

RIVERVIEW BANCORP INC  
Form 10-Q  
October 30, 2009

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended September 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-22957

RIVERVIEW BANCORP, INC.

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(Exact name of registrant as specified in its charter)

Washington  
(State or other jurisdiction of incorporation or  
organization)

91-1838969  
(I.R.S. Employer I.D.  
Number)

900 Washington St., Ste. 900, Vancouver,  
Washington  
(Address of principal executive offices)

98660  
(Zip Code)

Registrant's telephone number, including area code:

(360) 693-6650

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No



Form 10-Q

RIVERVIEW BANCORP, INC. AND SUBSIDIARY  
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## Forward Looking Statements

“Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995: This Form 10-Q contains forward-looking statements that are subject to risks and uncertainties, including, but not limited to: the Company’s ability to raise common capital, the amount of capital it intends to raise and its intended use of that capital. The credit risks of lending activities, including changes in the level and trend of loan delinquencies and write-offs and changes in the Company’s allowance for loan losses and provision for loan losses that may be impacted by deterioration in the housing and commercial real estate markets; changes in general economic conditions, either nationally or in the Company’s market areas; changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, the Company’s net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in the Company’s market areas; secondary market conditions for loans and the Company’s ability to sell loans in the secondary market; results of examinations of us by the Office of Thrift Supervision or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase the Company’s reserve for loan losses, write-down assets, change Riverview Community Bank’s regulatory capital position or affect the Company’s ability to borrow funds or maintain or increase deposits, which could adversely affect its liquidity and earnings; the Company’s compliance with regulatory enforcement actions; legislative or regulatory changes that adversely affect the Company’s business including changes in regulatory policies and principles, or the interpretation of regulatory capital or other rules; the Company’s ability to attract and retain deposits; further increases in premiums for deposit insurance; the Company’s ability to control operating costs and expenses; the use of estimates in determining fair value of certain of the Company’s assets, which estimates may prove to be incorrect and result in significant declines in valuation; difficulties in reducing risks associated with the loans on the Company’s balance sheet; staffing fluctuations in response to product demand or the implementation of corporate strategies that affect the Company’s workforce and potential associated charges; computer systems on which the Company depends could fail or experience a security breach; the Company’s ability to retain key members of its senior management team; costs and effects of litigation, including settlements and judgments; the Company’s ability to successfully integrate any assets, liabilities, customers, systems, and management personnel it may in the future acquire into its operations and the Company’s ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions; the Company’s ability to pay dividends on its common stock; adverse changes in the securities markets; inability of key third-party providers to perform their obligations to us; changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; other economic, competitive, governmental, regulatory, and technological factors affecting the Company’s operations, pricing, products and services and the other risks described from time to time in our filings with the Securities and Exchange Commission.

The Company cautions readers not to place undue reliance on any forward-looking statements. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to the Company. The Company does not undertake and specifically disclaims any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. These risks could cause our actual results for fiscal 2010 and beyond to differ materially from those expressed in any forward-looking statements by, or on behalf of, us, and could negatively affect the Company’s operating and stock price performance.

## Part I. Financial Information

## Item 1. Financial Statements (Unaudited)

## RIVERVIEW BANCORP, INC. AND SUBSIDIARY

## CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2009 AND MARCH 31, 2009

(In thousands, except share and per share data) (Unaudited)	September 30, 2009	March 31, 2009
<b>ASSETS</b>		
Cash (including interest-earning accounts of \$4,862 and \$6,405)	\$ 18,513	\$ 19,199
Loans held for sale	180	1,332
Investment securities held to maturity, at amortized cost (fair value of \$562 and \$552)	523	529
Investment securities available for sale, at fair value (amortized cost of \$10,736 and \$11,244)	8,451	8,490
Mortgage-backed securities held to maturity, at amortized cost (fair value of \$410 and \$572)	406	570
Mortgage-backed securities available for sale, at fair value (amortized cost of \$3,305 and \$3,991)	3,397	4,066
Loans receivable (net of allowance for loan losses of \$18,071 and \$16,974)	730,227	784,117
Real estate and other personal property owned	20,482	14,171
Prepaid expenses and other assets	2,953	2,518
Accrued interest receivable	2,891	3,054
Federal Home Loan Bank stock, at cost	7,350	7,350
Premises and equipment, net	18,770	19,514
Deferred income taxes, net	8,008	8,209
Mortgage servicing rights, net	528	468
Goodwill	25,572	25,572
Core deposit intangible, net	368	425
Bank owned life insurance	15,051	14,749
<b>TOTAL ASSETS</b>	<b>\$ 863,670</b>	<b>\$ 914,333</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Deposit accounts	\$ 662,494	\$ 670,066
Accrued expenses and other liabilities	5,468	6,700
Advanced payments by borrowers for taxes and insurance	435	360
Federal Home Loan Bank advances	5,000	37,850
Federal Reserve Bank advances	75,000	85,000
Junior subordinated debentures	22,681	22,681
Capital lease obligations	2,630	2,649
<b>Total liabilities</b>	<b>773,708</b>	<b>825,306</b>

COMMITMENTS AND CONTINGENCIES (See Note 15)

**EQUITY:**

Shareholders' equity		
Serial preferred stock, \$.01 par value; 250,000 authorized, issued and outstanding: none	-	-
Common stock, \$.01 par value; 50,000,000 authorized		
September 30, 2009 – 10,923,773 issued and outstanding	109	109
March 31, 2009 – 10,923,773 issued and outstanding		
Additional paid-in capital	46,889	46,866
Retained earnings	44,867	44,322
Unearned shares issued to employee stock ownership trust	(851)	(902)
Accumulated other comprehensive loss	(1,447)	(1,732)
Total shareholders' equity	89,567	88,663
Noncontrolling interest	395	364
Total equity	89,962	89,027
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 863,670</b>	<b>\$ 914,333</b>

See notes to consolidated financial statements.

RIVERVIEW BANCORP, INC. AND  
SUBSIDIARY

CONSOLIDATED STATEMENTS OF  
OPERATIONS  
FOR THE THREE AND SIX MONTHS

ENDED SEPTEMBER 30, 2009 AND 2008	Three Months Ended September 30,	Six Months Ended September 30,
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(In thousands, except share and per share data) 2009	2009	2009
(Unaudited)	2008	2008

INTEREST INCOME:

Interest and fees on loans receivable	\$ 11,639	\$ 13,425
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