

RIVERVIEW BANCORP, INC. ANNUAL REPORT 2012

YEAR IN REVIEW



FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED March 31:

(Dollars in thousands, except share data)

	2012	2011	2010
Interest income	\$ 39,532	\$ 43,214	\$ 46,262
Interest expense	5,865	8,052	11,376
Net interest income	33,667	35,162	34,886
Provision for loan losses	29,350	5,075	15,900
Net interest income after provision for loan losses	4,317	30,087	18,986
Non-interest income	6,827	7,889	7,266
Non-interest expense	34,423	31,496	34,973
Income (loss) before income taxes	(23,279)	6,480	(8,721)
Provision (benefit) for income taxes	8,378	2,165	(3,277)
Net income (loss)	\$ (31,657)	\$ 4,315	\$ (5,444)
Average # of common shares outstanding	22,317,933	18,341,191	10,720,525

PER COMMON SHARE

Net income (loss)	\$ (1.42)	\$ 0.24	\$ (0.51)
Cash dividends	—	—	—
Book value	3.36	4.76	7.68
Closing price	2.26	3.04	2.30

FISCAL YEAR END BALANCES

Assets	\$ 855,998	\$ 859,263	\$ 837,953
Loans, net	664,888	672,609	712,837
Deposits	744,455	716,530	688,048
Shareholders' equity	75,607	106,944	83,934
Total # of common shares outstanding	22,471,890	22,471,890	10,923,773
Full-time equivalent employees	224	238	233
Number of banking facilities	18	18	18

FINANCIAL RATIOS

Return on average assets	(3.64)%	0.51%	(0.62)%
Return on average common equity	(30.19)	4.29	(6.00)
Net interest margin	4.33	4.64	4.39
Efficiency ratio	85.01	73.16	82.97
Non-performing assets to total assets	7.35	4.65	5.89
Allowance for loan losses to total net loans	2.91	2.18	2.95
Equity to assets at period end	8.83	12.45	10.02

For complete financial details and other information, please see the 2012 Riverview Bancorp, Inc. 10-K.

Dear Shareholders, Employees, and Friends:

Two years ago we talked about the economic hurricane. A year ago the storm started to recede. We've spent the last 12 months cleaning up, as our communities recover from the recession. Like many community banks across the country, we're doing this the old fashioned way – without taxpayer assistance. Our relationship officers are working closely with our clients to meet their banking needs and resolve any credit issues. Our support staff is focused on reducing expenses and implementing new efficiencies.

It is humbling to enter our 90th year of operation reporting a loss for the fiscal year, but we count ourselves among the fortunate survivors of the Great Recession. For many, short-term financial results are the only “measuring stick.” Gratefully, we are able to point to other metrics and outcomes which are far more positive. We can't simply look past the credit and unemployment contagion that has gripped our country for almost five years. We have learned from it, and will remember the toll it has taken on countless families, businesses and banks.

We have the cash and overall liquidity to serve our current and future customers, and in partnership with them, invigorate the local economy. Our customer count is increasing in all of our markets in Southwest Washington and Oregon and we are excited about the Summer-opening of our newest branch in Gresham, Oregon. As the ONLY community bank headquartered in Clark County, Riverview has a unique advantage and we intend to capitalize on every opportunity.

A Riverview report wouldn't be complete without some numbers:

- Total deposits increased \$27.9 million to \$744 million
- Total Risk-Based capital was a strong 12.11%, exceeding well-capitalized standards
- Loans Receivable totaled \$685 million
- On-balance sheet and contingent liquidity exceeded \$500 million
- Riverview Asset Management Corp. had \$360 million under management and generated \$2.4 million in fee income
- Bancorp assets totaled \$856 million

Our employee-owners are working extremely hard to provide our customers Local, Personal, Service, and we look forward to the new year with confidence that it will be better than the last. Early indications support that sentiment. As always, we are grateful for the talent and energy of our first class employee-owners, directors, and management team. It is also a privilege to work for our customers and shareholders who have remained loyal and rock-solid in their support of this company. Here's to success in all our endeavors.



Patrick Sheaffer
Chairman and Chief Executive Officer



Ronald A. Wysaske
President and Chief Operating Officer

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