

Company Info

PRESS RELEASE

For Immediate Release

July 29, 2002

CARROLLTON BANCORP REPORTS SECOND QUARTER EARNINGS & QUARTERLY DIVIDEND

BALTIMORE, MARYLAND - Carrollton Bancorp (NASDAQ: CRRB) announced today a quarterly dividend of \$0.09 per share, payable September 3, 2002 to shareholders of record on August 15, 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 June 30, 2002 increased to \$886,000, or \$.33 per share, compared to \$527,000, or \$0.19 per share, for the same period of 2001. Earnings for the six months ended June 30, 2002 increased 17% to \$1,212,000, or \$0.45 per share, compared to \$1,032,000, or \$0.38 per share, for the same period of 2001. Earnings, excluding the net of tax gain on the branch deposit sale recognized in April, were \$463,000 for the quarter and \$789,000 for the six months.

Robert A. Altieri, President and Chief Executive Officer, 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 assets. 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 4.6% reduction in total outstanding loans resulting from the net runoff of the Company's residential loan portfolio of \$39 million compared to June 30, 2001. Conversely, growth within the commercial real estate and small business lending portfolios has exceeded expectations, increasing \$32 million since June 30, 2001.

Mr. Altieri noted that the strategic initiatives of the Company to eliminate branches that do not support the planned commercial focus of the Company and to find new market opportunities commenced in the second quarter with the sale of the Company's Liberty Road Branch. The Company will continue to evaluate its current locations and focus on the many opportunities available to expand its core business within its existing branch structure while expanding its presence within the Baltimore Metropolitan area.

Mr. Altieri further reported that core earnings benefited by a solid performance from the Company's non-interest income business segments. As the Company continues to restructure its balance sheet, the impact of continued reduction through runoff of high yielding deposits will have a positive impact on the net interest margin and core earnings. Management believes the direction and approach it is taking for the future is the proven approach for a more profitable commercial bank. 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.

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 \$329.2 million at June 30, 2002 compared to \$374.3 million at June 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 138 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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