

CARROLLTON BANK

March 13, 2009

An update to our valued customers
on recent developments in the
financial situation...

As I write, banks continue to be in the headlines. Understandably, our customers continue to have questions.

My hope in writing this letter is to answer your new questions concerning recent government actions, what Carrollton Bank is doing, and also to make you aware of some good news. Let's start with the good news...

With every challenge comes opportunities—in this case, historically low home loan rates. Now is a great time to see if these rates can save you money, and if so, how much.

This year, we have talked with many of our customers about how they can save money and more than 700 of them have already refinanced and started reducing their monthly loan payments, shortening the terms of their loans so they are paid off before their children start college or they retire, or replacing variable-rate loans with fixed rates, so they will never have to fear a monthly payment increase. And we know thousands more of our customers can benefit from these low rates.

What should I do to take advantage of these low home loan rates?

I have enclosed a list of all our bankers who can help you with this. The quickest way to find out how much you can save is to give any of them a call. They'll ask you a few questions and then crunch the numbers for you. We can help make the process of refinancing your home loan—from application to closing—very simple and easy.

Is there any good news for savers?

Yes and no. Obviously, low rates are not good news for savers. However, we continue to offer the best value we can on our CDs, money market and savings accounts, and as a result, our customers deposited over \$25 million more into our bank in February.

Why did savers move \$25 million to Carrollton Bank last month?

They said that our strong financial position gave them the security they wanted and the increased FDIC insurance limits allowed them to consolidate their accounts. They also liked knowing that we would loan their funds to area businesses, helping local employment.

Will the FDIC make the increase to the \$250,000 permanent?

No one knows for sure, but indications suggest that the \$250,000 limit is likely to become permanent.

Please continue below...

Does Carrollton Bank have money to lend?

Yes, we have deployed some of that \$25 million in new deposits to area businesses already, but we still have money to lend and we are confident more deposits will be forthcoming.

Did Carrollton Bank participate in the government's \$700 billion Troubled Asset Relief Program (TARP)?

No, we did not need the TARP money, so we did not apply for it.

Did other banks in this area get money from TARP?

Yes. The only public list (at www.treas.gov/initiatives/eesa/transactions.shtml) shows which banks have already received TARP money. There is no public record that shows the banks that applied and were denied, or applied and have not yet received money, or a decision.

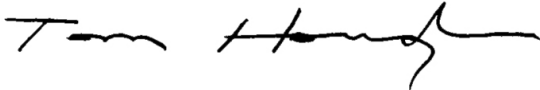
Is Carrollton Bank still safe?

Yes, Carrollton Bank remains very strong. We simply do not have the Troubled Assets problem mentioned above. In fact, our bank is ranked in the 100th percentile for Asset Quality, according to Bankrate.com's Safe & Sound Bank ratings.

What new programs will be introduced by Congress and the new Administration?

I probably do not have any more information than you do to answer this question. We do know the government will be focused on employment, and its success at sustaining and creating jobs will determine the pace of our country's economic recovery. We offer our support to everyone working to solve our nation's difficult challenges.

Best regards,



Tom Hough
Chairman & CEO

P.S. Please feel free to share this letter with friends and family members if you believe it could help them.

Contact us to see how much you can save with today's low loan rates...

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