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RIVERVIEW BANCORP INC  
Form 8-K  
January 24, 2008

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): January 22, 2008

RIVERVIEW BANCORP, INC.  
(Exact name of registrant as specified in its charter)

|                                                                                                     |                                        |                                                    |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------|
| Washington<br>(State or other jurisdiction<br>of incorporation)                                     | 0-22957<br>(Commission<br>File Number) | 91-1838969<br>(IRS Employer<br>Identification No.) |
| 900 Washington Street, Suite 900, Vancouver, Washington<br>(Address of principal executive offices) |                                        | 98660<br>(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 January 22, 2008, Riverview Bancorp, Inc. issued its earnings release for the quarter ended December 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

99.1 News Release of Riverview Bancorp, Inc. dated January 22, 2008.

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## 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: January 22, 2008

By: /s/Patrick Sheaffer

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Patrick Sheaffer  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

## Exhibit 99.1

News Release Dated January 22, 2008

Contacts: Pat Sheaffer or Ron Wyseske,  
Riverview Bancorp, Inc. 360-693-6650

Riverview Bancorp, Inc. Reports Profits of \$2.2 Million in Fiscal Third

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Quarter as Strong Credit Quality Continues  
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VANCOUVER, WA -- January 22, 2008 -- Riverview Bancorp, Inc. (Nasdaq GSM:RVSB) today reported that continued excellent credit quality contributed to fiscal third quarter 2008 earnings. For the quarter ended December 31, 2007, net income was \$2.2 million, or \$0.21 per diluted share, compared to the record earnings of \$3.2 million, or \$0.28 per diluted share, posted in the third quarter of fiscal 2007. For the first nine months of fiscal 2008, net income was \$7.5 million, or \$0.67 per diluted share, compared to \$8.8 million, or \$0.77 per diluted share, in the first nine months of fiscal 2007.

``The last several months have been very challenging for Riverview, as well as the entire banking industry,'' stated Pat Sheaffer, Chairman and CEO. ``While our focus on core deposit growth and strict lending standards has resulted in continued asset growth, it has also reduced our profitability relative to last year's record setting earnings. However, we have been able to stabilize our net interest margin and maintain our credit quality despite a difficult banking environment.''

``Population growth in the Southwest Washington and metropolitan Portland, Oregon area remains strong, although we have seen the local housing markets cool off compared to the record setting pace of the last few years,'' said Ron Wyseske, President and COO. ``Despite the population growth, however, our real

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estate construction portfolio is now down to \$151 million from \$165 million a year ago as we maintain our tight credit standards.'

Third Quarter Fiscal 2008 Highlights (at or for the period ended December 31, 2007, compared to December 31, 2006)

- \* Net income was \$2.2 million, or \$0.21 per diluted share.
- \* Asset quality remains strong -- Non-performing assets are 0.14% of total assets.
- \* Net interest margin was 4.71%.
- \* Riverview Asset Management Corp. increased assets under management 8% to \$311 million.
- \* Asset management fees increased 8% to \$545,000.
- \* Cash dividends increased 10% to \$0.11 per share bringing our current dividend yield to 4.21% based on the recent share price.

### Credit Quality

''Asset quality remains an important focus for us in what has become a highly competitive market,'' said Wysaske. ''While we have no sub-prime residential real estate loans in our portfolio, we continue to keep a watchful eye on our regional market and closely monitor credit risk. Credit quality remains solid, reflecting our diversified portfolio, disciplined credit practices, and experienced lending staff.'' Non-performing assets were \$1.1 million, or 0.14% of total assets, at December 31, 2007, compared to \$206,000, or 0.03% of total assets, at September 30, 2007 and \$1.3 million, or 0.15% of total assets, at December 31, 2006. The increase from the previous linked quarter is attributable to the addition of five nonaccrual loans, totaling \$937,000, which includes one commercial loan, one commercial real estate loan, one real estate construction loan, and two residential real estate loans. The allowance for loan losses, including unfunded loan commitments of \$407,000, was \$9.9 million, or 1.37% of net loans at quarter-end, compared to \$9.0 million, or 1.27% of net loans, a year ago. Management believes the allowance for loan losses is adequate to cover probable losses inherent in the loan portfolio based upon its analysis of the loan portfolio's credit quality and the current economic conditions.

