



There is a difference.

PRESS RELEASE

Contact Information:
Joseph W. Kennedy, Senior Vice President/CFO
Georgetown Bancorp, Inc.
978-352-8600
joe.kennedy@georgetownsb.com

Georgetown Bancorp, Inc. Reports Results for the Three Months and Year Ended December 31, 2011

GEORGETOWN, MASSACHUSETTS, January 31, 2012 –

Georgetown Bancorp, Inc. (OTCBB: GTWN) (the “Company”), holding company for Georgetown Savings Bank (the “Bank”), reported net income for the three months ended December 31, 2011 of \$415,000, or \$.16 per basic and diluted share, compared to net income of \$467,000, or \$.18 per basic and diluted share, for the three months ended December 31, 2010. Net income for the year ended December 31, 2011 was \$1.0 million, or \$.38 per basic and diluted share, compared to net income of \$1.5 million, or \$.56 per basic and diluted share, for the year ended December 31, 2010.

Robert E. Balletto, President and Chief Executive Officer, said, “Asset quality trends stabilized during the three months ended December 31, 2011, as we experienced improvement in delinquencies and classified assets from the September 30, 2011 totals. Additionally, non-performing assets to total assets decreased to 1.59% at December 31, 2011 from 1.76% at September 30, 2011 and continue to remain below national averages. Operating results for the year ended December 31, 2011 were negatively affected primarily by the charge-off of one, large, out-of-market, residential home equity loan. We believe this charge-off is not a reflection of a negative trend in our loan portfolio overall. The Company continues to remain focused on building long-term shareholder value.”

Georgetown Bancorp, Inc.
Selected Financial Data

	At or for the Year Ended December 31, 2011	At or for the Year Ended December 31, 2010		
	(Dollars in thousands, except share data)			
Selected Financial Condition Data:				
Total assets	\$ 199,375	\$ 205,015		
Cash and cash equivalents	19,083	3,298		
Loans receivable, net	161,120	178,524		
Allowance for loan losses	1,824	1,651		
Investment securities (1)	6,496	10,421		
Deposits	151,085	151,463		
Borrowings	25,694	32,173		
Total stockholders' equity	20,329	19,169		
Stockholders' equity to total assets at end of period	10.20%	9.35%		
Total shares outstanding	2,680,455	2,662,387		
Asset Quality Data:				
Total non-performing loans	\$ 3,133	\$ 253		
Other real estate owned	30	53		
Total non-performing assets	3,163	306		
Non-performing loans to total loans	1.92%	0.14%		
Non-performing assets to total assets	1.59%	0.15%		
Allowance for loan losses to non-performing loans	58.22%	652.57%		
Allowance for loan losses to total loans	1.12%	0.92%		
Loans charged off	\$ 788	\$ 143		
Recoveries on loans previously charged off	12	12		
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
	(Dollars in thousands, except per share data)			
Selected Operating Data:				
Interest and dividend income	\$ 2,558	\$ 2,849	\$ 10,705	\$ 11,179
Interest expense	519	737	2,416	3,330
Net interest income	2,039	2,112	8,289	7,849
Provision for loan losses	124	-	949	188
Net interest income after provision for loan losses	1,915	2,112	7,340	7,661
Non-interest income	363	470	990	1,339
Non-interest expense	1,606	1,821	6,736	6,692
Income before income taxes	672	761	1,594	2,308
Income tax provision	257	294	583	855
Net income	<u>\$ 415</u>	<u>\$ 467</u>	<u>\$ 1,011</u>	<u>\$ 1,453</u>
Net income per share: basic	\$ 0.16	\$ 0.18	\$ 0.38	\$ 0.56
Net income per share: diluted	\$ 0.16	\$ 0.18	\$ 0.38	\$ 0.56
Performance Ratios:				
Return on average assets	0.85%	0.91%	0.51%	0.70%
Return on average equity	8.33%	9.85%	5.14%	7.92%
Interest rate spread	4.24%	4.08%	4.18%	3.73%
Net interest margin	4.43%	4.32%	4.39%	3.99%
Efficiency ratio (2)	66.84%	70.53%	72.59%	72.83%
Non-interest expense to average total assets	3.27%	3.55%	3.37%	3.23%

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

(2) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income.

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 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.

END