the breakdown of community development services by year.

Community Development Services – La Crosse MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018 (Partial)	0	0	2	0	2
2019	0	0	3	1	4
2020	0	1	3	1	5
2021 (to April 17)	0	0	2	0	2
Total	0	1	10	2	13
<i>Source: Bank Records</i>					

NON-MSA AA– Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA AA

The Non-MSA AA is comprised of all of Monroe County, the southern portion of Trempealeau County, the western portion of Vernon County, and one northern census tract in Crawford County. This AA consists of 17 census tracts of which one tract is moderate-income and the remaining 16 census tracts are middle-income. There are no low- or upper-income census tracts in the Non-MSA AA. River Bank has its main Stoddard office and eight branch offices located in the Non-MSA portion of the AA. Four offices are in Vernon County, four are in Monroe County, and one office is in Crawford County. One of the Monroe County branch offices is located in the one moderate-income census tract. The following table illustrates key demographic data specific to the Non-MSA AA.

Demographic Information of the Assessment Area						
Assessment Area: River Bank Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	0.0	5.9	94.1	0.0	0.0
Population by Geography	77,969	0.0	5.4	94.6	0.0	0.0
Housing Units by Geography	35,218	0.0	6.0	94.0	0.0	0.0
Owner-Occupied Units by Geography	22,581	0.0	3.3	96.7	0.0	0.0
Occupied Rental Units by Geography	8,717	0.0	13.1	86.9	0.0	0.0
Vacant Units by Geography	3,920	0.0	5.6	94.4	0.0	0.0
Businesses by Geography	4,293	0.0	8.8	91.2	0.0	0.0
Farms by Geography	608	0.0	1.8	98.2	0.0	0.0
Family Distribution by Income Level	20,875	19.2	17.5	23.6	39.7	0.0
Household Distribution by Income Level	31,298	21.5	16.0	19.2	43.2	0.0
Median Family Income Non-MSAs – WI		\$60,742	Median Housing Value			\$139,595
			Median Gross Rent			\$723
			Families Below Poverty Level			9.3%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.*

According to the 2020 D&B data, there were 4,293 reporting businesses operating in the Non-MSA AA. GARs for these business are listed below. The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level.

- 78.9 percent report \$1 million or less
- 5.3 report more than \$1 million

- 15.8 percent do not report revenue data

Information from the State of Wisconsin Workforce profile shows the following unemployment information for the respective counties.

Employment Information for Non-MSA			
County	Unemployment Rate	Largest Employment Industries	Top Employers
Monroe	3.7%	Trade, Transportation & Utilities Education & Health Manufacturing	Tomah VA Medical Center Department of Defense Wal-Mart Toro Manufacturing
Vernon	3.5%	Education & Health Trade, Transportation & Utilities Manufacturing	CROPP Vernon Memorial Healthcare Nelson Global Products, Inc. Wal-Mart
Crawford	4.9%	Trade, Transportation & Utilities Education & Health Manufacturing	Cabela's Wholesale, Inc. 3M Manufacturing Miniature Precision Components Prairie du Chien Hospital
Trempealeau	4.3%	Manufacturing Education & Health Trade, Transportation & Utilities	Ashley Furniture Industries, Inc. JFC, Inc. Global Finishing Solutions LLC County of Trempealeau
<i>Sources: Bureau of Labor Statistics as of December 2020, State of Wisconsin Workforce profile</i>			

The unemployment rate for the State of Wisconsin was at 4.0 percent as of December 2020. Monroe and Vernon Counties had slightly lower unemployment rates. However, Crawford and Trempealeau Counties have slightly higher unemployment rates.

Examiners use the 2019 and 2020 FFIEC estimate median family income levels to analyze the mortgage loans under the Borrower Profile criterion. The following table illustrates the 2019 and 2020 income categories for this AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Non-MSA Median Family Income (99999)				
2019 (\$65,900)	<\$32,950	\$32,950 to <\$52,720	\$52,720 to <\$79,080	≥\$79,080
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
<i>Source: FFIEC</i>				

There are 35,218 housing units within the Non-MSA AA, with 64.1 percent owner-occupied, 24.8 percent occupied rental units, and 11.1 percent vacant units.

