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RIVERVIEW BANCORP INC
Form 8-K
July 19, 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): July 17, 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 July 17, 2007, Riverview Bancorp, Inc. issued its earnings release for the quarter ended June 30, 2007. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 News Release of Riverview Bancorp, Inc. dated July 17, 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: July 19, 2007

/s/Ron Wyseske

Ron Wyseske
President and Chief Operating Officer

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Exhibit 99.1

News Release Dated July 17, 2007

Riverview Bancorp
Reflecting Our Communities' Strengths
Contacts: Pat Sheaffer or Ron Wysaske,
Riverview Bancorp 360-693-6650

The Cereghino Group
Corporate Investor Relations
206.388.5785 www.stockvalues.com

RIVERVIEW BANCORP REPORTS RECORD FIRST QUARTER PROFITS OF \$2.8 MILLION,
OR \$0.25 PER DILUTED SHARE

Vancouver, WA - July 17, 2007 - Riverview Bancorp, Inc. (NASDAQ GSM: RVSB) today reported excellent core deposit growth and continued excellent credit quality for the first fiscal quarter of 2008 ended June 30, 2007. Net income for the quarter increased 8% to \$2.8 million, or \$0.25 per diluted share, compared to \$2.6 million, or \$0.23 per diluted share, in the first quarter of fiscal 2007. All per share data has been adjusted to reflect the August 2006 2-for-1 stock split.

"We have always emphasized building shareholder value, and in the past year that was particularly evident," stated Pat Sheaffer, Chairman and CEO. "We started off last August issuing a 2 for 1 stock split, and raised our cash dividend 5% to \$0.10 per diluted share, bringing our dividend yield to 3.0% based on the recent share price. Year-to-date fiscal 2008 we purchased 475,000 shares on the open market under announced Repurchase Plans. We have 525,000 shares remaining to be purchased under the current Repurchase Plan announced June 21, 2007."

FIRST QUARTER FISCAL 2008 FINANCIAL HIGHLIGHTS (at or for periods ended June 30, 2007, or compared to June 30, 2006)

- * Net income increased 8% to record \$2.8 million.
- * Earnings per share increased 9% to \$0.25 per diluted share.
- * Core deposits increased 25%.
- * Deposits increased 14% to \$692 million.
- * Net interest margin was 4.83%.
- * Total assets increased 5% to \$832 million.
- * Riverview Asset Management Corp. increased assets under management 20% to \$302 million.
- * Asset management fees increased 26% to \$548,000.

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OPERATING RESULTS

In the first fiscal quarter of 2008, net interest income decreased 2% to \$8.8 million compared to \$9.0 million in the first fiscal quarter a year earlier reflecting the impact of the increase in funding costs. Non-interest income increased 9% to \$2.3 million for the quarter, compared to \$2.1 million a year ago, primarily due to fees and service charges which increased 7% to \$1.4 million from the year ago period, and fee income from Riverview Asset Management Corp., which increased 26% to \$548,000 for the quarter.

For the first quarter of fiscal 2008, the net interest margin was 4.83% compared to 4.95% in the previous linked quarter and 5.23% in the first fiscal quarter a year ago. "As the yield curve remains a challenge for us as well as the entire banking industry, we expect our margin to continue to be under pressure during the second half of the calendar year," said Ron Wyseske, President and COO.

Non-interest expenses were \$6.8 million in the first quarter of fiscal 2008, in line with expenses in the first quarter of fiscal 2007. The efficiency ratio increased 10 basis points to 60.93% for the first quarter, compared to 60.83% in the first quarter a year ago. "Last year we increased our infrastructure to accommodate expanding our franchise in Southwest Washington and into Oregon," said Wyseske.

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BALANCE SHEET GROWTH

Riverview increased its total assets 5% to \$832 million at the end of June 2007, compared to \$793 million a year ago. Total deposits increased 14% to \$692 million at the end of June 2007 compared to \$607 million at the end of June 2006. Core deposits, defined as all deposits excluding certificates of deposit, increased 25% over the past year to \$511 million, and represents 74% of total deposits. "Although we are in a very competitive market for deposit gathering, we have been very successful at growing core deposits to fund our loan growth," Wyseske said. "Non-interest checking balances represent 12% of total deposits and interest checking balances represent 23% of total deposits."

