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RIVERVIEW BANCORP INC
Form 8-K
May 03, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 2, 2007

RIVERVIEW BANCORP, INC.
(Exact name of registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation)	000-22957 (Commission File Number)	91-1838969 (I.R.S. Employer Identification No.)
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900 Washington Street, Suite 900, Vancouver, Washington (Address of principal executive offices)	98660 (Zip Code)
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Registrant's telephone number, including area code: (360) 693-6650

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2007, Riverview Bancorp, Inc. issued its earnings release for the quarter ended March 31, 2007. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

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99.1 News Release of Riverview Bancorp, Inc. dated May 2, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RIVERVIEW BANCORP, INC.

Date: May 2, 2007

/s/Patrick Sheaffer

Patrick Sheaffer
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.1

News Release Dated May 2, 2007

RIVERVIEW BANCORP
[logo]

Contacts: Pat Sheaffer or Ron Wyseske,
Riverview Bancorp 360-693-6650

RIVERVIEW BANCORP NET OF \$11.6 MILLION UP 19% IN FISCAL 2007;

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LOANS AND DEPOSITS RISE 10%

Vancouver, WA - May 2, 2007 - Riverview Bancorp, Inc. (NASDAQ GSM: RVSB) today reported that loan and deposit growth coupled with a continued focus on operating efficiencies contributed to record fiscal 2007 profits. Net income for fiscal 2007 ended March 31, 2007, increased 19% to \$11.6 million, or \$1.01 per diluted share, compared to \$9.7 million, or \$0.86 per diluted share, in fiscal 2006. For the fourth quarter of fiscal 2007, net income increased 6% to \$2.8 million, or \$0.24 per diluted share, compared to \$2.6 million, or \$0.23 per diluted share, in the fourth fiscal quarter a year ago. All per share data has been adjusted to reflect the August 2006 2-for-1 stock split.

"Our fiscal 2007 record profits are a direct result of the sustained growth in our balance sheet," said Pat Sheaffer, Chairman and CEO. "Loan and deposit growth has improved our revenue generating capacity and contributed to a sustainable margin despite a challenging interest rate environment. In addition, our loan portfolio continues to be both well diversified and high quality as evidenced by our ability to maintain an extremely low level of nonperforming loans."

Fiscal 2007 Financial Highlights (at or for periods ended March 31, 2007, compared to March 31, 2006)

- * Net income increased 19% to \$11.6 million.
- * Net interest income increased 13% to \$36.5 million.
- * Revenues advanced 11% to \$45.6 million.
- * Net interest margin was 5.01% compared to prior year of 5.03%.
- * Efficiency ratio improved to 57.85% compared to prior year of 61.60%.
- * Total assets increased 7% to \$820 million.
- * Loans increased 10% to \$683 million.
- * Riverview Asset Management Corp. increased assets under management 23% to \$286 million.
- * Asset management fees increased 27% to \$1.9 million.
- * Opened a full service branch in Portland, Oregon, bringing branch network to 18 locations.

Operating Results

For fiscal 2007, the net interest margin was 5.01% compared to 5.03% in fiscal 2006. "Our yield on interest earning assets is moving in parallel with funding costs, and we were able to stabilize our margin for the fiscal year," said Ron Wysaske, President and COO. "Although the yield curve remains a challenge for the entire banking industry, on a linked quarter basis the fourth quarter fiscal year 2007 net interest margin increased 6 basis points to 4.95% from 4.89%."

Fiscal 2007 revenues (net interest income before the provision for loan losses plus non-interest income) increased 11% to \$45.6 million, compared to \$41.2 million in fiscal 2006. Net interest income before the provision for loan losses increased 13% to \$36.5 million in fiscal 2007 compared to \$32.4 million in fiscal 2006. Non-interest income increased 2% to \$9.0 million in fiscal 2007 compared to \$8.8 million in fiscal 2006. Fee income for Riverview Asset Management Corp. increased 27% to \$1.9 million in fiscal 2007 compared to \$1.5 million in fiscal 2006.

In the fourth quarter, revenues increased 6% to \$11.3 million compared to \$10.6 million in the fourth quarter a year ago. Net interest income before the provision for loan loss increased 5% to \$9.1 million in the fourth quarter of fiscal 2007 compared to \$8.6 million in the fourth quarter a year ago. Non-interest income increased 10% to \$2.2 million in the fourth quarter compared to \$2.0 million in the prior year's fourth quarter. Asset management fees from Riverview Asset Management Corp. increased 21% to \$479,000 in the fourth quarter compared to \$397,000 in the fourth quarter a year ago. Gains in fees and service charges were the primary drivers of Riverview's increased non-interest income.