The following table provides information on number of homes sales and median sales price by county from the Wisconsin Realtors Association. This information, which follows, provides insight into the housing market's availability and credit needs, as well as the potential affordability of the housing to low- and moderate-income borrowers. The table shows that the median sales prices for all counties have increased from the prior year's data. This also provides an indication of housing affordability in the respective counties.

Median Housing Sales				
County	2019 # of Sales	2019 Median Sales Price	2020 # of Sales	2020 Median Sales Price
Monroe	525	\$161,000	614	\$175,000
Vernon	266	\$166,500	339	\$185,900
Crawford	192	\$135,500	216	\$143,450
Trempealeau	276	\$160,000	324	\$169,950
<i>Sources: Wisconsin Realtors Association</i>				

Competition

The Non-MSA AA is more rural and is not as competitive as the more populated metropolitan areas. The following table shows the number of financial institutions within each county and the combined Non-MSA AA. Overall, River Bank ranks second in the combined counties, with an overall 12.9 percent deposit market share.

Banking Competition in the Non-MSA AA				
County	# of Financial Institutions	# of Bank Branches	River Bank Ranking in County	River Bank Deposit Market Share
Monroe	8	17	#2	24.1%
Vernon	7	14	#3	19.7%
Crawford	6	11	#4	2.9%
Trempealeau*	9	19	*	*
Overall	30	61	#2	12.9%
<i>Sources: FDIC Division of Insurance and Research, *River Bank does not have a branch office in Trempealeau County</i>				

There is a moderate level of competition in the Non-MSA AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. From a review of banks that are required to report their mortgage lending, it shows that in 2019, 161 lenders reported 41,847 HMDA reportable loans in the Non-MSA AA counties. River Bank ranked 11th, reporting a market share of 1.8 percent. Many institutions are not required to report lending in the Non-MSA area, therefore, competition for these loan types may be even greater than the aggregate data shows.

River Bank is not required to collect or report small business data, and it has elected not to do so. Therefore, the analysis of these loan types under the Lending Test does not include comparisons to aggregate data. However, the aggregate data aids in determining the level of demand for such loans. Small business aggregate data for 2019 showed that 41 lenders reported 1,007 small business loans in the Non-MSA AA. It should be noted that many institutions are not required to report lending data, therefore, competition for these loan types may be greater than the aggregate small business data reflects.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA AA

LENDING TEST

The bank demonstrated overall, reasonable performance within the Non-MSA AA.

Geographic Distribution

The geographic distribution of loans within the Non-MSA AA reflects reasonable dispersion among census tracts of various income levels.

Small Business Loans

The geographic distribution of sampled small business loans reflects reasonable dispersion throughout this AA. The following table shows the sample of loans originated within the Non-MSA AA had the majority extended in the middle-income tracts, and one in the moderate-income tract.

Geographic Distribution of Small Business Loans – Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	8.8	1	4.0	15	0.4
Middle	91.2	25	96.0	4,292	99.6
Total	100.0	26	100.0	4,307	100.0
<i>Sources: 2016 D&B Data, Bank Records</i>					

The bank’s level of lending in the moderate-income tract is less than comparable D&B data. However, a significant mitigating factor is the location of this moderate-income tract in Tomah, in relation to the bank branches. The bank recently opened a branch in Tomah resulting from the merger which was completed mid-2020. However, prior to the merger, this moderate-income census tract was a significant distance away from the bank’s nearest branch in Sparta (approximately 20 miles). Also, within Tomah are eight financial institutions and credit unions. The institutions in Tomah, which are closer to the moderate-income tract, and distant location of the branch in Sparta, may preclude potential businesses to travel west 20 miles for lending opportunities. Overall, considering the bank office locations, competition, and credit opportunities, the level of lending in the Non-MSA AA is reasonable.