"The economy in Southwest Washington and Portland, Oregon generates strong demand for business loans, but we are seeing indications that the pace of growth may be moderating," Wyseske said. "We have been tightening our lending standards; and our goal is to maintain excellent credit quality while keeping our loan portfolio well diversified." Net loans increased slightly to \$663 million at June 30, 2007, compared to \$659 million a year ago. Commercial and construction loans account for 89% of the total loan portfolio, similar to last year. The following table breaks out loans by category:

	At the quarter ended June 30, 2007		At the quarter ended June 30, 2006	

(Dollars in thousands)				

LOAN DATA				

Commercial and construction				
Commercial	\$90,896	13.52%	\$89,816	13.48%
Other real estate mortgage	350,219	52.10%	349,176	52.41%
Real estate construction	158,598	23.60%	152,745	22.93%

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Total commercial and construction	599,713	89.22%	591,737	88.82%
Consumer				
Real estate one-to-four family	67,815	10.09%	70,813	10.63%
Other installment	4,630	0.69%	3,664	0.55%
	72,445	10.78%	74,477	11.18%
Total consumer	72,445	10.78%	74,477	11.18%
Total loans	672,158	100.00%	666,214	100.00%

Shareholders' equity increased 7% to \$99.7 million, compared to \$93.5 million a year ago. Book value per share improved to \$8.62 at the end of June 2007, compared to \$8.09 a year earlier, and tangible book value per share improved to \$6.32 at quarter-end, compared to \$5.77 a year ago. All per share data has been adjusted to reflect the August 2006 2-for-1 stock split.

CREDIT QUALITY AND PERFORMANCE MEASURES

"We have maintained exceptional loan quality while growing the loan portfolio at a moderate pace," noted Wysaske. "We continue to keep a watchful eye on industry and regional trends and closely monitor our credit underwriting." Non-performing assets were \$226,000, or 0.03% of total assets, at June 30, 2007, compared to \$1.2 million, or 0.15% of total assets, at June 30, 2006. The allowance for loan losses, including unfunded loan commitments of \$382,000, was \$9.1 million, or 1.36% of net loans at quarter-end, compared to \$8.0 million, or 1.20% of net loans, a year ago.

Riverview does not make sub-prime residential real estate loans. Therefore, it has not been affected by the increasing level of delinquencies and defaults that have occurred recently nationwide.

Riverview's 2008 fiscal first quarter return on average assets improved to 1.39%, compared to 1.36% for the first quarter of fiscal 2007. Return on average equity was 11.16% for the quarter, compared to 11.18% for the same quarter last year.

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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 \$832 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

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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
June 30, 2007, March 31, 2007 and June 30, 2006

(In thousands, except share data) (Unaudited)	June 30, 2007	March 31, 2007	June 30, 2006

ASSETS			
Cash (including interest-earning accounts of \$47,085, \$7,818 and \$6,754)	\$ 68,082	\$ 31,423	\$ 26,671
Investment securities available for sale, at fair value (amortized cost of \$13,734, \$19,258 and \$23,005)	13,756	19,267	22,847
Mortgage-backed securities held to maturity, at amortized cost (fair value of \$1,150, \$1,243 and \$1,603)	1,135	1,232	1,580
Mortgage-backed securities available for sale, at fair value (amortized cost of \$6,405, \$6,778 and \$8,011)	6,201	6,640	7,666
Loans receivable (net of allowance for loan losses of \$8,728, \$8,653 and \$7,626)	663,430	682,951	658,588
Prepaid expenses and other assets	2,878	1,905	2,164
Accrued interest receivable	3,686	3,822	3,526
Federal Home Loan Bank stock, at cost	7,350	7,350	7,350
Premises and equipment, net	21,155	21,402	19,125
Deferred income taxes, net	4,126	4,108	3,799
Mortgage servicing rights, net	347	351	372
Goodwill	25,572	25,572	25,572
Core deposit intangible, net	669	711	845
Bank owned life insurance	13,753	13,614	13,220
	-----	-----	-----
TOTAL ASSETS	\$832,140	\$820,348	\$793,325
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Deposit accounts	\$692,168	\$665,405	\$607,389
Accrued expenses and other liabilities	9,675	9,349	9,062
Advance payments by borrowers for taxes and insurance	162	397	144
Federal Home Loan Bank advances	5,000	35,050	73,300
Junior subordinated debentures	22,681	7,217	7,217
Capital lease obligation	2,713	2,721	2,745