### Operating Results

For the third quarter of fiscal 2008, the net interest margin was 4.71% compared to 4.72% in the previous linked quarter and 4.89% in the third fiscal quarter a year ago. For the first nine months of fiscal 2008, the net interest margin was 4.75% compared to 5.03% in the first nine months of fiscal 2007. ''During the quarter our margin stabilized despite challenging market conditions. We expect improved spreads in light of the Federal Reserve rate cuts over the past four

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months, and anticipate our margin will stabilize or improve as we see the effect of our interest-bearing deposits re-price,'' said Wysaske.

Net interest income in the third fiscal quarter of 2008 decreased to \$8.9 million compared to \$9.3 million in the third fiscal quarter a year ago, largely due to our interest-bearing assets re-pricing down faster than our interest-bearing liabilities as a result of the recent Federal Reserve rate cuts. For the first nine months of fiscal 2008, net interest income was \$26.4 million, compared to \$27.5 million in the first nine months of fiscal 2007. Non-interest income was down slightly to \$2.2 million for the quarter,

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compared to \$2.4 million a year ago. For the first nine months of fiscal 2008, non-interest income was \$6.7 million compared to \$6.8 million for the first nine months a year ago. ``Although fee income from Riverview Asset Management Corp. increased 15% during the first nine months of the year, it was offset by declining mortgage broker loan fees reflecting the continued slowdown in the real estate market,'' said Wysaske.

Non-interest expenses were \$7.0 million in the third quarter of fiscal 2008, an increase from \$6.5 million in the third quarter of fiscal 2007. The increase in non-interest expense is the result of the opening of new facilities and the continued expansion of our lending team. ``During the third quarter, Riverview opened a new lending center at 9200 SE Sunnybrook Road Portland, Oregon. This location features a team of three commercial lenders and will be our second lending center to serve the east Portland area,'' stated Sheaffer. ``The hiring of these additional quality lenders has helped contribute to our continued loan growth in the third quarter and we believe will generate a good deal of new business in the future.''

The efficiency ratio was 63.69% for the third quarter, compared to 55.09% in the third quarter a year ago and 62.40% for the first nine months of fiscal 2008, compared to 56.90% for the same period a year ago. The increase in the efficiency ratio is due primarily to the decline in the net interest margin and the increase in non-interest expense discussed above. ``We expect our efficiency ratio to improve as we continue to grow into our increased capacity,'' said Wysaske.

Riverview's return on average assets was 1.06% for the third quarter and 1.21% year-to-date, compared to 1.53% and 1.45% for the respective periods last year. Return on average equity was 9.30% for the quarter and 10.17% for the first nine months of fiscal 2008, compared to 13.00% and 12.15%, respectively, for the same periods last year.

### Balance Sheet Growth

Total assets were \$844 million at the end of December 2007, compared to \$821 million at September 30, 2007 and \$836 million a year ago.

``The loan portfolio is still expanding, although at a more moderate pace compared to record levels set during the last few years,'' Wysaske said. ``Our goal remains keeping a well-diversified loan portfolio while maintaining excellent credit quality. Loan growth and credit quality should drive revenue growth going forward.'' Loan growth was up \$28.9 million, or 4%, over the linked September 2007 quarter-end. Net loans were \$716 million at December 31, 2007, compared to \$697 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:

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| December 31, 2007 | December 31, 2006 |
|-------------------|-------------------|
| -----             | -----             |

(Dollars in thousands)

### LOAN DATA

-----

Commercial and construction

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|                                   |            |         |            |         |
|-----------------------------------|------------|---------|------------|---------|
| Commercial                        | \$ 99,259  | 13.68%  | \$ 99,285  | 14.06%  |
| Other real estate mortgage        | 391,878    | 54.03%  | 364,187    | 51.59%  |
| Real estate construction          | 150,951    | 20.81%  | 165,008    | 23.38%  |
|                                   | -----      | -----   | -----      | -----   |
| Total commercial and construction | 642,088    | 88.52%  | 628,480    | 89.03%  |
| Consumer                          |            |         |            |         |
| Real estate one-to-four family    | 78,479     | 10.82%  | 73,268     | 10.38%  |
| Other installment                 | 4,774      | 0.66%   | 4,151      | 0.59%   |
|                                   | -----      | -----   | -----      | -----   |
| Total consumer                    | 83,253     | 11.48%  | 77,419     | 10.97%  |
|                                   | -----      |         | -----      |         |
| Total loans                       | \$ 725,341 | 100.00% | \$ 705,899 | 100.00% |
|                                   | =====      |         | =====      |         |

Total deposits were \$623 million at the end of December 2007 compared to \$651 million at the end of December 2006. Non-interest checking balances represent 13% of total deposits and interest checking balances represent 18% of total deposits. Core deposits, defined as all deposits excluding certificates of deposit, were \$429 million at the end of December 2007, and represent 69% of total deposits.