Home Mortgage Loans

River Bank’s geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Non-MSA AA. Examiners focused on performance by number of loans within the moderate-income census tract, and the comparison to the aggregate performance levels. Comparisons to the aggregate levels is only available for 2019. For 2020 data, comparisons to the percentage of owner-occupied units is utilized.

Geographic Distribution of Home Mortgage Loans							
Assessment Area: River Bank Non-MSA AA							
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Moderate							
2019	3.3	5.1	0.0	0	0.0	0	0.0
2020	3.3	--	--	1	1.4	120	1.1
Middle							
2019	96.7	94.9	2.2	38	100.0	5,249	100.0
2020	96.7	--	--	71	98.6	11,221	98.9
Totals							
2019	100.0	100.0	2.1	38	100.0	5,249	100.0
2020	100.0	--	--	72	100.0	11,341	100.0
<i>Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available.</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							
<i>River Bank (30000014995) excluded from Aggregate</i>							

For 2019, River Bank did not report any lending in the one moderate-income census tract. This is below aggregate performance. In 2020 the bank reported one loan in the moderate-income census tract. This performance is lower than the demographic.

As discussed above with the business geographic analysis, these same mitigating factors can be applied to the lower level of residential lending in the moderate-income tract. As of 2019, the bank did not operate any branches in the moderate-income census tract, and the location of this tract to the bank’s nearest office was approximately 20 miles away with several other financial institutions located closer to this tract. Given the mitigating factors, the dispersion of home mortgage loans throughout the Non-MSA AA is reasonable.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels in the Non-MSA AA. Examiners focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less, and comparison to D&B data. Examiners also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and comparison to the 2019 aggregate performance

levels, and 2020 to percentage of families as aggregate data is not yet available. The below analysis of River Bank’s small business lending and home mortgage lending supports this conclusion.

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses with GARs of \$1 million or less. Details of the bank’s lending performance for the reviewed 2020 small business loans follow. Only Non-MSA AA loans are included in the table.

Distribution of Small Business Loans by Gross Annual Revenue Category - 2020					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	78.9	23	88.5	3,304	76.7
>\$1,000,000	5.2	2	7.7	898	20.8
Revenue Not Available	15.8	1	3.8	105	2.5
Total	100.0	26	100.0	4,307	100.0
<i>Sources: 2020 D&B Data, Bank Records (2020); Due to rounding, totals may not equal 100%</i>					

River Bank’s lending performance reflects that 88.5 percent of the number of its small business loans were originated to businesses with GARs of \$1 million or less. This exceeds the presented demographics showing that 78.9 percent of businesses have GARs less than \$1 million. The demographic provides insight as to the total number of businesses in the area. Not all businesses usually qualify for or are seeking traditional small business financing, so the fact that the bank’s level of lending in the Non-MSA AA exceeds the composition reflects excellent performance of lending among businesses of smaller revenue sizes.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The presented data includes the bank’s 2019 home mortgage loans, which is compared to the aggregate data, and the 2020 reported home mortgage loans compared to the percentage of families, as aggregate data is not yet available. See the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level							
Assessment Area: River Bank Non-MSA							
Borrower Income Level	% of Families	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2019	19.2	4.9	4.3	4	10.5	236	4.5
2020	19.2	--	--	1	1.5	115	1.0
Moderate							
2019	17.5	17.2	1.9	6	15.8	454	8.6
2020	17.5	--	--	15	20.8	1,683	14.8
Middle							
2019	23.6	23.7	0.9	4	10.5	343	6.5
2020	23.6	--	--	9	12.5	1,492	13.2
Upper							
2019	39.7	38.1	1.6	11	28.9	1,709	32.6
2020	39.7	--	--	28	38.9	15,198	45.8
Not Available							
2019	0.0	16.1	4.3	13	34.2	2,508	47.8
2020	0.0	--	--	19	26.4	2,854	25.2
Totals							
2019	100.0	100.0	2.1	38	100.0	5,249	100.0
2020	100.0	--	--	72	100.0	11,341	100.0
<i>Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data; River Bank (30000014995) excluded from Aggregate "--" data not available; Due to rounding, totals may not equal 100.0%</i>							