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Total liabilities	732,399	720,139	699,857
SHAREHOLDERS' EQUITY:			
Serial preferred stock, \$.01 par value; 250,000 authorized, issued and outstanding, none	-	-	-
Common stock, \$.01 par value; 50,000,000 authorized, June 30, 2007 11,566,980 issued, 11,566,980 outstanding;	115	117	57
March 31, 2007 11,707,980 issued, 11,707,980 outstanding;			
June 30, 2006 5,780,090 issued, 5,780,086 outstanding on a pre-split basis			
Additional paid-in capital	56,450	58,438	57,529
Retained earnings	44,379	42,848	37,348
Unearned shares issued to employee stock ownership trust	(1,083)	(1,108)	(1,134)
Accumulated other comprehensive loss	(120)	(86)	(332)
Total shareholders' equity	99,741	100,209	93,468
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$832,140	\$820,348	\$793,325

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income for the Three Months Ended June 30, 2007 and 2006
 (In thousands, except share data) (Unaudited)

INTEREST INCOME:

Interest and fees on loans receivable	\$ 14,880	\$ 13,769
Interest on investment securities-taxable	172	221
Interest on investment securities-non taxable	38	42
Interest on mortgage-backed securities	91	114
Other interest and dividends	243	52
Total interest income	15,424	14,198

INTEREST EXPENSE:

Interest on deposits	6,190	4,222
Interest on borrowings	406	963
Total interest expense	6,596	5,185
Net interest income	8,828	9,013
Less provision for loan losses	50	350
Net interest income after provision for loan losses	8,778	8,663

NON-INTEREST INCOME:

Fees and service charges	1,427	1,331
Asset management fees	548	436
Gain on sale of loans held for sale	91	72
Loan servicing income	39	45
Gain on sale of credit card portfolio	-	67
Bank owned life insurance income	139	128
Other	58	36

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Total non-interest income	2,302	2,115

NON-INTEREST EXPENSE:		
Salaries and employee benefits	3,968	3,835
Occupancy and depreciation	1,302	1,074
Data processing	168	335
Amortization of core deposit intangible	42	50
Advertising and marketing expense	282	302
FDIC insurance premium	19	24
State and local taxes	171	155
Telecommunications	104	112
Professional fees	223	178
Other	502	704

Total non-interest expense	6,781	6,769

INCOME BEFORE INCOME TAXES	4,299	4,009
PROVISION FOR INCOME TAXES	1,460	1,378

NET INCOME	\$ 2,839	\$ 2,631
=====		
Earnings per common share:		
Basic	\$0.25	\$0.23
Diluted	\$0.25	\$0.23
Weighted average number of shares outstanding:		
Basic	11,391,825	11,265,971
Diluted	11,527,586	11,443,153

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY

FINANCIAL HIGHLIGHTS

(Unaudited)

	At or for the three months ended June 30,		At or for the year ended March 31,
	2007	2006	2007
	----	----	----
FINANCIAL CONDITION DATA			

(Dollars in thousands)			
Average interest earning assets	\$734,135	\$692,283	\$731,089
Average interest-bearing liabilities	620,930	574,714	614,546
Net average earning assets	113,205	117,569	116,543
Non-performing assets	226	1,173	226
Non-performing loans	226	1,173	226
Allowance for loan losses	8,728	7,626	8,653
Allowance for loan losses and unfunded loan commitments	9,110	8,002	9,033
Average interest-earning assets to average interest-bearing liabilities	118.23%	120.46%	118.96%
Allowance for loan losses to non- performing loans	3861.95%	650.13%	3828.76%
Allowance for loan losses to net loans	1.30%	1.14%	1.25%
Allowance for loan losses and unfunded loan commitments to net loans	1.36%	1.20%	1.31%

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Non-performing loans to total net loans	0.03%	0.18%	0.03%
Non-performing assets to total assets	0.03%	0.15%	0.03%
Shareholders' equity to assets	11.99%	11.78%	12.22%
Number of banking facilities	19	18	19

LOAN DATA (1)