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Non-interest expense was \$26.4 million in fiscal 2007 compared to \$25.4 million in fiscal 2006. For the fourth quarter, non-interest expense was \$6.9 million, unchanged from the fourth quarter a year ago. The efficiency ratio improved 375 basis points to 57.9% for the year, compared to 61.6% a year ago. For the fourth quarter of fiscal 2007, the efficiency ratio improved 380 basis points to 60.8%, compared to 64.6% in the like period a year ago. "Growing into our capacity, such as our success in Oregon, has significantly helped our efficiency," said Wysaske. "In addition, our growth in revenues due primarily to loan growth has spread our costs over a larger revenue base."

Balance Sheet Growth

"The economy in Southwest Washington and Portland, Oregon continues to generate strong demand for business loans, although we are seeing indications that the pace of growth may be moderating," Wysaske said. "Our goal is to keep our loan portfolio well diversified while maintaining excellent credit quality." Net loans increased 10% to \$683 million at March 31, 2007, compared to \$623 million a year ago. Commercial and construction loans account for 89% of the total loan portfolio. The following table breaks out loans by category:

		At the year ended March 31, 2007		At the year ended March 31, 2006	

(Dollars in thousands)					
LOAN DATA					
Commercial and construction					
Commercial	\$91,174	13.18%	\$90,083	14.29%	
Other real estate mortgage	360,930	52.19%	329,631	52.31%	
Real estate construction	166,073	24.01%	137,598	21.83%	

Total commercial and construction	618,177	89.38%	557,312	88.43%	
Consumer					
Real estate one-to-four family	69,808	10.10%	64,026	10.16%	
Other installment	3,619	0.52%	8,899	1.41%	

Total consumer	73,427	10.62%	72,925	11.57%	
 Total loans	 691,604	 100.00%	 630,237	 100.00%	
 Less:					
Allowance for loan losses	8,653		7,221		

Loans receivable, net	\$682,951		\$623,016		

Total assets increased 7% to \$820 million at the end of March 2007, compared to \$764 million a year ago. Total deposits grew 10% to \$665 million, compared to \$607 million at the end of March 2006. Core deposits, defined as all deposits excluding certificates of deposit, now account for 70% of total deposits.

"Growing core deposits is a key component to our long term strategy," Wysaske said. "Non-interest checking balances represent 13% of total deposits and interest checking balances represent 22% of total deposits."

Shareholders' equity increased 9% to \$100 million, compared to \$92 million a year ago. Book value per share improved to \$8.56 at the end of March 2007,

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compared to \$7.94 a year earlier, and tangible book value per share improved to \$6.28 at quarter-end, compared to \$5.62 a year ago.

Credit Quality and Performance Measures

"Exceptional credit quality reflects solid underwriting and our diversified portfolio," Wysaske added. Non-performing assets of \$226,000 were 0.03% of total assets at March 31, 2007, compared to 0.15% of total assets at December 31, 2006 and 0.05% of total assets at March 31, 2006. The allowance for loan losses, including unfunded loan commitments of \$380,000, was \$9.0 million, or 1.31% of net loans at quarter-end, compared to \$7.6 million, or 1.20% of net loans, a year ago.

Riverview's fiscal 2007 return on average assets improved to 1.43%, compared to 1.36% for fiscal 2006. Return on average equity improved to 11.88% for the year, compared to 10.95% for last year. For the fourth quarter of fiscal 2007, return on average assets was 1.36% compared to 1.42% in the same period a year earlier, and return on average equity was 11.11% compared to 11.42% in the same period a year earlier.

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Conference Call

The management team of Riverview Bancorp will host a conference call on Thursday, May 3, at 8:00 a.m. PDT, to discuss fiscal 2007 results. The conference call can be accessed live by telephone at 303-262-2211. To listen to the call online go to the "About Riverview" page of Riverview's website at www.riverviewbank.com.