As previously noted, the bank is an active multifamily lender. These loans are reflected in the “NA” category of the above table and artificially deflate the overall level of lending in the various other income categories. Of the bank’s reported loans, there are double the amount of NA loans than aggregate data. Examiners adjusted the analysis to exclude “NA” loans and provide a more accurate picture of the bank’s performance. For 2019, with the adjusted numbers, the level of loans to low-income borrowers improves to 16 percent. This figure substantially exceeds the adjusted aggregate lending performance. For 2020, the numbers also increase slightly for low-income, resulting in 1.9 percent. The level of lending to low-income borrowers is minimal in 2020, even when considering the 9.3 percent of families below the poverty level. The bank’s performance significantly trails the adjusted demographic.

When excluding NA loans, performance to moderate-income borrowers increases to 24 percent in 2019, significantly exceeding the adjusted aggregate levels and the presented demographics. In 2020, the level of lending to moderate-income borrowers increases to 28.3 percent, which significantly exceeds the demographics.

Further, the higher median home values in the Non-MSA AA (as noted previously) impact home mortgage lending to low- and moderate-income borrowers. The AA median home prices have continued to increase since the prior performance evaluation, making it more difficult for low- and moderate-income borrowers to qualify for conventional home mortgage financing. Comments from the community contact also support that the AA has high housing costs, and the area needs more affordable housing. As noted under the “Community Development Loans” section of the report, a significant volume of the bank’s AA multi-family loans are for properties that have affordable rents for low- and moderate-income borrowers.

When considering the bank’s lending performance for both years, demographic data, aggregate performance levels, and these noted mitigating factors, the bank’s distribution of home mortgage loans to borrowers of different income levels is reasonable.

COMMUNITY DEVELOPMENT TEST

River Bank demonstrates adequate responsiveness to the community development needs of the Non-MSA AA through community development loans, qualified investments, and community development services.

Community Development Loans

River Bank’s community development lending in the Non-MSA AA has increased from 3 loans totaling \$460,000 at the previous evaluation to 419 community development loans totaling \$18.3 million at the current evaluation. As mentioned previously, River Bank’s community development lending predominantly consists of SBA PPP loans. During the evaluation period, River Bank made 403 SBA PPP loans totaling \$13.1 million in the Non-MSA AA. Excluding the SBA PPP lending activity, River Bank originated 16 community development loans totaling \$5.2 million. Eight of these loans were for affordable housing in the Non-MSA AA, and seven were to help revitalize and stabilize areas. The following table details the community development loans in the Non-MSA AA by year.

Community Development Lending by Year – Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018 (Partial)	1	146	0	0	0	0	3	1,040	4	1,186
2019	4	304	0	0	0	0	3	660	7	964
2020	2	208	0	0	148	8,492	0	0	3	708
YTD 2021	1	2,200	0	0	256	5,174	1	119	2	2,319
Total	8	2,857	0	0	404	13,666	7	1,819	419	18,342
<i>Source: Bank Data</i>										

Qualified Investments

River Bank made six donations totaling \$5,000 in the bank’s Non-MSA AA. There were no outstanding investments from the prior period for this AA. This total of qualified investments in the Non-MSA AA is significantly less than the qualified investments at the prior examination, which totaled seven at \$595,000.

Community Development Services

River Bank’s staff provided 14 community development services in the Non-MSA AA during the evaluation period. This is less than the 28 community development services identified at the prior evaluation. The following table shows the breakdown of community development services by year.

Community Development Services – Non-MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018 (Partial)	0	1	2	0	3
2019	1	0	2	1	4
2020	0	2	2	1	5
2021 (to April 17)	0	0	2	0	2
Total	1	3	8	2	14
<i>Source: Bank Records</i>					

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g. geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g. innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median 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.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

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).

"Urban" excludes 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.