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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.) |
|---|--|---|

| | |
|---|---------------------|
| 900 Washington Street, Suite 900, Vancouver, Washington (Address of principal executive offices) | 98660 (Zip Code) |
|---|---------------------|

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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Riverview Bancorp Reports Record Fiscal 2007 Profits

May 2, 2007

Page 2

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.

Riverview Bancorp Reports Record Fiscal 2007 Profits
May 2, 2007
Page 3

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: RVSB'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.

Riverview Bancorp Reports Record Fiscal 2007 Profits
May 2, 2007

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Page 4

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/> | | |
| 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; March 31, 2006 11,545,380 issued, 11,545,372 outstanding | 117 | 114 |
| 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 Reports Record Fiscal 2007 Profits
 May 2, 2007
 Page 5

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 |

Riverview Bancorp Reports Record Fiscal 2007 Profits
 May 2, 2007
 Page 6

| | 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/> | | | | | | |
| Loans receivable, net | \$682,951 | | \$697,271 | | \$623,016 | |
| <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.

Riverview Bancorp Reports Record Fiscal 2007 Profits
 May 2, 2007
 Page 7

| | 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.