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RIVERVIEW BANCORP INC
Form 8-K
October 21, 2004

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): October 19, 2004

Riverview Bancorp, Inc.
(Exact name of registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation)	0-22957 (Commission File Number)	91-1838969 (IRS 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 October 19, 2004, Riverview Bancorp, Inc. issued its earnings release for the quarter ended September 30, 2004. A copy of the earnings release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

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99.1 Press Release of Riverview Bancorp, Inc. dated October 19, 2004.

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: October 20, 2004

By: /s/ Ronald Dobyms

Ronald Dobyms
Senior Vice President and
Chief Financial Officer

Exhibit 99.1

Contacts: Pat Sheaffer, Chairman/C.E.O., 360-693-6650
Ron Wysaske, President/C.O.O., 360-693-6650

RIVERVIEW BANCORP PROFITS INCREASE 20% TO \$4.1 MILLION

FOR THE FIRST SIX MONTHS OF FISCAL 2005

Vancouver, WA - October 19, 2004 - Riverview Bancorp, Inc. (Nasdaq: RVSB) today reported net income for the second quarter of fiscal 2005 was \$1.9 million, or \$0.39 per diluted share, compared to \$1.9 million, or \$0.41 per diluted share in the same fiscal quarter a year ago. Net income for the first six months of fiscal 2005 grew 20% to \$4.1 million, or \$0.84 per diluted share, compared to \$3.4 million, or \$0.75 per diluted share in the like period last year. This 20% increase in profits was due to steady loan growth and a substantial asset sale in the first fiscal quarter.

"We are focused on growing and maintaining a strong balance sheet as we continue to build our franchise," said Pat Sheaffer, Chairman and CEO. "In the second quarter we announced plans to build two new bank facilities at the Columbia Tech Center in Vancouver, Washington, as part of our continuing focus of expanding in Southwest Washington. The operations center, which is scheduled to open in 2005, should be large enough to accommodate growth for the bank and its subsidiaries well into the next decade. The branch office at 192nd avenue in Vancouver would be the 14th Riverview full service branch; the 10th Clark County branch."

Second quarter revenues (net interest income before the provision for loan

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losses plus non-interest income) remained steady at \$7.5 million in the second fiscal quarter compared to last year. Fiscal year-to-date, revenues grew 14% to \$15.7 million, compared to \$13.7 million for the same period of last fiscal year. Net interest income before the provision for loan losses increased 7% to \$5.8 million for the quarter, compared to \$5.4 million for the like quarter last fiscal year. For the first six months of fiscal 2005, net interest income before the provision for loan losses increased 13% to \$11.3 million, compared to \$10.0 million for the first six months of fiscal 2004.

"We have managed Riverview's assets and liabilities to take advantage of rising short-term interest rates; and as a result our net interest margin increased 29 basis points to 4.89% for the second fiscal quarter, from 4.60% in the second fiscal quarter last year," Sheaffer added. Riverview's margin was 4.90% in the first fiscal quarter of 2005. The net interest margin for the first six months of fiscal 2005 expanded 14 basis points to 4.90% from 4.76% a year earlier.

Non-interest income for the second fiscal quarter was at \$1.7 million, compared to \$2.0 million in the like quarter a year ago. Non-interest income for the second fiscal quarter includes a \$2,000 increase in the fair market value of mortgage servicing rights as compared to a \$342,000 increase in the second fiscal quarter of last year. For the first half of the fiscal year, non-interest income increased 18% to \$4.3 million, compared to \$3.7 million in the like period of last fiscal year. "The increase in non-interest income during the first six months was largely due to the \$828,000 pre-tax gain on the sale/leaseback of the Camas branch and operations center during the fiscal first quarter," said Sheaffer. The sale contributed approximately \$0.11 per diluted share to fiscal first quarter's earning.

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For the fiscal second quarter, non-interest expense was \$4.6 million, even with levels a year earlier. Fiscal year-to-date, non-interest expense was \$9.4 million, compared to \$8.5 million in the first six months of fiscal 2004. Net of intangible amortization, the efficiency ratio improved to 60.81% for the quarter, compared to 61.44% in 2004's second fiscal quarter.

Total assets were at \$525 million at September 30, 2004 compared to \$533 million a year earlier. Deposits were at \$412 million compared to \$425 million at September 30, 2003. The reduction in deposits was maturities of broker deposits acquired in the Today's Bank acquisition in July 2003. Shareholders' equity increased 7% to \$68 million and book value grew 5% to \$14.10 per share over the 12-month period.

"Our loan portfolio continues to grow steadily and has more of a commercial loan mix," said Ron Wysaske, President and COO. "Commercial real estate loans grew to 46% of the total loan portfolio at September 30, 2004, compared to 38% at September 30, 2003." Net loans at September 30, 2004, increased 4% to \$386 million, compared to \$370 million at September 30, 2003. Single family lending represents just 11% of Riverview's loan portfolio.

