

RIVERVIEW BANCORP INC
Form 10-Q
August 06, 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 June 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.

(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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer () Accelerated filer ()
Non-accelerated filer () Smaller reporting company ()

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes
No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: Common Stock, \$.01 par value per share, 10,923,773 shares outstanding as of August 5, 2009.

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RIVERVIEW BANCORP, INC. AND SUBSIDIARY
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Part I. Financial Information

Item 1. Financial Statements (Unaudited)

RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2009 AND MARCH 31, 2009

(In thousands, except share and per share data) (Unaudited)	June 30, 2009	March 31, 2009
ASSETS		
Cash (including interest-earning accounts of \$25,275 and \$6,405)	\$ 43,868	\$ 19,199
Loans held for sale	180	1,332
Investment securities held to maturity, at amortized cost (fair value of \$532 and \$552)	523	529
Investment securities available for sale, at fair value (amortized cost of \$15,937 and \$11,244)	13,349	8,490
Mortgage-backed securities held to maturity, at amortized cost (fair value of \$484 and \$572)	479	570
Mortgage-backed securities available for sale, at fair value (amortized cost of \$3,623 and \$3,991)	3,701	4,066
Loans receivable (net of allowance for loan losses of \$17,776 and \$16,974)	760,283	784,117
Real estate and other personal property owned	16,012	14,171
Prepaid expenses and other assets	2,964	2,518
Accrued interest receivable	2,966	3,054
Federal Home Loan Bank stock, at cost	7,350	7,350
Premises and equipment, net	19,187	19,514
Deferred income taxes, net	8,116	8,209
Mortgage servicing rights, net	545	468
Goodwill	25,572	25,572
Core deposit intangible, net	395	425
Bank owned life insurance	14,900	14,749
TOTAL ASSETS	\$ 920,390	\$ 914,333
LIABILITIES AND EQUITY		
LIABILITIES:		
Deposit accounts	\$ 649,068	\$ 670,066
Accrued expenses and other liabilities	6,315	6,700
Advanced payments by borrowers for taxes and insurance	190	360
Federal Home Loan Bank advances	5,000	37,850
Federal Reserve Bank advances	145,000	85,000
Junior subordinated debentures	22,681	22,681
Capital lease obligations	2,640	2,649
Total liabilities	830,894	825,306

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		
June 30, 2009 – 10,923,773 issued and outstanding	109	109
March 31, 2009 – 10,923,773 issued and outstanding		
Additional paid-in capital	46,872	46,866
Retained earnings	44,665	44,322
Unearned shares issued to employee stock ownership trust	(876)	(902)
Accumulated other comprehensive loss	(1,656)	(1,732)
Total shareholders' equity	89,114	88,663
Noncontrolling interest	382	364
Total equity	89,496	89,027
TOTAL LIABILITIES AND EQUITY	\$ 920,390	\$ 914,333

See notes to consolidated financial statements.

RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended
June 30,

(In thousands, except share and per share data)

2009

2008

(Unaudited)

INTEREST INCOME:

Interest and fees on loans receivable	\$ 11,710	\$ 13,324
Interest on investment securities – taxable	98	56
Interest on investment securities – non-taxable	32	32
Interest on mortgage-backed securities	40	61
Other interest and dividends	14	93
Total interest and dividend income	11,894	13,566

INTEREST EXPENSE:

Interest on deposits	2,694	4,106
Interest on borrowings	520	1,093
Total interest expense	3,214	5,199
Net interest income	8,680	8,367
Less provision for loan losses	2,350	2,750
Net interest income after provision for loan losses	6,330	5,617

NON-INTEREST INCOME:

Total other-than-temporary impairment losses	(279)	-
Portion of losses recognized in other comprehensive income	21	-
Net impairment losses recognized in earnings	(258)	-

Fees and service charges	1,244	1,210
Asset management fees	509	624
Net gain on sale of loans held for sale	401	52
Bank owned life insurance	151	146
Other	56	150
Total non-interest income	2,103	2,182

NON-INTEREST EXPENSE:

