

May 11, 2018

Delmar Bancorp Reports Significant Growth and Continued Profitability for First Quarter of 2018

John W. Breda, President and CEO, reported that Delmar Bancorp had significant asset growth in the twelve months ended March 31, 2018. A significant portion of this growth was a direct result of the merger with Liberty Bell Bank, effective March 1, 2018. The Bank's loan portfolio, net of the allowance, grew by \$175.9 million or 41.06% and the Bank's bond portfolio grew by \$3.9 million or 8.1%. The loan and bond growth was accompanied by an increase in deposits of \$178.2 million or 40.6%. Total assets grew by 42.0%, while stockholder's equity increased by 31.8%. Tangible book value per share was \$5.52 at March 31, 2018.

For the first three months of 2018, Delmar Bancorp had net income of \$1.3 million compared to net income of \$1.2 million for the first three months of 2017, an increase of \$114,000 or 9.6%. Net interest income increased from March 31, 2017 to March 31, 2018 by \$1.2 million, or 24.8%, and the provision for credit losses increased by \$25,000. Operating overhead increased by \$1.2 million for the same period. Included in operating overhead for the first quarter are nonrecurring expenses related to the merger of \$197,000.

Basic earnings per share increased 9.6% over the twelve month period from March 31, 2017 to 2018. In January and April of 2018 the Company paid a cash dividend to common stockholders of \$.02 per share. 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.

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DELMAR BANCORP
CONSOLIDATED BALANCE SHEET
March 31, 2018 and 2017
December 31, 2017

	March 31, 2018	March 31, 2017	December 31, 2017
ASSETS			
Cash and due from banks	\$ 13,345,235	12,445,116	22,057,980
Federal funds sold	3,796,683	1,373,027	3,492,835
Interest bearing deposits in other banks	22,348,894	11,112,430	7,031,667
Investment securities			
Available-for-sale, at fair value	52,384,995	48,454,931	46,661,741
Loans, less allowance for credit losses			
2017 \$7,027,481; 2017 \$6,502,069	604,331,556	428,426,193	462,701,244
Accrued interest receivable on investment securities and loans	1,923,432	1,381,121	1,597,819
Bank premises and equipment, at cost net of accumulated depreciation			
2017 \$13,659,178; 2017 \$8,703,145	10,261,952	7,004,668	7,841,470
Federal Home Loan Bank stock, at cost	2,501,700	1,723,200	2,353,700
Atlantic Central Bankers Bank stock, at cost	131,250	75,000	75,000
Maryland Financial Bank stock	30,000	30,000	30,000
Other real estate owned	4,348,336	2,756,073	3,654,958
Intangible assets	7,321,481	-	-
Other assets	9,073,896	3,967,791	4,761,123
Total assets	\$ 731,799,410	518,749,550	562,259,537
LIABILITIES			
Deposits			
Non-interest bearing demand	\$ 190,696,317	155,981,661	154,188,173
NOW	36,825,579	23,017,061	39,552,035
Savings and money market	146,650,735	102,577,639	107,316,819
Time deposits	242,463,524	156,888,041	164,399,687
Total deposits	616,636,155	438,464,402	465,456,714
Federal funds purchased, securities sold under repurchase agreements, and borrowed money	726,760	-	-
Long term borrowings	49,756,097	31,641,429	46,147,500
Accrued interest payable on deposits	332,677	195,915	229,540
Other liabilities	2,009,816	1,165,638	1,359,784
Total liabilities	669,461,505	471,467,384	513,193,538
STOCKHOLDERS' EQUITY			
Common stock, par value \$.01, authorized 9,990,550 shares: issued and outstanding			
2017 9,973,651; 2017 8,219,576	99,737	82,196	82,196
Surplus	29,412,896	16,604,495	16,622,245
Retained earnings	33,711,493	30,831,359	32,614,597
Accumulated other comprehensive loss, net of deferred tax assets 2017 \$319,314; 2017 \$153,552	(886,221)	(235,884)	(253,039)
Total stockholders' equity	62,337,905	47,282,166	49,065,999
Total liabilities and stockholders' equity	\$ 731,799,410	518,749,550	562,259,537
Tangible Book Value per Share	\$ 5.52	5.75	5.97

The Consolidated Statements of Financial Condition as of March 31, 2018 and 2017 presented herein are unaudited but include all adjustments which, in Management's opinion, are necessary for fair presentation.

DELMAR BANCORP
CONSOLIDATED STATEMENT OF INCOME
Three Months Ended March 31, 2018 and 2017

	2018	2017
INTEREST INCOME ON		
Loans, including fees	\$ 6,657,136	5,244,008
Investment securities		
Taxable	137,684	131,863
Exempt from federal income tax	144,031	118,757
Federal funds sold	14,937	6,767
Other interest income	85,333	39,495
	7,039,121	5,540,890
INTEREST EXPENSE ON		
Deposits	699,313	479,865
Long-term borrowings	260,534	188,780
	959,847	668,645
NET INTEREST INCOME	6,079,274	4,872,245
Provision for credit losses	250,000	225,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	5,829,274	4,647,245
OTHER INCOME	721,509	793,819
OTHER EXPENSES		
Salaries and employee benefits	2,406,733	2,002,383
Premises and equipment	637,419	498,634
Other operating expenses	1,734,300	1,056,323
	4,778,452	3,557,340
INCOME BEFORE TAXES ON INCOME	1,772,331	1,883,724
Federal and state income taxes	475,981	701,128
NET INCOME	\$ 1,296,350	1,182,596
Basic earnings per common share	\$ 0.16	0.14

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