The following table breaks out deposits by category:

|                               | December 31, 2007      |         | December 31, 2006 |         |
|-------------------------------|------------------------|---------|-------------------|---------|
|                               | -----                  |         | -----             |         |
|                               | (Dollars in thousands) |         |                   |         |
| DEPOSIT DATA                  |                        |         |                   |         |
| -----                         |                        |         |                   |         |
| Interest checking             | \$ 112,062             | 18.00%  | \$ 145,347        | 22.32%  |
| Regular savings               | 26,216                 | 4.21%   | 29,491            | 4.53%   |
| Money market deposit accounts | 210,084                | 33.74%  | 179,010           | 27.49%  |
| Non-interest checking         | 80,710                 | 12.96%  | 88,244            | 13.55%  |
| Certificates of deposit       | 193,538                | 31.09%  | 209,105           | 32.11%  |
|                               | -----                  | -----   | -----             | -----   |
| Total deposits                | \$ 622,610             | 100.00% | \$ 651,197        | 100.00% |

### Shareholders' Equity

Shareholders' equity was \$92.4 million, compared to \$98.0 million a year ago. Book value per share improved to \$8.46 at the end of December 2007, compared to \$8.44 a year earlier. During fiscal 2008, 875,000 shares have been purchased on the open market under the announced Repurchase Plans. Under the current Repurchase Plan announced June 21, 2007, there are 125,000 shares remaining to be purchased. Riverview remains a well-capitalized institution.

### About the Company

Riverview Bancorp, Inc. (<http://www.riverviewbank.com>) is headquartered in Vancouver, Washington -- just north of Portland, Oregon on the I-5 corridor. With assets of \$844 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 four 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

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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.

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### RIVERVIEW BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2007, March 31, 2007 and December 31, 2006

| (In thousands, except share data)<br>(Unaudited) | Dec. 31,<br>2007 | March 31,<br>2007 | Dec. 31,<br>2006 |
|--------------------------------------------------|------------------|-------------------|------------------|
|--------------------------------------------------|------------------|-------------------|------------------|

#### ASSETS

|                                                                                                               |            |            |            |
|---------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Cash (including interest-earning accounts of \$14,415, \$7,818 and \$6,197)                                   | \$ 32,998  | \$ 31,423  | \$ 30,396  |
| Loans held for sale                                                                                           | 395        | --         | --         |
| Investment securities available for sale, at fair value (amortized cost of \$7,826, \$19,258 and \$20,650)    | 7,762      | 19,267     | 20,648     |
| Mortgage-backed securities held to maturity, at amortized cost (fair value of \$956, \$1,243 and \$1,356)     | 950        | 1,232      | 1,347      |
| Mortgage-backed securities available for sale, at fair value (amortized cost of \$5,701, \$6,778 and \$7,141) | 5,676      | 6,640      | 6,977      |
| Loans receivable (net of allowance for loan losses of \$9,505, \$8,653 and \$8,628)                           | 715,836    | 682,951    | 697,271    |
| Real estate and other pers. property owned                                                                    | 74         | --         | --         |
| Prepaid expenses and other assets                                                                             | 3,513      | 1,905      | 2,105      |
| Accrued interest receivable                                                                                   | 3,740      | 3,822      | 4,131      |
| Federal Home Loan Bank stock, at cost                                                                         | 7,350      | 7,350      | 7,350      |
| Premises and equipment, net                                                                                   | 21,109     | 21,402     | 21,547     |
| Deferred income taxes, net                                                                                    | 4,065      | 4,108      | 3,685      |
| Mortgage servicing rights, net                                                                                | 331        | 351        | 374        |
| Goodwill                                                                                                      | 25,572     | 25,572     | 25,572     |
| Core deposit intangible, net                                                                                  | 593        | 711        | 755        |
| Bank owned life insurance                                                                                     | 14,033     | 13,614     | 13,482     |
|                                                                                                               | -----      | -----      | -----      |
| TOTAL ASSETS                                                                                                  | \$ 843,997 | \$ 820,348 | \$ 835,640 |
|                                                                                                               | =====      | =====      | =====      |