"We are maintaining our high credit standards and are not chasing poor quality loans," Wysaske added. Credit quality remains high, as non-performing assets were just 0.28% of total assets at September 30, 2004, an 11 basis point

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improvement from 0.39% of total assets at March 31, 2004. The allowance for loan losses was at \$4.4 million or 1.13% of total net loans outstanding at September 30, 2004.

Riverview's annualized return on average assets was 1.45% and 1.59% for the second quarter and year-to-date periods respectively, compared to 1.48% for both periods a year ago. Annualized return on average equity was 11.14% in the second quarter and 12.21% for the six-month period, compared to 12.27% and 11.58% respectively, for the same periods a year ago.

Riverview Bancorp will host a conference call today, Tuesday, October 19th, at 8:00 a.m. PDT, to discuss second fiscal quarter results. The conference call can be accessed live by telephone at 303-262-2140. To listen to the call online go to www.actioncast.acttel.com and use event ID 24877. An archived recording of the call can be accessed by dialing 303-590-3000 access code 11009825# until Tuesday, October 26, 2004 or via the internet at www.actioncast.acttel.com and use event ID 24877.

Riverview Bancorp, Inc. (www.riverviewbank.com) is headquartered in Vancouver, Washington just north of Portland, Oregon on the I-5 corridor. It is the parent company of the 81 year-old Riverview Community Bank, as well as Riverview Mortgage and Riverview Asset Management Corp. There are 13 Southwest Washington branches, including nine in Clark County the second fastest growing county in the state and one lending center. 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 integrate the Today's Bancorp acquisition and efficiently manage expenses, competitive factors, interest rate fluctuations, regional economic conditions and government and regulatory actions. 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.

(tables follow)

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2004, MARCH 31, 2004 AND SEPTEMBER 30, 2003

(In thousands, except share data)	SEPTEMBER 30,	MARCH 31,	SEPTEMBER 30,
(Unaudited)	2004	2004	2003

ASSETS

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Cash (including interest-earning accounts of \$35,404, \$32,334 and \$57,641)	\$ 49,644	\$ 47,907	\$ 84,597
Loans held for sale	444	407	1,606
Investment securities available for sale, at fair value (amortized cost of \$30,712, \$32,751 and \$31,290)	29,813	32,883	32,008
Mortgage-backed securities held to maturity, at amortized cost (fair value of \$2,487, \$2,591 and \$2,863)	2,428	2,517	2,799
Mortgage-backed securities available for sale, at fair value (amortized cost of \$13,445, \$10,417 and \$8,375)	13,579	10,607	8,609
Loans receivable (net of allowance for loan losses of \$4,424, \$4,481 and \$5,205)	386,063	381,127	369,668
Real estate owned	-	742	1,077
Prepaid expenses and other assets	1,234	1,289	779
Accrued interest receivable	1,803	1,786	1,856
Federal Home Loan Bank stock, at cost	6,119	6,034	5,927
Premises and equipment, net	8,401	9,735	10,392
Deferred income taxes, net	3,111	2,736	2,908
Mortgage servicing rights, net	564	624	718
Goodwill	9,214	9,214	9,204
Core deposit intangible, net	643	758	999
Bank owned life insurance	12,397	12,121	
	-----	-----	-----
TOTAL ASSETS	\$525,457	\$520,487	\$533,147
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Deposit accounts	\$411,702	\$409,115	\$425,498
Accrued expenses and other liabilities	5,776	5,862	4,121
Advance payments by borrowers for taxes and insurance	286	328	295
Federal Home Loan Bank advances	40,000	40,000	40,000
	-----	-----	-----
Total liabilities	457,764	455,305	469,914
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, 2004 - 4,997,300 issued, 4,800,232 outstanding;			
March 31, 2004 - 4,974,979 issued, 4,777,911 outstanding;			
September 30, 2003 - 4,954,479 issued, 4,727,640 outstanding;	50	50	50
Additional paid-in capital	40,698	40,187	39,725
Retained earnings	28,945	26,330	24,531
Unearned shares issued to employee			

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stock ownership trust	(1,495)	(1,598)	(1,701)
Accumulated other comprehensive income	(505)	213	628
	-----	-----	-----
Total shareholders' equity	67,693	65,182	63,233
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$525,457	\$520,487	\$533,147
	=====	=====	=====

(more)

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME FOR
THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2004 AND 2003

(In thousands, except share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003

INTEREST INCOME:

Interest and fees on loans receivable	\$6,997	\$6,727	\$13,623	\$12,396
Interest on investment securities	168	88	336	155
Interest on mortgage-backed securities	164	154	324	335
Other interest and dividends	201	258	340	472
	-----	-----	-----	-----
Total interest income	7,530	7,227	14,623	13,358
	-----	-----	-----	-----

