FREDERICK COUNTY BANCORP, INC.

NEWS RELEASE

Frederick County Bancorp, Inc. Reports Results for the Fourth Quarter 2013

January 15, 2014, Frederick, MD --- Frederick County Bancorp, Inc. (the "Company") (OTCQB Marketplace: FCBI), the parent company for Frederick County Bank ("FCB"), announced today that, for the quarter ended December 31, 2013, the Company recorded net income of $304 thousand and diluted earnings per share of $0.20, as compared to net income of $276 thousand and diluted earnings per share of $0.18 recorded for the same quarter of 2012. The Company earned $1.7 million with diluted earnings per share of $1.10 for the year ended on December 31, 2013, as compared to $1.4 million in earnings and diluted earnings per share of $0.92 for the same period in 2012.

The increase in quarterly earnings was due primarily to the lower level of the provision for loan losses of $200 thousand in 2013, which was down from the $850 thousand recorded in 2012 and this total was partially offset by the gain on sale of securities in the amount of $594 thousand realized in 2012, whereas $17 thousand of securities losses were recognized in 2013.

The increase in year-to-date earnings was due primarily to a reduction in total noninterest expense from $9.6 million for the year 2012 as compared to $9.2 million in the same period of 2013. The primary cause of the decrease in noninterest expense was due to the lower level of foreclosed property expenses of $196 thousand in 2013, which was substantially lower than the $716 thousand incurred in 2012. In addition, the provision for loan losses of $275 thousand in 2013 was down from the $1.3 million recorded in 2012, along with a loss of $82 thousand on the sale of foreclosed property that occurred in 2012, whereas there was a $20 thousand gain on the sale of foreclosed property recorded in 2013, and this total was partially offset by the gain on sale of securities in the amount of $1.1 million realized in 2012, whereas $17 thousand of securities losses were recognized in 2013.

Net loan charge-offs for the quarters ended December 31, 2013 and 2012 totaled $412 thousand and $436 thousand, respectively. For the entire years of 2013 and 2012, the net loan charge-offs totaled $422 thousand and $920 thousand, respectively.

The ratio of the allowance for loan losses to total loans stood at 1.35% and 1.56% as of December 31, 2013 and 2012, respectively. Nonperforming assets stood at $5.3 million and $8.0 million at December 31, 2013 and 2012, respectively. The corresponding nonperforming assets to total assets ratios were 1.67% and 2.53% as of December 31, 2013 and 2012, respectively.

The Company also reported that, as of December 31, 2013, assets stood at $318.1 million, with total deposits of $267.0 million and gross loans of $253.9 million, representing an increase of 1.2%, a decrease of 0.4%, and an increase of 10.7%, respectively, compared to December 31, 2012. Total shareholders' equity at December 31, 2013 was $26.2 million, a decline of $69 thousand from December 31, 2012. The decline primarily results from the expenditures to repurchase 24,900 shares of common stock, dividends declared, and the decline in the unrealized gain on available for sale securities to an unrealized loss of $586 thousand at December 31, 2013, offsetting retained earnings and proceeds from the exercise of options. On a per share basis, book value per share increased by twenty-four cents for 2013 to $17.64 per share at December 31, 2013.

Frederick County Bank is headquartered in Frederick, Maryland, and conducts full service commercial banking services through five bank centers, four of which are located in the City of Frederick and one in Walkersville, Maryland.

(dollars in thousands)	December 31, 2013 (unaudited)	December 31, 2012 (unaudited)
Total assets	$318,131	$314,459
Loans	253,913	229,288
Deposits	266,988	268,113
Shareholders' equity	26,187	26,256

	Three Months Ended December 31,		Years Ended December 31,	
	2013	2012	2013	2012
(dollars in thousands, except for per share data)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
SUMMARY OF OPERATING RESULTS:				
Net income	$ 304	$276	$ 1,691	$1,395
Total comprehensive income (loss)	233	(60)	637	1,060
PER COMMON SHARE DATA:				
Basic earnings per share	$0.20	$0.18	$1.12	$0.92
Diluted earnings per share	$0.20	$0.18	$1.10	$0.92
Basic weighted average number of shares outstanding	1,493,173	1,509,944	1,503,888	1,513,941
Diluted weighted average number of shares outstanding	1,536,375	1,514,378	1,543,503	1,515,663
Common shares outstanding	1,484,174	1,508,574	1,484,174	1,508,574
Dividends declared	$0.06	$0.05	$0.23	$0.20
Book value per share	$17.64	$17.40	$17.64	$17.40
SELECTED UNAUDITED FINANCIAL RATIOS:				
Return on average assets	0.37%	0.35%	0.53%	0.46%
Return on average equity	4.57%	4.15%	6.33%	5.29%
Allowance for loan losses to total loans	1.35%	1.56%	1.35%	1.56%
Nonperforming assets to total assets	1.67%	2.53%	1.67%	2.53%
Ratio of net charge-offs to average loans	0.16%	0.19%	0.18%	0.42%
Tier 1 capital to risk-weighted assets	11.83%	12.25%	11.83%	12.25%
Total capital to risk-weighted assets	13.07%	13.50%	13.07%	13.50%
Tier 1 capital to average assets	10.29%	10.09%	10.29%	10.09%
Average equity to average assets	8.36%	8.44%	8.40%	8.61%
Net interest margin	3.82%	3.74%	3.71%	3.89%
SELECTED LOAN DATA:				
Charge-offs	$412	$460	$ 606	$957
(Recoveries)	-	(24)	(184)	(37)
Net charge-offs	$412	$436	$422	$920
Nonperforming assets:				
Nonaccrual loans			$3,379	$3,825
Accruing troubled debt restructurings			976	2,096
Loans 90 days or more past due and still accruing			-	--
Foreclosed properties			972	2,048
Total nonperforming assets			$5,327	$7,969