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### LIABILITIES:

|                                                       |            |            |            |
|-------------------------------------------------------|------------|------------|------------|
| Deposit accounts                                      | \$ 622,610 | \$ 665,405 | \$ 651,197 |
| Accrued expenses and other liabilities                | 9,483      | 9,349      | 9,781      |
| Advance payments by borrowers for taxes and insurance | 166        | 397        | 123        |

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|                                 |         |         |         |
|---------------------------------|---------|---------|---------|
| Federal Home Loan Bank advances | 94,000  | 35,050  | 66,600  |
| Junior subordinated debentures  | 22,681  | 7,217   | 7,217   |
| Capital lease obligation        | 2,695   | 2,721   | 2,729   |
|                                 | -----   | -----   | -----   |
| Total liabilities               | 751,635 | 720,139 | 737,647 |

## SHAREHOLDERS' EQUITY:

|                                                                                                                                                                                                                       |         |         |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|
| Serial preferred stock, \$.01 par value; 250,000 authorized, issued and outstanding, none                                                                                                                             | --      | --      | --      |
| Common stock, \$.01 par value; 50,000,000 authorized, December 31, 2007- 10,911,773 issued and outstanding; March 31, 2007 - 11,707,980 issued and outstanding; December 31, 2006- 11,612,219 issued and outstanding; | 109     | 117     | 116     |
| Additional paid-in capital                                                                                                                                                                                            | 46,676  | 58,438  | 57,888  |
| Retained earnings                                                                                                                                                                                                     | 46,667  | 42,848  | 41,232  |
| Unearned shares issued to employee stock ownership trust                                                                                                                                                              | (1,031) | (1,108) | (1,134) |
| Accumulated other comprehensive loss                                                                                                                                                                                  | (59)    | (86)    | (109)   |
|                                                                                                                                                                                                                       | -----   | -----   | -----   |
| Total shareholders' equity                                                                                                                                                                                            | 92,362  | 100,209 | 97,993  |
|                                                                                                                                                                                                                       | -----   | -----   | -----   |

## TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

|            |            |            |
|------------|------------|------------|
| \$ 843,997 | \$ 820,348 | \$ 835,640 |
| =====      | =====      | =====      |

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## RIVERVIEW BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income for the Three and Nine Months Ended December 31, 2007 and 2006

| (In thousands, except share data)<br>(Unaudited) | Three Months Ended<br>December 31, |           | Nine Months Ended<br>December 31, |           |
|--------------------------------------------------|------------------------------------|-----------|-----------------------------------|-----------|
|                                                  | 2007                               | 2006      | 2007                              | 2006      |
| -----                                            |                                    |           |                                   |           |
| INTEREST INCOME:                                 |                                    |           |                                   |           |
| Interest and fees on loans receivable            | \$ 14,950                          | \$ 15,617 | \$ 44,461                         | \$ 44,220 |
| Interest on investment securities-taxable        | 91                                 | 217       | 403                               | 659       |
| Interest on investment securities-non taxable    | 35                                 | 41        | 111                               | 125       |
| Interest on mortgage-backed securities           | 78                                 | 102       | 254                               | 325       |
| Other interest and dividends                     | 182                                | 101       | 845                               | 249       |
|                                                  | -----                              | -----     | -----                             | -----     |
| Total interest income                            | 15,336                             | 16,078    | 46,074                            | 45,578    |
|                                                  | -----                              | -----     | -----                             | -----     |
| INTEREST EXPENSE:                                |                                    |           |                                   |           |
| Interest on deposits                             | 5,340                              | 5,548     | 17,563                            | 14,678    |
| Interest on borrowings                           | 1,138                              | 1,212     | 2,131                             | 3,442     |
|                                                  | -----                              | -----     | -----                             | -----     |

