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Liberty Bell Bank Reports Profitable 2010

MARLTON, N.J.--(BUSINESS WIRE)--Liberty Bell Bank (OTC: LBBB) today announced earnings of \$206,879 for the year 2010, an improvement of \$621,773 over the prior year 2009 loss of (\$414,894). Net Income per common share was \$0.07 as compared to the prior year 2009 loss per common share of (\$0.15).

For the year 2010:

- Net interest income, which is our core revenue, increased \$719,308 or 14.7% over prior year 2009.
- Net interest margin increased to 3.64% for the year 2010 as compared to 3.19% for the year 2009.
- Total loans increased \$4.1 million or 3.1% since year-end 2009 to \$137.1 million.
- Non accrual loans at December 31, 2010 are \$9.4 million or 6.85% of the loan portfolio, up from \$6.1 million or 4.59% at December 31, 2009. Non Accrual loans averaged \$9.6 million for the year 2010.
- Total deposits have increased \$4 million or 2.7% since year-end 2009.
- Non-interest bearing core checking increased \$3 million or 37.5% since year-end 2009 and are up from 5.5% of total deposits at year-end 2009 to 7.3% of total deposits at December 31, 2010.
- Non interest expenses of \$5.3 million for the year 2010 represents an increase of 3.4% or \$172,000 in total year over year, and is largely related to increased staff commitment to our business development efforts that resulted in desired improved deposit mix and, in turn, net interest income and margin.
- Deposits for the Mount Laurel branch that opened in late February 2009 have grown to \$26.3 million.

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improvements in our deposit mix that in turn greatly contributed to our increased net interest income improvements and to our higher net interest margin,” said President and CEO Kevin Kutcher. “One of the upsides to the economic and banking turmoil is increased customer appreciation for community banking. We’re seeing households and local businesses feeling disenfranchised by larger banks and continuing consolidation. While the larger banks are either taking things away or charging more for less, we proudly hold on to things like truly free checking, and we do not gouge ATM card users with excessive fees. Our focus remains on developing sustained value in relationships.”

“Against the backdrop of a difficult economy, we saw modest growth in our overall loan portfolio during 2010 – some of which we attribute to our growing commercial checking base,” said SVP and Senior Loan Officer John Herring. “And, while problem loans increased during 2010, we believe the worst is behind us and we’re beginning to see signs of improvement. Our ongoing rigorous quarterly loan loss reserve adequacy analysis supports the appropriateness of our current reserves for possible loan losses and, as we’ve noted previously, we do not believe we’ll experience material unforeseen losses as the problem loans we have work through the foreclosure and workout process.”

Some discussions in this press release may contain forward-looking statements. These forward-looking statements include statements of the Bank’s plans, objectives, expectations, estimates and intentions, and involve risks and uncertainties and are subject to change based on various important factors (some of which are beyond the Bank’s control). The following factors, among others, could cause the Bank’s financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: unexpected loan losses, the strength of the United States economy in general and the strength of the local economies in which the Bank conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rate, market and monetary fluctuations; the perceived overall value of the Bank’s products and services by users, including the features, pricing and service compared to competitors’ products and services; the impact of changes in financial services’ laws and regulations; increased deposit insurance assessments; increased shareholder activism; technological changes; acquisitions; changes in consumer spending and saving habits; and the success of the Bank at managing the risks involved in the foregoing. The Bank cautions that the foregoing list of important factors is not exclusive. The Bank also cautions readers not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date on which they are given.

Liberty Bell Bank

Balance Sheets

December 31, 2010 and December 31, 2009

	2010	2009
	(Unaudited)	
Assets		
Cash and cash due from banks	\$ 1,385,434	\$ 1,538,947

Interest-bearing deposits with other banks	838,000	7,948,017
Federal funds sold	11,375,000	5,025,000
Cash and cash equivalents	13,598,434	14,511,964
Certificates of deposit with other banks	735,000	980,000
Investment securities available for sale, at fair value	17,445,492	15,830,241
Loans (net of allowance for loan losses of \$1,778,661 and \$1,420,000 as of December 31, 2010 and December 31, 2009, respectively)	135,336,647	131,565,224
Bank premises and equipment, net	4,435,221	4,461,772
Federal Home Loan Bank stock, at cost	549,700	534,100
Prepaid FDIC assessment	632,145	878,961
Accrued interest receivable and other assets	908,412	1,061,995
	\$173,641,051	\$169,824,257

Liabilities and Shareholders' Equity

Liabilities

Deposits		
Noninterest-bearing	\$ 11,173,685	\$ 8,123,787
Interest-bearing	141,468,194	140,478,336
Total deposits	152,641,879	148,602,123
Borrowings	7,500,000	7,500,000
Accrued interest payable and other accrued liabilities	398,780	486,011
	160,540,659	156,588,134

Commitments and Contingencies (Notes 7 and 14)

Shareholders' Equity

Common stock, \$5 par value, 5,000,000 shares authorized; Issued and outstanding, 2,808,551 and 2,771,414 shares at December 31, 2010 and 2009	14,042,755	13,857,070
Additional paid-in capital	6,789,077	6,847,071
Accumulated deficit	(7,632,711)	(7,839,590)
Accumulated other comprehensive income	(98,729)	371,572

Total shareholders' equity	13,100,392	13,236,123
Total liabilities and shareholders' equity	\$173,641,051	\$169,824,257

Liberty Bell Bank

**Statements of Operations
Years Ended December 31, 2010 and 2009**

	2010	2009
	(Unaudited)	(Unaudited)
Interest Income		
Interest and fees on loans	\$7,689,381	\$7,834,304
Interest on securities available for sale	455,927	668,013
Interest on deposits with banks	29,947	39,487
Dividends on FHLB stock	28,444	31,722
Interest on federal funds sold	26,877	19,711
Total interest income	8,230,576	8,593,237
Interest Expense		
Interest on deposits	2,314,956	3,395,225
Interest on borrowings	299,892	301,592
Total interest expense	2,614,848	3,696,817
Net interest income	5,615,728	4,896,420
Provision for loan losses	575,000	609,813
Net interest income after provision for loan losses	5,040,728	4,286,607
Noninterest Income		
Service charges on deposit accounts	173,413	145,794

Other loan fees	90,237	124,071
Other income	3,309	44,857
Gain on sale of investment securities available for sale	184,939	97,611
Total noninterest income	451,898	412,333
Noninterest Expenses		
Compensation and benefits	2,663,026	2,449,053
Occupancy	762,447	804,326
Equipment and data processing	448,684	424,963
Marketing and business development	122,892	117,611
Professional services	459,733	440,969
Other operating expenses	828,645	876,912
Total noninterest expenses	5,285,427	5,113,834
Income (Loss) Before income Tax Expense	207,199	(414,894)
Income Tax Expense	(320)	-
Net Income (Loss)	\$ 206,879	\$ (414,894)
Net Income (Loss) Per Common Share, Basic and Diluted	\$ 0.07	\$ (0.15)
Weighted Average Shares Outstanding, Basic and Diluted	2,796,452	2,734,878

Contacts

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