

## Company Info

### PRESS RELEASE

For Immediate Release

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#### CARROLLTON BANCORP REPORTS SECOND QUARTER EARNINGS & QUARTERLY DIVIDEND

**BALTIMORE, MARYLAND** - Carrollton Bancorp (NASDAQ: CRRB) announced today that net income for the quarter ended June 30, 2001 increased by 14% to \$527,000, or \$0.19 per share, compared to \$461,000, or \$0.17 per share, for the same period of 2000. Earnings for the six months ended June 30, 2001 increased 16% to \$1,032,000, or \$0.38 per share, compared to \$886,000, or \$0.32 per share, for the same period of 2000.

Robert A. Altieri, President and Chief Executive Officer, noted earnings increased for both the quarter and six-month period despite the recognition of a \$254,000 pre-tax loss on the sale of residential mortgage loans during the first quarter of 2001 compared to a gain of \$16,000 in the first quarter of 2000. The decline in the interest rate environment, which had experienced volatile swings over the previous year, was the reason for the Company's decision to sell \$37 million of residential mortgage loans. Mr. Altieri reported that the loan sale was part of the Company's strategic plan to address its exposure to interest rate risk and to provide for future increased earnings. Mr. Altieri emphasized that the Company is primarily focused on increasing its commercial real estate and small business-lending portfolios.

Mr. Altieri noted that the Bank in its efforts to address the profitability of its various business operations has elected to terminate its ATM relationship with the Target department store chain. As a result of the decision, the Bank has removed its ATMs from fifty-five Target stores, and will hold them in inventory until they can be redeployed in its relationship with Wal-Mart and Sam's Clubs in the Maryland, West Virginia, and Virginia marketplace. Management determined that the Target relationship was no longer in the best interest of the Company, and exercised its option to discontinue the relationship at the end of the existing contract to provide ATM services. In addition, management has accelerated the write-down of its ATM network after an analysis of the economic life of the network. Strong performance from the Bank's Electronic Banking Division, in particular, point of sale services, resulted in revenues of \$695,000 for the six-month period, a 71% increase over the comparable period of 2000. Management will continue to assess the profitability of all of its business units and will take the appropriate steps to eliminate unprofitable operations.

The Company declared a quarterly dividend of \$0.09 per share, payable September 4, 2001 to shareholders of record on August 17, 2001. Mr. Altieri stated that the cash dividend rate was based on stable current earnings and future prospects for the Company.

Total assets for the Company were \$374.3 million at June 30, 2001 compared to \$372.7 million at June 30, 2000. The loan portfolio decreased as a result of the loan sale and anticipated loan payoffs due to the rate declines of the first six months of 2001 to \$228.8 million at June 30, 2001 from \$280.1 million a year earlier.

Carrollton Bancorp is the parent company of Carrollton Bank, a commercial bank serving the deposit and financing needs of both consumers and businesses through a system of eleven branch offices in central Maryland and a network of 119 ATMs located in Maryland, Virginia, and West Virginia. The Company provides brokerage services through Carrollton Financial Services, Inc., a subsidiary of the Bank.

For additional information, contact Randall M. Robey, Chief Financial Officer, (410) 536-7308.

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