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|                                                     |          |          |          |          |
|-----------------------------------------------------|----------|----------|----------|----------|
| Total interest expense                              | 6,478    | 6,760    | 19,694   | 18,120   |
| Net interest income                                 | 8,858    | 9,318    | 26,380   | 27,458   |
| Less provision for loan losses                      | 650      | 375      | 1,100    | 1,325    |
| Net interest income after provision for loan losses | 8,208    | 8,943    | 25,280   | 26,133   |
| NON-INTEREST INCOME:                                |          |          |          |          |
| Fees and service charges                            | 1,269    | 1,535    | 4,078    | 4,315    |
| Asset management fees                               | 545      | 504      | 1,606    | 1,395    |
| Gain on sale of loans held for sale                 | 93       | 150      | 276      | 333      |
| Loan servicing income                               | 44       | 44       | 110      | 125      |
| Gain on sale of credit card portfolio               | --       | --       | --       | 133      |
| Bank owned life insurance income                    | 140      | 133      | 419      | 390      |
| Other                                               | 59       | 44       | 179      | 125      |
| Total non-interest income                           | 2,150    | 2,410    | 6,668    | 6,816    |
| NON-INTEREST EXPENSE:                               |          |          |          |          |
| Salaries and employee benefits                      | 4,245    | 3,688    | 12,121   | 11,055   |
| Occupancy and depreciation                          | 1,304    | 1,185    | 3,850    | 3,394    |
| Data processing                                     | 224      | 220      | 600      | 777      |
| Amortization of core deposit intangible             | 38       | 44       | 118      | 140      |
| Advertising and marketing expense                   | 217      | 269      | 869      | 927      |
| FDIC insurance premium                              | 20       | 18       | 58       | 55       |
| State and local taxes                               | 182      | 166      | 531      | 454      |
| Telecommunications                                  | 96       | 115      | 292      | 328      |
| Professional fees                                   | 216      | 199      | 611      | 575      |
| Other                                               | 469      | 557      | 1,573    | 1,797    |
| Total non-interest expense                          | 7,011    | 6,461    | 20,623   | 19,502   |
| INCOME BEFORE INCOME TAXES                          | 3,347    | 4,892    | 11,325   | 13,447   |
| PROVISION FOR INCOME TAXES                          | 1,134    | 1,654    | 3,843    | 4,605    |
| NET INCOME                                          | \$ 2,213 | \$ 3,238 | \$ 7,482 | \$ 8,842 |
| Earnings per common share:                          |          |          |          |          |
| Basic                                               | \$ 0.21  | \$ 0.29  | \$ 0.68  | \$ 0.78  |
| Diluted                                             | 0.21     | 0.28     | 0.67     | 0.77     |
| Weighted average number of shares outstanding:      |          |          |          |          |

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|         |            |            |            |            |
|---------|------------|------------|------------|------------|
| Basic   | 10,684,780 | 11,313,623 | 10,992,242 | 11,291,175 |
| Diluted | 10,773,107 | 11,522,519 | 11,106,944 | 11,478,306 |