About the Company

Riverview Bancorp, Inc. (www.riverviewbank.com) is headquartered in Vancouver, Washington - just north of Portland, Oregon on the I-5 corridor. With assets of \$820 million, it is the parent company of the 84 year-old Riverview Community Bank, as well as Riverview Mortgage and Riverview Asset Management Corp. There are 18 branches, including ten in fast growing Clark County, three in the Portland metropolitan area and three lending centers. The Bank offers true community banking services, focusing on providing the highest quality service and financial products to commercial and retail customers.

Statements concerning future performance, developments or events, concerning expectations for growth and market forecasts, and any other guidance on future periods, constitute forward-looking statements, which are subject to a number of risks and uncertainties that might cause actual results to differ materially from stated objectives. These factors include but are not limited to: RVS's ability to acquire shares according to internal repurchase guidelines, regional economic conditions and the company's ability to efficiently manage expenses. Additional factors that could cause actual results to differ materially are disclosed in Riverview Bancorp's recent filings with the SEC, including but not limited to Annual Reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

March 31, 2007 and 2006

(In thousands, except share data) (Unaudited)	March 31, 2007	March 31, 2006
<hr style="border-top: 1px dashed black;"/>		
ASSETS		
Cash (including interest-earning accounts of \$7,818 and \$7,786)	\$ 31,423	\$ 31,346
Loans held for sale	-	65
Investment securities available for sale, at fair value (amortized cost of \$19,258 and \$24,139)	19,267	24,022
Mortgage-backed securities held to maturity, at amortized cost (fair value of \$1,243 and \$1,830)	1,232	1,805
Mortgage-backed securities available for sale, at fair value (amortized cost of \$6,778 and \$8,436)	6,640	8,134
Loans receivable (net of allowance for loan losses of \$8,653 and \$7,221)	682,951	623,016
Prepaid expenses and other assets	1,905	2,210
Accrued interest receivable	3,822	3,058
Federal Home Loan Bank stock, at cost	7,350	7,350
Premises and equipment, net	21,402	19,127
Deferred income taxes, net	4,108	3,771
Mortgage servicing rights, net	351	384
Goodwill	25,572	25,572
Core deposit intangible, net	711	895
Bank owned life insurance	13,614	13,092
	-----	-----
TOTAL ASSETS	\$820,348	\$763,847
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposit accounts	\$665,405	\$606,964
Accrued expenses and other liabilities	9,349	8,768
Advance payments by borrowers for taxes and insurance	397	358
Federal Home Loan Bank advances	35,050	46,100
Junior subordinated debentures	7,217	7,217
Capital lease obligation	2,721	2,753
	-----	-----
Total liabilities	720,139	672,160
SHAREHOLDERS' EQUITY:		
Serial preferred stock, \$.01 par value; 250,000 authorized, issued and outstanding, none	-	-
Common stock, \$.01 par value; 50,000,000 authorized, March 31, 2007 11,707,980 issued, 11,707,980 outstanding;	117	114
March 31, 2006 11,545,380 issued, 11,545,372 outstanding		
Additional paid-in capital	58,438	57,259
Retained earnings	42,848	35,776
Unearned shares issued to employee stock ownership trust	(1,108)	(1,186)
Accumulated other comprehensive loss	(86)	(276)
	-----	-----
Total shareholders' equity	100,209	91,687
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$820,348	\$763,847
	=====	=====

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RIVERVIEW BANCORP, INC.
 AND SUBSIDIARY
 Consolidated Statements
 of Income for the Three and
 Twelve Months Ended March
 31, 2007 and 2006

(In thousands, except share data) (Unaudited)	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2007	2006	2007	2006
INTEREST INCOME:				
Interest and fees on loans receivable	\$ 15,276	\$ 12,649	\$ 59,496	\$ 45,039
Interest on investment securities - taxable	195	217	854	809
Interest on investment securities - non taxable	38	42	163	170
Interest on mortgage- backed securities	96	119	421	530
Other interest and dividends	117	51	366	681
	-----		-----	
Total interest income	15,722	13,078	61,300	47,229
	-----		-----	
INTEREST EXPENSE:				
Interest on deposits	5,829	3,563	20,507	12,383
Interest on borrowings	833	899	4,275	2,494
	-----		-----	
Total interest expense	6,662	4,462	24,782	14,877
	-----		-----	
Net interest income	9,060	8,616	36,518	32,352
Less provision for loan losses	100	200	1,425	1,500
	-----		-----	
Net interest income after provision for loan losses	8,960	8,416	35,093	30,852
	-----		-----	
NON-INTEREST INCOME:				
Fees and service charges	1,432	1,369	5,747	5,913
Asset management fees	479	397	1,874	1,481
Gain on sale of loans held for sale	101	77	434	361
Loan servicing income	30	23	155	91
Gain on sale of credit card portfolio	--	--	133	311
Bank owned life insurance income	132	124	522	485
Other	44	35	169	195
	-----		-----	

