

February 1, 2018

Delmar Bancorp Reports Significant Growth for 2017

John W. Breda, President and CEO, reported that Delmar Bancorp had significant asset growth in the twelve months ended December 31, 2017. The Bank's loan portfolio, net of the allowance, grew by \$38.6 million or 9.1%. Loan growth was partially funded by an increase in deposits of \$32.0 million or 7.4%. Non-interest bearing demand deposits grew by \$6.9 million or 4.7%, while interest bearing deposits increased by \$25.1 million or 8.8%. Total assets grew by \$49.9 million or 9.7%. Book value per share increased from \$5.62 to \$5.97 or 6.3% over the 12 month period from December 31, 2016 to December 31, 2017.

Delmar Bancorp had net income of \$3.4 million in 2017 compared to net income of \$4.0 million in 2016. During the fourth quarter of 2017, Delmar Bancorp recognized additional, non-recurring income tax expense of approximately \$804,000 resulting from the revaluation of Delmar Bancorp's net deferred tax assets following the enactment of the Tax Cuts and Jobs Act on December 22, 2017. For the year ended December 31, 2017, Delmar Bancorp's adjusted net income, which excludes the non-recurring income tax expense, was \$4.2 million, an increase of \$201,000, or 5%, over the prior year. Net interest income before the provision for credit losses increased from December 31, 2016 to December 31, 2017 by \$2.2 million or 12.3%, and the provision for credit losses increased by \$83,000. Operating overhead increased by \$2.0 million for the same period. During July of 2017 the Bank announced a merger with Liberty Bell Bank in New Jersey. Costs related to the merger included in other operating expenses were approximately \$788,000. Income before taxes increased by \$236,000 or 3.7%.

Earnings per share on adjusted net income increased 5.0% over the year from December 31, 2016 to 2017. The Company paid a cash dividend to common stockholders of \$.02 per share for each quarter of 2017. The Board Directors of Delmar Bancorp is committed to returning capital to shareholders in the form of cash dividends with the expectation that the cash dividend will increase as earnings continue to grow.

For further information contact John W. Breda, 410-548-1100 extension 1012 or Betsy Holland, CPA, 410-548-1722 extension 105.