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|                                                                                    | At or for the nine months ended<br>December 31, |           | At or for the year<br>ended March 31, |        |
|------------------------------------------------------------------------------------|-------------------------------------------------|-----------|---------------------------------------|--------|
|                                                                                    | 2007                                            | 2006      | 2007                                  |        |
|                                                                                    | ----                                            | ----      | ----                                  |        |
| FINANCIAL                                                                          | (Dollars in thousands)                          |           |                                       |        |
| CONDITION                                                                          |                                                 |           |                                       |        |
| DATA                                                                               |                                                 |           |                                       |        |
| -----                                                                              |                                                 |           |                                       |        |
| Average interest-<br>earning assets                                                | \$738,053                                       | \$726,909 | \$731,089                             |        |
| Average interest-<br>bearing liabilities                                           | 628,104                                         | 609,037   | 614,546                               |        |
| Net average<br>earning assets                                                      | 109,949                                         | 117,872   | 116,543                               |        |
| Non-performing assets                                                              | 1,142                                           | 1,276     | 226                                   |        |
| Non-performing loans                                                               | 1,068                                           | 1,276     | 226                                   |        |
| Allowance for<br>loan losses                                                       | 9,505                                           | 8,628     | 8,653                                 |        |
| Allowance for loan<br>losses and unfunded<br>loan commitments                      | 9,912                                           | 8,983     | 9,033                                 |        |
| Average interest-<br>earning assets to<br>average interest-<br>bearing liabilities | 117.50%                                         | 119.35%   | 118.96%                               |        |
| Allowance for loan<br>losses to non-<br>performing loans                           | 889.98%                                         | 676.18%   | 3,828.76%                             |        |
| Allowance for loan<br>losses to net loans                                          | 1.31%                                           | 1.22%     | 1.25%                                 |        |
| Allowance for loan<br>losses and unfunded<br>loan commitments to<br>net loans      | 1.37%                                           | 1.27%     | 1.31%                                 |        |
| Non-performing loans<br>to total net loans                                         | 0.15%                                           | 0.18%     | 0.03%                                 |        |
| Non-performing assets<br>to total assets                                           | 0.14%                                           | 0.15%     | 0.03%                                 |        |
| Shareholders' equity<br>to assets                                                  | 10.94%                                          | 11.73%    | 12.22%                                |        |
| Number of banking<br>facilities                                                    | 20                                              | 19        | 19                                    |        |
| LOAN DATA (1)                                                                      |                                                 |           |                                       |        |
| -----                                                                              |                                                 |           |                                       |        |
| Commercial and<br>construction                                                     |                                                 |           |                                       |        |
| Commercial                                                                         | \$ 99,259                                       | 13.68%    | \$ 99,285                             | 14.06% |
| Other real<br>estate mortgage                                                      | 391,878                                         | 54.03%    | 364,187                               | 51.59% |
|                                                                                    |                                                 |           | 360,930                               | 52.19% |

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|                                   |           |         |           |         |           |         |
|-----------------------------------|-----------|---------|-----------|---------|-----------|---------|
| Real estate construction          | 150,951   | 20.81%  | 165,008   | 23.38%  | 166,073   | 24.01%  |
| <hr/>                             |           |         |           |         |           |         |
| Total commercial and construction | 642,088   | 88.52%  | 628,480   | 89.03%  | 618,177   | 89.38%  |
| Consumer                          |           |         |           |         |           |         |
| Real estate one-to-four family    | 78,479    | 10.82%  | 73,268    | 10.38%  | 69,808    | 10.10%  |
| Other installment                 | 4,774     | 0.66%   | 4,151     | 0.59%   | 3,619     | 0.52%   |
| <hr/>                             |           |         |           |         |           |         |
| Total consumer                    | 83,253    | 11.48%  | 77,419    | 10.97%  | 73,427    | 10.62%  |
| <hr/>                             |           |         |           |         |           |         |
| Total loans                       | 725,341   | 100.00% | 705,899   | 100.00% | 691,604   | 100.00% |
| <hr/>                             |           |         |           |         |           |         |
| Less:                             |           |         |           |         |           |         |
| Allowance for loan losses         | 9,505     |         | 8,628     |         | 8,653     |         |
| <hr/>                             |           |         |           |         |           |         |
| Loans receivable, net             | \$715,836 |         | \$697,271 |         | \$682,951 |         |
| <hr/>                             |           |         |           |         |           |         |

(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<br>& Construction<br>Total | Commercial | Other<br>Real Estate<br>Mortgage | Real Estate<br>Construction |
|-------------------------------------|---------------------------------------|------------|----------------------------------|-----------------------------|
|                                     | -----                                 | -----      | -----                            | -----                       |
| December 31, 2007                   | (Dollars in thousands)                |            |                                  |                             |
| Commercial                          | \$ 99,259                             | \$ 99,259  | \$ --                            | \$ --                       |
| Commercial construction             | 50,274                                | --         | --                               | 50,274                      |
| Office buildings                    | 83,493                                | --         | 83,493                           | --                          |
| Warehouse/industrial                | 35,625                                | --         | 35,625                           | --                          |
| Retail/shopping centers/strip malls | 65,426                                | --         | 65,426                           | --                          |
| Assisted living facilities          | 18,396                                | --         | 18,396                           | --                          |
| Single purpose facilities           | 51,155                                | --         | 51,155                           | --                          |
| Land                                | 112,314                               | --         | 112,314                          | --                          |
| Multi-family                        | 25,469                                | --         | 25,469                           | --                          |
| One-to-four family                  | 100,677                               | --         | --                               | 100,677                     |

