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## **PRESS RELEASE**

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### **Georgetown Bancorp, Inc. Reports Increased Profitability for Three Months Ended September 30, 2009**

GEORGETOWN, MASSACHUSETTS, October 23, 2009 –

Georgetown Bancorp, Inc. (OTCBB: GTWN) (the “Company”), holding company for Georgetown Savings Bank (the “Bank”), reported net income for the three months ended September 30, 2009 of \$158,000, or \$.06 per basic and diluted share, compared to net income of \$12,000 or \$.00 per basic and diluted share for the three months ended September 30, 2008.

Robert E. Balletto, President and Chief Executive Officer, said, “I am pleased with our continued improvement, as most of our financial performance measurements are trending favorably. We continue to experience minimal asset quality problems, as evidenced by a low level of non-performing loans and loan charge-offs. We have been successful in executing one of our strategic goals, the restructuring of our loan portfolio by increasing non-residential loans in a prudent manner. Our non-residential loans as a percentage of total loans have increased from 19% to 39% during the past two years. We expect to direct more effort and resources towards the development of our residential mortgage banking business in the coming months, which is another strategic goal of the Company. Additional success in this business area will provide us with diversification of our sources of noninterest income. We believe that these strategies will continue to be beneficial to the Company and will lead to an increase in shareholder value in the long-term.”

**Georgetown Bancorp, Inc.**  
**Selected Financial Data**

	At or for the Three Months Ended September 30, 2009	At or for the Year Ended June 30, 2009
(Dollars in thousands, except share data)		
<b>Selected Financial Condition Data:</b>		
Total assets	\$ 195,195	\$ 201,191
Cash and cash equivalents	6,028	11,356
Loans receivable, net	162,801	163,825
Allowance for loan losses	1,491	1,455
Investment securities (1)	15,058	14,487
Deposits	138,460	141,126
Borrowings	37,288	40,788
Total stockholders' equity	17,545	17,317
Stockholders' equity to total assets at end of period	8.99%	8.61%
Total shares outstanding	2,638,387	2,638,387

<b>Asset Quality Data:</b>		
Total non-performing loans	\$ 729	\$ 737
Other real estate owned	-	-
Total non-performing assets	729	737
Non-performing loans to total loans	0.44%	0.45%
Non-performing assets to total assets	0.37%	0.37%
Allowance for loan losses to non-performing loans	204.53%	197.42%
Allowance for loan losses to total loans	0.91%	0.88%
Loans charged off	\$ 3	\$ 15
Recoveries on loans previously charged off	6	10

	Three Months Ended September 30,	
	2009	2008
(Dollars in thousands, except per share data)		
<b>Selected Operating Data:</b>		
Interest and dividend income	\$ 2,612	\$ 2,550
Interest expense	1,031	1,168
Net interest income	1,581	1,382
Provision for loan losses	33	87
Net interest income after provision for loan losses	1,548	1,295
Non-interest income	239	148
Non-interest expense	1,528	1,405
Income before income taxes	259	38
Income tax provision	101	26
Net income	<u>\$ 158</u>	<u>\$ 12</u>
Net income per share: basic and diluted	\$ 0.06	\$ 0.00

<b>Performance Ratios:</b>		
Return on average assets	0.32%	0.03%
Return on average equity	3.62%	0.28%
Interest rate spread	3.11%	2.78%
Net interest margin	3.41%	3.17%
Efficiency ratio	83.98%	91.81%
Non-interest expense to average total assets	3.09%	3.04%

(1) Does not include Federal Home Loan Bank Stock of \$3.1 million

## **About Georgetown Bancorp, Inc.**

Georgetown Bancorp, Inc. is the holding company for Georgetown Savings Bank. Georgetown Savings Bank, with branch offices in Georgetown, North Andover and Rowley, Massachusetts, is committed to making a positive difference in the communities we serve. We strive to deliver exceptional personal service at all times and to help each of our customers achieve their unique financial goals through a competitive array of commercial and consumer banking services. To learn more about Georgetown Savings Bank, visit [www.georgetownsb.com](http://www.georgetownsb.com) or call 978-352-8600.

## **Forward-looking statements**

This news release may contain certain forward-looking statements, such as statements of the Company's or the Bank's plans, objectives, expectations, estimates and intentions. Forward-looking statements may be identified by the use of words such as "expects," "subject," "believe," "will," "intends," "will be" or "would." These statements are subject to change based on various important factors (some of which are beyond the Company's or the Bank's control) and actual results may differ materially. Accordingly, readers should not place undue reliance on any forward-looking statements (which reflect management's analysis of factors only as of the date of which they are given). These factors include general economic conditions, trends in interest rates, the ability of our borrowers to repay their loans, the ability of the Company or the Bank to effectively manage its growth, and results of regulatory examinations, among other factors. The foregoing list of important factors is not exclusive. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including Current Reports on Form 8-K.

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