Commercial and construction						
Commercial	\$90,896	13.52%	\$89,816	13.48%	\$91,174	13.18%
Other real estate mortgage	350,219	52.10%	349,176	52.41%	360,930	52.19%
Real estate construction	158,598	23.60%	152,745	22.93%	166,073	24.01%

Total commercial and construction	599,713	89.22%	591,737	88.82%	618,177	89.38%
Consumer						
Real estate one-to-four family	67,815	10.09%	70,813	10.63%	69,808	10.10%
Other installment	4,630	0.69%	3,664	0.55%	3,619	0.52%

Total consumer	72,445	10.78%	74,477	11.18%	73,427	10.62%

Total loans	672,158	100.00%	666,214	100.00%	691,604	100.00%

Less:						
Allowance for loan losses	8,728		7,626		8,653	

Loans receivable, net	\$663,430		\$658,588		\$682,951	
=====						

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

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY FINANCIAL HIGHLIGHTS (Unaudited)

COMPOSITION OF COMMERCIAL AND CONSTRUCTION LOAN TYPES BASED ON LOAN PURPOSE

	Commercial & Construction Total	Other Real Estate Mortgage	Real Estate Construction
June 30, 2007	(Dollars in thousands)		

Commercial	\$ 90,896	\$ 90,896	\$ -
Commercial construction	56,547	-	56,547
Office buildings	61,844	61,844	-
Warehouse/industrial	37,755	37,755	-
Retail/shopping centers/strip malls	67,595	67,595	-
Assisted living facilities	11,089	11,089	-
Single purpose facilities	40,816	40,816	-
Land	101,113	101,113	-
Multi-family	30,007	30,007	-
One-to-four family	102,051	-	102,051

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Total	\$599,713	\$90,896	\$350,219	\$158,598
March 31, 2007				
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
Total	\$618,177	\$91,174	\$360,930	\$166,073

At the three months ended June 30,		At the year ended March 31,	
2007	2006	2007	
----	----	----	

(Dollars in thousands)

DEPOSIT DATA

Interest checking	\$161,299	23.30%	\$144,120	23.73%	\$144,451	21.71%
Regular savings	27,849	4.02%	34,871	5.74%	29,472	4.43%
Money market deposit accounts	240,251	34.71%	134,010	22.06%	205,007	30.81%
Non-interest checking	81,512	11.78%	96,636	15.91%	86,601	13.01%
Certificates of deposit	181,257	26.19%	197,752	32.56%	199,874	30.04%
Total deposits	\$692,168	100.00%	\$607,389	100.00%	\$665,405	100.00%

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY
FINANCIAL HIGHLIGHTS
(Unaudited)

SELECTED OPERATING DATA	At or for the three months ended June 30,		At or for the year ended March 31,
	2007	2006	2007
	----	----	----
	(Dollars in thousands, except share data)		
Efficiency ratio (4)	60.93%	60.83%	57.85%
Efficiency ratio net of intangible amortization	60.34%	60.18%	57.22%
Coverage ratio (6)	130.19%	133.15%	138.57%
Coverage ratio net of intangible amortization	131.00%	134.14%	139.55%
Return on average assets (1)	1.39%	1.36%	1.43%
Return on average equity (1)	11.16%	11.18%	11.88%
Average rate earned on interest- earned assets	8.44%	8.24%	8.40%

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Average rate paid on interest-bearing liabilities	4.26%	3.62%	4.03%
Spread (7)	4.18%	4.62%	4.37%
Net interest margin	4.83%	5.23%	5.01%

PER SHARE DATA

Basic earnings per share (2)	\$ 0.25	\$ 0.23	\$ 1.03
Diluted earnings per share (3)	0.25	0.23	1.01
Book value per share (5)	8.62	8.09	8.56
Tangible book value per share (5)	6.32	5.77	6.28
Market price per share:			
High for the period	\$16.280	\$ 13.53	\$ 17.580
Low for the period	13.690	12.14	12.135
Close for period end	13.690	13.10	15.940
Cash dividends declared per share	0.110	0.095	0.395

Average number of shares outstanding:

Basic (2)	11,391,825	11,265,971	11,312,847
Diluted (3)	11,527,586	11,443,153	11,516,232

- (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.

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Note: Transmitted on Prime Newswire on July 17, 2007 at 1:14 p.m. PDT.