

Company Info

PRESS RELEASE

For Immediate Release

April 19, 2002

CARROLLTON BANCORP REPORTS FIRST QUARTER EARNINGS & QUARTERLY DIVIDEND

BALTIMORE, MARYLAND - Carrollton Bancorp (NASDAQ: CRRB) announced today a quarterly dividend of \$0.09 per share, payable June 3, 2002 to shareholders of record on May 17, 2002. Mr. Altieri stated that the cash dividend rate was based on stable current earnings and future prospects for the Company. Mr. Altieri reported that net income for the quarter ended March 31, 2002 declined to \$326,000, or \$.12 per share, compared to \$505,000, or \$0.19 per share, for the same period of 2001.

Robert A. Altieri, President and Chief Executive Officer, noted earnings decreased as a result of the company's efforts to restructure its balance sheet as part of its long-term strategic plan which is primarily focused on increasing its commercial real estate and small business-lending portfolios divesting from long-term fixed rate assets. Mr. Altieri noted that as a result of the loan sales of 2001, and the wave of refinancing of existing residential mortgages and home equity loans, average loan balances for the period are 17% below the comparable quarter of 2001. Mr. Altieri stated that while the reduction in mortgage loans is in accordance with the company's long-term goals of restructuring the balance sheet, this strategy has had a significant impact on the company's current earnings. While commercial real estate and small business loan growth has been strong, the net impact has been a decrease in net loans for both the comparable quarter as well as since December 31, 2001.

Mr. Altieri noted that as a result of the pending sale of its Liberty Road branch to The Harbor Bank of Maryland, funds were maintained in liquid position during the quarter to fund the transaction. The short-term funding position on approximately \$20 million resulted in lost opportunity cost since those funds would have been invested in longer-term securities with higher yields. The decision to sell the branch provides Carrollton Bank the opportunity to better utilize its resources in focusing toward the commercial banking aspects of its market.

Mr. Altieri further reported that revenues from the bank's brokerage subsidiary, while showing signs of improvement each month, continue to be affected by the weak economy. Mr. Altieri also noted that non-recurring expenses negatively impacted the quarter as well as the Company's decision to accelerate the write-off of its ATM network beginning in May of 2001.

Mr. Altieri stated that management and the Board of Directors believe that earnings will improve based on monthly results and economic forecasts. We believe the direction and approach we are taking for the future is the proven approach for a more profitable commercial bank. While the prevailing low interest rates on loan products on which we are currently focusing strains our net interest margin, we believe it positions us for a return to more traditional levels in interest rates. We have informed our shareholders of our course of action as well as the fact that it is a multi-year transformation, and we believe that our shareholders see the value in the long-term prospects for the Company, and will bear with us in the process.

Management will continue to assess the profitability of all of its business units and will take the appropriate steps to eliminate unprofitable business units. Total assets for the Company were \$352.9 million at March 31, 2002 compared to \$386.8 million at March 31, 2001.

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 129 ATMs located in Maryland, Virginia, and West Virginia. The Company provides brokerage services through Carrollton Financial Services, Inc., a subsidiary of the Bank.

A summary of financial information follows. For additional information, contact Randall M. Robey, Chief Financial Officer, (410) 536-7308, or visit the Company's Internet site at www.carrolltonbank.com.

Carrollton Bancorp

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	At March 31		
	<u>2002</u>	<u>2001</u>	<u>% Change</u>
Loans, net of unearned income	\$218,215	\$242,520	-10%
Allowance for loan losses	\$3,450	\$3,083	12%
Investment Securities	\$101,650	\$113,908	-11%
Total Assets	\$352,914	\$386,846	-9%
Deposits	\$259,965	\$293,899	-12%
Stockholders Equity	\$32,399	\$31,572	3%
Shares Outstanding	\$2,700,337	\$2,707,733	
		Quarter Ended March 31	
	<u>2002</u>	<u>2001</u>	<u>% Change</u>
Net Interest Income	\$2,568	\$2,901	-11%
Provision for Loan Losses	\$132	\$138	-4%
Net Income	\$326	\$505	-35%
Per Share: basic and diluted	\$0.12	\$0.19	-37%
Return on Average Assets	0.37%	0.52%	-29%
Return on Average Equity	3.94%	6.43%	-39%

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