

## Company Info

### PRESS RELEASE

For Immediate Release

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#### CARROLLTON BANCORP REPORTS THIRD QUARTER EARNINGS WITH CASH AND STOCK DIVIDENDS

**BALTIMORE, MARYLAND** - Carrollton Bancorp (NASDAQ: CRRB) announced today a quarterly cash dividend of \$0.09 per share, payable December 2, 2002 to shareholders of record as of November 14, 2002. Robert A. Altieri, President and Chief Executive Officer, 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 September 30, 2002 declined to \$467,000, or \$.16 per share, compared to \$545,000, or \$0.19 per share, for the same period of 2001. Earnings for the nine months ended September 30, 2002 increased 6% to \$1,679,000, or \$0.59 per share, compared to \$1,577,000, or \$0.55 per share, for the same period of 2001. Earnings, excluding the net of tax gain on the branch deposit sale recognized in April 2002, were \$1,256,000 for the nine-month period.

Mr. Altieri also announced the Company declared a 5% stock dividend, payable December 3, 2002 to shareholders of record as of November 15, 2002. The earnings per share information provided above have been stated giving retroactive effect to the declared stock dividend. Mr. Altieri reported that fractional shares would be paid in cash based on the October 24, 2002 closing price of \$14.27.

Mr. Altieri noted the Company successfully continued its efforts to restructure its balance sheet, focusing on increasing commercial real estate and small business lending portfolios and divesting from long-term fixed rate assets and liabilities. The Company continued to shrink its residential loan portfolio during the quarter as part of its strategy to focus on growth from core commercial banking. As designed and planned, the Company has experienced a 7.0% reduction in total outstanding loans resulting from the net runoff of \$36 million of residential mortgage loans since September 30, 2001. Conversely, growth within the commercial real estate and small business lending portfolios has exceeded expectations, increasing \$23 million or 26% since September 30, 2001.

Mr. Altieri reported that core earnings benefited from a solid performance by the Company's non-interest income business segments. The Company continues to restructure its balance sheet to be less interest rate sensitive. While the focus on variable rate loan products currently strains the net interest margin, management believes it positions the Company to benefit from an upward movement in interest rates. In addition, the re-pricing of high yielding certificates of deposit will continue to have a positive impact on the Company's net interest margin. The Company's net interest rate margin improved to 3.19% for the quarter compared to 2.80% for the same quarter of 2001. The net interest rate margin for the first nine months of 2002 was 3.06% compared to 2.79% for 2001. Management believes the efforts to restructure the balance sheet will lead to a more profitable Company.

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 \$327.2 million at September 30, 2002 compared to \$365.0 million at September 30, 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 ten branch offices in central Maryland and a network of 147 ATMs located in Maryland, Virginia, and West Virginia. The Company provides brokerage services through Carrollton Financial Services, Inc., a subsidiary of the Bank.

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