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Total non-interest income	2,218	2,025	9,034	8,837
NON-INTEREST EXPENSE:				
Salaries and employee benefits	3,957	4,015	15,012	14,536
Occupancy and depreciation	1,293	1,158	4,687	3,798
Data processing	211	341	988	1,414
Amortization of core deposit intangible	44	53	184	210
Advertising and marketing expense	175	156	1,102	853
FDIC insurance premium	19	19	74	70
State and local taxes	190	161	644	580
Telecommunications	109	116	437	395
Professional fees	234	328	809	1,328
Other	619	522	2,416	2,190
Total non-interest expense	6,851	6,869	26,353	25,374
INCOME BEFORE INCOME TAXES	4,327	3,572	17,774	14,315
PROVISION FOR INCOME TAXES	1,563	965	6,168	4,577
NET INCOME	\$ 2,764	\$ 2,607	\$ 11,606	\$ 9,738
Earnings per common share:				
Basic	\$ 0.24	\$ 0.23	\$ 1.03	\$ 0.87
Diluted	\$ 0.24	\$ 0.23	\$ 1.01	\$ 0.86
Weighted average number of shares outstanding:				
Basic	11,385,327	11,280,378	11,312,847	11,204,479
Diluted	11,588,573	11,450,443	11,516,234	11,350,335

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	At the year ended March 31, 2007	At the nine months ended December 31, 2006	At the year ended March 31, 2006
	-----	-----	-----
FINANCIAL CONDITION DATA			
(Dollars in thousands)			
Average interest earning assets	\$731,089	\$726,909	\$645,084
Average interest-bearing liabilities	614,546	609,037	532,521
Net average earning assets	116,543	117,872	112,563
Non-performing assets	226	1,276	415
Non-performing loans	226	1,276	415
Allowance for loan losses	8,653	8,628	7,221

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Allowance for loan losses and unfunded loan commitments	9,033	8,983	7,583
Average interest-earning assets to average interest-bearing liabilities	118.96%	119.35%	121.14%
Allowance for loan losses to non-performing loans	3828.76%	676.18%	1740.00%
Allowance for loan losses to net loans	1.25%	1.22%	1.15%
Allowance for loan losses and unfunded loan commitments to net loans	1.31%	1.27%	1.20%
Non-performing loans to total net loans	0.03%	0.18%	0.07%
Non-performing assets to total assets	0.03%	0.15%	0.05%
Shareholders' equity to assets	12.22%	11.73%	12.00%
Number of banking facilities	19	19	17

LOAN DATA (1)

Commercial and construction						
Commercial	\$91,174	13.18%	\$99,285	14.06%	\$90,083	14.29%
Other real estate mortgage	360,930	52.19%	364,187	51.59%	329,631	52.31%
Real estate construction	166,073	24.01%	165,008	23.38%	137,598	21.83%
<hr/>						
Total commercial and construction	618,177	89.38%	628,480	89.03%	557,312	88.43%
Consumer						
Real estate one-to-four family	69,808	10.10%	73,268	10.38%	64,026	10.16%
Other installment	3,619	0.52%	4,151	0.59%	8,899	1.41%
<hr/>						
Total consumer	73,427	10.62%	77,419	10.97%	72,925	11.57%
<hr/>						
Total loans	691,604	100.00%	705,899	100.00%	630,237	100.00%
<hr/>						
Less:						
Allowance for loan losses	8,653		8,628		7,221	
	<hr/>		<hr/>		<hr/>	
Loans receivable, net	\$682,951		\$697,271		\$623,016	
	<hr/>		<hr/>		<hr/>	

COMPOSITION OF COMMERCIAL AND CONSTRUCTION LOAN TYPES BASED ON LOAN PURPOSE(1)