Frederick County Bancorp, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2013	December 31, 2012
	(unaudited)	*(unaudited)*
(dollars in thousands)		
ASSETS		
Cash and due from banks	$ 1,922	$ 2,202
Federal funds sold	22	--
Interest-bearing deposits in other banks	18,166	30,349
Cash and cash equivalents	20,110	32,551
Investment securities available-for-sale at fair value	27,016	34,788
Restricted stock	1,669	1,504
Loans	253,913	229,288
Less: Allowance for loan losses	(3,423)	(3,571)
Net loans	250,490	225,717
Bank premises and equipment	6,570	6,734
Bank owned life insurance	8,040	7,788
Foreclosed properties	972	2,048
Other assets	3,264	3,329
Total assets	$318,131	$314,459
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest-bearing deposits	$ 50,286	$ 51,256
Interest-bearing deposits	216,702	216,857
Total deposits	266,988	268,113
Short-term borrowings	3,050	2,700
FHLB advances	15,000	10,000
Junior subordinated debentures	6,186	6,186
Accrued interest and other liabilities	720	1,204
Total liabilities	291,944	288,203
Shareholders' Equity		
Common stock, per share par value $0.01; 10,000,000 shares authorized; 1,484,174; and 1,508,574 shares issued and outstanding	15	15
Additional paid-in capital	15,302	15,663
Retained earnings	11,456	10,110
Accumulated other comprehensive (loss) income	(586)	468
Total shareholders' equity	26,187	26,256
Total liabilities and shareholders' equity	$318,131	$314,459

Frederick County Bancorp, Inc. and Subsidiaries

Consolidated Statements of Income (Unaudited)

	For the Three Months Ended		*For the Years Ended*	
(dollars in thousands, except per share amounts)	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Interest income:				
Interest and fees on loans	$3,077	$2,987	$11,840	$11,918
Interest and dividends on investment securities:				
Interest – taxable	100	120	419	597
Interest – tax exempt	51	78	239	385
Dividends	16	16	60	54
Interest on Federal Funds Sold				
Other interest income	10	18	63	59
Total interest income	3,254	3,219	12,621	13,013
Interest expense:				
Interest on deposits	291	364	1,227	1,514
Interest on short-term borrowings	15	17	65	76
Interest on FHLB advances	84	81	324	322
Interest on junior subordinated debentures	30	32	119	132
Total interest expense	420	494	1,735	2,044
Net interest income	2,834	2,725	10,886	10,969
Provision for loan losses	200	850	275	1,275
Net interest income after provision for loan losses	2,634	1,875	10,611	9,694
Noninterest income:				
Securities (losses) gains	(17)	594	(17)	1,050
(Loss) gain on sale of foreclosed properties	(8)	-	20	(82)
Bank owned life insurance income	62	69	252	187
Service fees	88	92	353	355
Other operating income	82	84	315	318
Total noninterest income	207	839	923	1,828
Noninterest expense:				
Salaries and employee benefits	1,206	1,164	5,112	5,071
Occupancy and equipment expenses	386	348	1,480	1,412
Other operating expenses	845	850	2,590	3,120
Total noninterest expense	2,437	2,362	9,182	9,603
Income before provision for income taxes	404	352	2,352	1,919
Provision for income taxes	100	76	661	524
Net income	$304	$276	$1,691	$1,395
Basic earnings per share	$0.20	$0.18	$1.12	$0.92
Diluted earnings per share	$0.20	$0.18	$1.10	$0.92
Basic weighted average number of shares outstanding	1,493,173	1,509,944	1,503,888	1,513,941
Diluted weighted average number of shares outstanding	1,536,375	1,514,378	1,543,503	1,515,663
Dividends declared per share	$0.06	$0.05	$0.23	$0.20

Frederick County Bancorp, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended	
(dollars in thousands)	*December 31, 2013*	*December 31, 2012*
Net income	$304	$276
Changes in net unrealized (losses) gains on securities available for sale, net of income tax benefits of $53 in 2013 and income taxes of $15 in 2012	(81)	24
Reclassification adjustment for gains (losses) realized, net of income tax benefits of $7 in 2013 and $234 in 2012	10	(360)
Total comprehensive income (loss)	$ 233	$(60)

Frederick County Bancorp, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income (Unaudited)

