



*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 Increased Profitability for Nine Months Ended March 31, 2010**

GEORGETOWN, MASSACHUSETTS, April 29, 2010 –

Georgetown Bancorp, Inc. (OTCBB: GTWN) (the “Company”), holding company for Georgetown Savings Bank (the “Bank”), reported net income for the three months ended March 31, 2010 of \$286,000, or \$.11 per basic and diluted share, compared to net income of \$75,000 or \$.03 per basic and diluted share for the three months ended March 31, 2009. The net income for the nine months ended March 31, 2010 was \$604,000, or \$.23 per basic and diluted share, compared to net income of \$194,000 or \$.08 per basic and diluted share for the nine months ended March 31, 2009.

Robert E. Balletto, President and Chief Executive Officer, said, “The Company’s financial performance continued to improve with minimal asset quality problems. Fiscal year to date net income has more than tripled in size compared to last year, which is encouraging given the sluggish economic environment. Despite this positive trend, the board and management recognize that further financial performance improvement is needed. I am pleased with the early results of our new deposit products, which address the growing problem of identity theft. Through our exclusive agreement with LifeLock®, we are able to offer our customers free, proactive identity theft protection for the life of their checking account. We expect this effort to not only benefit our customer’s peace of mind, but have a positive impact on our cost of funds and profitability. We remain confident that continued execution of our strategic plan will have a positive impact on long-term shareholder value.”

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

|                                                       | At or for the<br>Nine Months Ended<br>March 31, 2010 | At or for the<br>Year Ended<br>June 30, 2009 |
|-------------------------------------------------------|------------------------------------------------------|----------------------------------------------|
|                                                       | (Dollars in thousands, except share data)            |                                              |
| <b>Selected Financial Condition Data:</b>             |                                                      |                                              |
| Total assets                                          | \$ 207,512                                           | \$ 201,191                                   |
| Cash and cash equivalents                             | 5,676                                                | 11,356                                       |
| Loans receivable, net                                 | 172,077                                              | 163,825                                      |
| Allowance for loan losses                             | 1,680                                                | 1,455                                        |
| Investment securities (1)                             | 15,842                                               | 14,487                                       |
| Deposits                                              | 139,360                                              | 141,126                                      |
| Borrowings                                            | 46,821                                               | 40,788                                       |
| <br>                                                  |                                                      |                                              |
| Total stockholders' equity                            | 17,972                                               | 17,317                                       |
| Stockholders' equity to total assets at end of period | 8.66%                                                | 8.61%                                        |
| Total shares outstanding                              | 2,638,387                                            | 2,638,387                                    |

|                                                   |          |         |
|---------------------------------------------------|----------|---------|
| <b>Asset Quality Data:</b>                        |          |         |
| Total non-performing loans                        | \$ 1,017 | \$ 737  |
| Other real estate owned                           | 66       | -       |
| Total non-performing assets                       | 1,083    | 737     |
| Non-performing loans to total loans               | 0.59%    | 0.45%   |
| Non-performing assets to total assets             | 0.52%    | 0.37%   |
| Allowance for loan losses to non-performing loans | 165.19%  | 197.42% |
| Allowance for loan losses to total loans          | 0.97%    | 0.88%   |
| Loans charged off                                 | \$ 71    | \$ 15   |
| Recoveries on loans previously charged off        | 11       | 10      |

|                                                        | Three Months Ended<br>March 31,               |              | Nine Months Ended<br>March 31, |               |
|--------------------------------------------------------|-----------------------------------------------|--------------|--------------------------------|---------------|
|                                                        | 2010                                          | 2009         | 2010                           | 2009          |
|                                                        | (Dollars in thousands, except per share data) |              |                                |               |
| <b>Selected Operating Data:</b>                        |                                               |              |                                |               |
| Interest and dividend income                           | \$ 2,694                                      | \$ 2,677     | \$ 7,928                       | \$ 7,913      |
| Interest expense                                       | 864                                           | 1,217        | 2,808                          | 3,589         |
| Net interest income                                    | 1,830                                         | 1,460        | 5,120                          | 4,324         |
| Provision for loan losses                              | 89                                            | 4            | 285                            | 182           |
| Net interest income after<br>provision for loan losses | 1,741                                         | 1,456        | 4,835                          | 4,142         |
| Non-interest income                                    | 310                                           | 218          | 834                            | 551           |
| Non-interest expense                                   | 1,599                                         | 1,566        | 4,724                          | 4,387         |
| Income before income taxes                             | 452                                           | 108          | 945                            | 306           |
| Income tax provision                                   | 166                                           | 33           | 341                            | 112           |
| Net income                                             | <u>\$ 286</u>                                 | <u>\$ 75</u> | <u>\$ 604</u>                  | <u>\$ 194</u> |

|                                         |         |         |         |         |
|-----------------------------------------|---------|---------|---------|---------|
| Net income per share: basic and diluted | \$ 0.11 | \$ 0.03 | \$ 0.23 | \$ 0.08 |
|-----------------------------------------|---------|---------|---------|---------|

|                                              |        |        |        |        |
|----------------------------------------------|--------|--------|--------|--------|
| <b>Performance Ratios:</b>                   |        |        |        |        |
| Return on average assets                     | 0.57%  | 0.15%  | 0.41%  | 0.13%  |
| Return on average equity                     | 6.45%  | 1.74%  | 4.58%  | 1.52%  |
| Interest rate spread                         | 3.53%  | 2.76%  | 3.32%  | 2.82%  |
| Net interest margin                          | 3.79%  | 3.08%  | 3.63%  | 3.16%  |
| Efficiency ratio                             | 74.73% | 93.41% | 79.34% | 90.00% |
| Non-interest expense to average total assets | 3.15%  | 3.12%  | 3.17%  | 3.03%  |

(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.

***END***