	Commercial & Construction		Other	
	Total	Commercial	Real Estate Mortgage	Real Estate Construction
March 31, 2007				
				(Dollars in thousands)
Commercial	\$91,174	\$91,174	\$ -	\$ -
Commercial construction	56,226	-	-	56,226
Office buildings	62,310	-	62,310	-
Warehouse/industrial	40,238	-	40,238	-
Retail/shopping centers/strip malls	70,219	-	70,219	-
Assisted living facilities	11,381	-	11,381	-
Single purpose facilities	41,501	-	41,501	-
Land	103,240	-	103,240	-
Multi-family	32,041	-	32,041	-
One-to-four family	109,847	-	-	109,847

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Total	\$618,177	\$91,174	\$360,930	\$166,073
=====				
March 31, 2006	-----			
Commercial	\$90,083	\$90,083	\$ -	\$ -
Commercial construction	43,715	-	-	43,715
Office buildings	44,538	-	44,538	-
Warehouse/industrial	47,945	-	47,945	-
Retail/shopping centers/strip malls	75,877	-	75,877	-
Assisted living facilities	11,576	-	11,576	-
Single purpose facilities	41,506	-	41,506	-
Land	77,084	-	77,084	-
Multi-family	31,105	-	31,105	-
One-to-four family	93,883	-	-	93,883

Total	\$557,312	\$90,083	\$329,631	\$137,598
=====				

(1) Certain prior period loan balances have been reclassified to conform to management's current year presentation.

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	At the year ended March 31, 2007		At the nine months ended December 31, 2006		At the year ended March 31, 2006	
	-----		-----		-----	
(Dollars in thousands)						
DEPOSIT DATA						

Interest checking	\$144,451	21.71%	145,347	22.32%	\$129,457	21.33%
Regular savings	29,472	4.43%	29,491	4.53%	38,344	6.32%
Money market deposit accounts	205,007	30.81%	179,010	27.49%	137,451	22.65%
Non-interest checking	86,601	13.01%	88,244	13.55%	94,592	15.58%
Certificates of deposit	199,874	30.04%	209,105	32.11%	207,120	34.12%

Total deposits	\$665,405	100.00%	651,197	100.00%	\$606,964	100.00%

	At or for the three months ended March 31, 2007		At or for the twelve months ended March 31, 2006	
	-----		-----	
(Dollars in thousands, except share data)				
SELECTED OPERATING DATA				

Efficiency ratio (4)	60.75%	64.55%	57.85%	61.60%
Efficiency ratio net of intangible amortization	60.06%	63.76%	57.22%	60.79%
Coverage ratio (6)	132.24%	125.43%	138.57%	127.50%
Coverage ratio net of intangible amortization	133.10%	126.41%	139.55%	128.56%
Return on average assets (1)	1.36%	1.42%	1.43%	1.36%
Return on average equity (1)	11.11%	11.42%	11.88%	10.95%
Average rate earned on interest- earned assets	8.58%	7.95%	8.40%	7.34%

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Average rate paid on interest-bearing liabilities	4.28%	3.26%	4.03%	2.79%
Spread (7)	4.30%	4.69%	4.37%	4.55%
Net interest margin	4.95%	5.24%	5.01%	5.03%

PER SHARE DATA

Basic earnings per share (2)	\$ 0.24	\$ 0.23	\$ 1.03	\$ 0.87
Diluted earnings per share (3)	0.24	0.23	1.01	0.86
Book value per share (5)	8.56	7.94	8.56	7.94
Tangible book value per share (5)	6.28	5.62	6.28	5.62
Market price per share:				
High for the period	\$17.580	\$ 13.750	\$ 17.580	\$ 13.750
Low for the period	15.290	11.560	12.135	10.165
Close for period end	15.940	13.380	15.940	13.380
Cash dividends declared per share	0.100	0.085	0.395	0.340

Average number of shares outstanding:

Basic (2)	11,385,327	11,280,378	11,312,847	11,204,479
Diluted (3)	11,588,573	11,450,443	11,516,234	11,350,335

- (1) Amounts are annualized.
- (2) Amounts calculated exclude ESOP shares not committed to be released.
- (3) Amounts calculated exclude ESOP shares not committed to be released and include common stock equivalents.
- (4) Non-interest expense divided by net interest income and non-interest income.
- (5) Amounts calculated include ESOP shares not committed to be released.
- (6) Net interest income divided by non-interest expense.
- (7) Yield on interest-earning assets less cost of funds on interest bearing liabilities.