INTEREST EXPENSE:

Interest on deposits	1,260	1,325	2,303	2,334
Interest on borrowings	504	497	1,000	992
	-----	-----	-----	-----
Total interest expense	1,764	1,822	3,303	3,326
	-----	-----	-----	-----
Net interest income	5,766	5,405	11,320	10,032
Less provision for loan losses	50	-	190	70
	-----	-----	-----	-----
Net interest income after provision for loan losses	5,716	5,405	11,130	9,962
	-----	-----	-----	-----

NON-INTEREST INCOME:

Fees and service charges	1,142	1,245	2,312	2,418
Asset management fees	257	214	529	437
Gain on sale of loans held for sale	137	287	312	591
Gain on sale of other real estate owned	-	45	-	48
Loan servicing income	15	259	34	151
Bank owned life insurance	122	-	276	-

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Gain on sale of premises and equipment	1	-	829	2
Other	24	(1)	46	18
	-----	-----	-----	-----
Total non-interest income	1,698	2,049	4,338	3,665
	-----	-----	-----	-----
NON-INTEREST EXPENSE:				
Salaries and employee benefits	2,587	2,500	5,233	4,749
Occupancy and depreciation	739	769	1,512	1,355
Data processing	237	238	486	442
Amortization of core deposit intangible	34	107	115	189
Advertising and marketing	222	244	473	513
FDIC insurance premium	15	13	30	25
State and local taxes	122	113	275	207
Telecommunications	70	73	134	121
Professional fees	129	105	252	194
Other	459	416	936	718
	-----	-----	-----	-----
Total non-interest expense	4,614	4,578	9,446	8,513
	-----	-----	-----	-----
INCOME BEFORE FEDERAL INCOME TAXES	2,800	2,876	6,022	5,114
PROVISION FOR FEDERAL INCOME TAXES	898	958	1,921	1,696
	-----	-----	-----	-----
NET INCOME	\$1,902	\$1,918	\$ 4,101	\$ 3,418
	=====	=====	=====	=====
Earnings per common share:				
Basic	\$ 0.40	\$ 0.41	\$ 0.85	\$ 0.76
Diluted	0.39	0.41	0.84	0.75
Weighted average number of shares outstanding:				
Basic	4,812,154	4,653,314	4,801,528	4,513,117
Diluted	4,885,447	4,728,250	4,875,146	4,585,921

(more)

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

At or for the	At or for the
Six Months Ended	Year Ended
SEPTEMBER 30, 2004	MARCH 31, 2004
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(Dollars in thousands, except share data)

FINANCIAL CONDITION DATA

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Average interest earning assets	\$464,861	\$ 443,525
Average interest-bearing liabilities	378,081	361,984
Net average earning assets	86,780	81,541
Non-performing assets	1,478	2,043
Non-performing loans	1,478	1,301
Allowance for loan losses	4,424	4,481
Average interest-earning assets to average interest-bearing liabilities	122.95%	122.53%
Allowance for loan losses to non-performing loans	299.32%	344.43%
Allowance for loan losses to net loans	1.13%	1.16%
Non-performing loans to total net loans	0.38%	0.34%
Non-performing assets to total assets	0.28%	0.39%
Shareholders' equity to assets	12.88%	12.52%
Number of banking facilities	14	14

SELECTED OPERATING DATA	At or for the Three Months Ended SEPTEMBER 30, 2004		At or for the Six Months Ended MARCH 31, 2004	
	2004	2003	2004	2003
Efficiency ratio (4)	61.82%	61.42%	60.33%	62.15%
Efficiency ratio net of intangible amortization	60.81%	61.44%	59.10%	60.59%
Coverage ratio net of intangible amortization	125.90%	120.89%	121.32%	120.52%
Return on average assets (1)	1.45%	1.48%	1.59%	1.48%
Return on average equity (1)	11.14%	12.27%	12.21%	11.58%
Net interest margin	4.89%	4.60%	4.90%	4.76%

PER SHARE DATA

Basic earnings per share (2)	\$ 0.40	\$ 0.41	\$ 0.85	\$ 0.76
Diluted earnings per share (3)	0.39	0.41	0.84	0.75
Book value per share (2)	14.10	13.38	14.10	13.38
Tangible book value per share (2)	11.93	11.07	11.93	11.07
Market price per share:				
High for period	21.650	20.500	21.650	20.500
Low for the period	19.850	18.080	19.490	16.300
Close for period end	21.360	18.900	21.360	18.900
Cash dividends declared per share	0.155	0.140	0.310	0.280

Average number of shares outstanding:

Basic (2)	4,812,154	4,653,314	4,801,528	4,513,117
Diluted (3)	4,885,447	4,728,250	4,875,146	4,585,921

(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 plus non-interest income.

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