Salaries and employee benefits	3,875	3,884
Occupancy and depreciation	1,233	1,233
Data processing	240	199
Amortization of core deposit intangible	30	35
Advertising and marketing expense	159	181
FDIC insurance premium	695	114
State and local taxes	149	175
Telecommunications	116	124
Professional fees	304	202
Other	1,187	520
Total non-interest expense	7,988	6,667

INCOME BEFORE INCOME TAXES	445	1,132
PROVISION FOR INCOME TAXES	102	339
NET INCOME	\$ 343	\$ 793

Earnings per common share:

Basic	\$ 0.03	\$ 0.07
Diluted	0.03	0.07

Weighted average number of shares outstanding:

Basic	10,711,313	10,677,999
Diluted	10,711,313	10,698,292

See notes to consolidated financial statements.

RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF EQUITY
 FOR THE YEAR ENDED MARCH 31, 2009
 AND THE THREE MONTHS ENDED JUNE 30, 2009

(In thousands, except share data) (Unaudited)	Common Stock		Additional	Retained Earnings	Unearned Shares Issued to Employee Stock	Ownership Trust	Accumulated Other	Noncontrolling Interest	Total
	Shares	Amount	Paid-In Capital		Comprehensive Loss				
Balance April 1, 2008	10,913,773	\$ 109	\$ 46,799	\$ 46,871	(976)		(218)	292	\$ 92,877
Cash dividends (\$0.135 per share)	-	-	-	(1,441)	-		-	-	(1,441)
Exercise of stock options	10,000	-	96	-	-		-	-	96
Earned ESOP shares	-	-	(31)	-	74		-	-	43
Cumulative effect of adopting FSP FAS 115-2	-	-	-	1,542	-		(1,542)	-	-
Tax benefit, stock options	-	-	2	-	-		-	-	2
	10,923,773	109	46,866	46,972	(902)		(1,760)	292	91,577
Comprehensive loss:									
Net loss	-	-	-	(2,650)	-		-	-	(2,650)
Other comprehensive loss, net of tax:									
Unrealized holding gain on securities available for sale	-	-	-	-	-		28	-	28
Noncontrolling interest	-	-	-	-	-		-	72	72

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Total comprehensive loss	-	-	-	-	-	-	-	-	(2,550)
Balance March 31, 2009	10,923,773	109	46,866	44,322	(902)	(1,732)	364	89,027	
Stock based compensation expense			12		-	-	-	12	
Earned ESOP shares	-	-	(6)	-	26	-	-	20	
	10,923,773	109	46,872	44,322	(876)	(1,732)	364	89,059	
Comprehensive loss:									
Net income	-	-	-	343	-	-	-	343	
Other comprehensive income, net of tax:									
Unrealized holding gain on securities available for sale	-	-	-	-	-	76	-	76	
Noncontrolling interest	-	-	-	-	-	-	18	18	
Total comprehensive income								437	
Balance June 30, 2009	10,923,773	109	46,872	44,665	(876)	(1,656)	382	89,496	

See notes to consolidated financial statements.

RIVERVIEW BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2009 AND 2008

(In thousands) (Unaudited)	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 343	\$ 793
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	595	561
Mortgage servicing rights valuation adjustment	1	(6)
Provision for loan losses	2,350	2,750
Noncash expense (income) related to ESOP	20	(40)
Increase (decrease) in deferred loan origination fees, net of amortization	(83)	259
Origination of loans held for sale	(13,990)	(2,449)
Proceeds from sales of loans held for sale	15,243	2,451
Stock based compensation expense	12	-
Excess tax benefit from stock based compensation	-	(11)
Writedown of real estate owned	305	-
Net gain on loans held for sale, sale of real estate owned, mortgage-backed securities, investment securities and premises and equipment	(32)	(39)
Income from bank owned life insurance	(151)	(146)
Changes in assets and liabilities:		
Prepaid expenses and other assets	(434)	184
Accrued interest receivable	88	356
Accrued expenses and other liabilities	(358)	(614)
Net cash provided by operating activities	3,909	4,049
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loan repayments (originations), net	17,385	(10,322)
Principal repayments on investment securities available for sale	37	37
Principal repayments on investment securities held to maturity	6	-
Purchase of investment securities available for sale	(4,988)	-
Purchase of investment securities held to maturity	-	(536)