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|       |            |           |            |            |
|-------|------------|-----------|------------|------------|
| Total | \$ 642,088 | \$ 99,259 | \$ 391,878 | \$ 150,951 |
|-------|------------|-----------|------------|------------|

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 nine months ended<br>December 31,<br>2007 | At the year<br>ended March 31,<br>2007 |
| 2006                                             | 2007                                   |
| ----                                             | ----                                   |

(Dollars in thousands)

## DEPOSIT DATA

|                               |           |         |           |         |           |         |
|-------------------------------|-----------|---------|-----------|---------|-----------|---------|
| Interest                      |           |         |           |         |           |         |
| checking                      | \$112,062 | 18.00%  | \$145,347 | 22.32%  | \$144,451 | 21.71%  |
| Regular savings               | 26,216    | 4.21%   | 29,491    | 4.53%   | 29,472    | 4.43%   |
| Money market deposit accounts | 210,084   | 33.74%  | 179,010   | 27.49%  | 205,007   | 30.81%  |
| Non-interest checking         | 80,710    | 12.96%  | 88,244    | 13.55%  | 86,601    | 13.01%  |
| Certificates of deposit       | 193,538   | 31.09%  | 209,105   | 32.11%  | 199,874   | 30.04%  |
| Total deposits                | \$622,610 | 100.00% | \$651,197 | 100.00% | \$665,405 | 100.00% |

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

|                         |                                                             |                                                             |                                                            |                                                            |
|-------------------------|-------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
|                         | At or for the three<br>months ended<br>December 31,<br>2007 | At or for the three<br>months ended<br>December 31,<br>2006 | At or for the nine<br>months ended<br>December 31,<br>2007 | At or for the nine<br>months ended<br>December 31,<br>2006 |
| SELECTED OPERATING DATA |                                                             |                                                             |                                                            |                                                            |

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|                                                   | (Dollars in thousands, except share data) |         |         |         |
|---------------------------------------------------|-------------------------------------------|---------|---------|---------|
| Efficiency ratio(4)                               | 63.69%                                    | 55.09%  | 62.40%  | 56.90%  |
| Efficiency ratio net of intangible amortization   | 63.14%                                    | 54.52%  | 61.81%  | 56.29%  |
| Coverage ratio(6)                                 | 126.34%                                   | 144.22% | 127.92% | 140.80% |
| Coverage ratio net of intangible amortization     | 127.03%                                   | 145.21% | 128.65% | 141.81% |
| Return on average assets(1)                       | 1.06%                                     | 1.53%   | 1.21%   | 1.45%   |
| Return on average equity(1)                       | 9.30%                                     | 13.00%  | 10.17%  | 12.15%  |
| Average rate earned on interest-earned assets     | 8.14%                                     | 8.43%   | 8.30%   | 8.33%   |
| Average rate paid on interest-bearing liabilities | 4.01%                                     | 4.18%   | 4.16%   | 3.95%   |
| Spread(7)                                         | 4.13%                                     | 4.25%   | 4.14%   | 4.38%   |
| Net interest margin                               | 4.71%                                     | 4.89%   | 4.75%   | 5.03%   |

## PER SHARE DATA

|                                   |          |          |          |          |
|-----------------------------------|----------|----------|----------|----------|
| Basic earnings per share(2)       | \$ 0.21  | \$ 0.29  | \$ 0.68  | \$ 0.78  |
| Diluted earnings per share(3)     | 0.21     | 0.28     | 0.67     | 0.77     |
| Book value per share(5)           | 8.46     | 8.44     | 8.46     | 8.44     |
| Tangible book value per share(5)  | 6.04     | 6.14     | 6.04     | 6.14     |
| Market price per share:           |          |          |          |          |
| High for the period               | \$ 15.36 | \$ 15.72 | \$ 16.28 | \$ 15.72 |
| Low for the period                | 11.55    | 13.47    | 11.55    | 12.14    |
| Close for period end              | 11.55    | 15.20    | 11.55    | 15.20    |
| Cash dividends declared per share | 0.110    | 0.100    | 0.330    | 0.295    |

## Average number of shares outstanding:

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| Basic(2)   | 10,684,780 | 11,313,623 | 10,992,242 | 11,291,175 |
| Diluted(3) | 10,773,107 | 11,522,519 | 11,106,944 | 11,478,306 |

(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.