	For the Years Ended	
(dollars in thousands)	*December 31, 2013*	*December 31, 2012*
Net income	$1,691	$1,395
Changes in net unrealized (losses) gains on securities available for sale, net of income tax benefits of $693 in 2013 and income taxes of $196 in 2012	(1,064)	301
Reclassification adjustment for gains realized, net of income taxes benefits of $7 in 2013 and $414 in 2012	10	(636)
Total comprehensive income	$ 637	$1,060

Frederick County Bancorp, Inc. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

(dollars in thousands)	*Shares Outstanding*	*Common Stock*	*Additional Paid-in Capital*	*Retained Earnings*	*Accumulated Other Comprehensive Income (Loss)*	*Total Shareholders' Equity*
Balance, January 1, 2012	1,514,314	$15	$15,621	$9,018	$803	$25,457
Comprehensive income				1,395	(335)	1,060
Dividends declared on common stock, $0.20 per share				(303)		(303)
Shares repurchased	(8,650)		(104)			(104)
Shares issued under stock option transactions	2,910		33			33
Compensation expense from stock option transactions			107			107
Excess tax benefit from equity-based awards			6			6
Balance, December 31, 2012	1,508,574	$15	$15,663	$10,110	$468	$26,256
Comprehensive income				1,691	(1,054)	637
Dividends paid on common stock (0.23)				(345)		(345)
Shares repurchased	(24,900)		(405)			(405)
Shares issued under stock option transactions	500		6			6
Compensation expense from stock option transactions			38			38
Balance, December 31, 2013	1,484,174	$15	$15,302	$11,456	$(586)	$26,187

Frederick County Bancorp, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)

	December 31,	
(dollars in thousands)	*2013*	*2012*
Cash flows from operating activities:		
Net income	$1,691	$1,395
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	366	373
Deferred income taxes (benefits)	257	(239)
Provision for loan losses	275	1,275
Securities losses (gains)	17	(1,050)
Net premium amortization on investment securities	321	439
Loss on disposal of bank premises and equipment	-	7
Bank owned life insurance income	(252)	(187)
(Gain) loss on sale of foreclosed properties	(20)	82
Stock-based compensation expense	38	107
Provision for foreclosed properties	196	716
Excess tax benefit from stock-based awards	-	(6)
Decrease in accrued interest and other assets	189	497
(Decrease) increase in accrued interest and other liabilities	(179)	241
Net cash provided by operating activities	2,899	3,650
Cash flows from investing activities:		
Purchases of investment securities available for sale	(6,058)	(23,313)
Proceeds from sales of investment securities available for sale	5,581	17,623
Proceeds from maturities, prepayments and calls investment securities available for sale	6,170	7,382
(Purchase) redemption of restricted stock	(165)	6
Net increase in loans	(25,047)	(17,528)
Purchase of bank owned life insurance	--	(3,000)
Purchases of bank premises and equipment	(202)	(654)
Proceeds from sale of foreclosed properties	900	279
Net cash used in investing activities	(18,821)	(19,205)
Cash flows from financing activities:		
Net increase in NOW, money market accounts, savings accounts and noninterest-bearing deposits	10,976	21,353
Net (decrease) increase in time deposits	(12,101)	273
Net increase in short-term borrowings	350	--
Proceeds from FHLB advances	5,000	--
Proceeds from issuance of common stock	6	33
Repurchase of common stock	(405)	(104)
Dividends paid on common stock	(345)	(303)
Excess tax benefit from stock-based awards	-	6
Net cash provided by financing activities	3,481	21,258
Net (decrease) increase in cash and cash equivalents	(12,441)	5,703
Cash and cash equivalents – beginning of year	32,551	26,848
Cash and cash equivalents – end of year	$20,110	32,551
Supplemental cash flow disclosures:		
Interest paid	$1,746	$2,047
Income taxes paid	$700	$764
Transfer of foreclosed properties to loans	$--	$366

Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential

The following tables show average balances of asset and liability categories, interest income and interest expense, and average yields and rates for the periods indicated.

Three Months Ended December 31,	*2013*			*2012*		
(dollars in thousands)	*Average daily balance*	*Interest Income/ Expense*	*Average Yield/ rate*	*Average daily balance*	*Interest Income/ Expense*	*Average Yield/ rate*
Assets						
Interest-earning assets:						
Federal funds sold	$ 23	$ --	-- %	$ --	$ --	--%
Interest bearing deposits in other banks	20,030	10	0.22	29,974	18	0.24
Investment securities [(1)]:						
Taxable	23,377	116	1.97	28,724	136	1.88
Tax-exempt [(2)]	6,637	77	4.62	10,471	118	4.47
Loans [(3)]	250,693	3,112	4.93	227,728	3,018	5.26
Total interest-earning assets	300,760	3,316	4.37	296,897	3,290	4.40
Noninterest-earning assets	17,826			18,261		
Total assets	$318,586			$315,158		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
NOW accounts	$ 20,494	8	0.15%	$ 17,433	9	0.20%
Savings accounts	7,840	--	--	6,558	1	0.06
Money market accounts	89,492	64	0.28	81,578	96	0.47
Certificates of deposit $100,000 or more	41,204	111	1.07	49,312	130	1.05
Certificates of deposit less than $100,000	64,559	108	0.66	61,833	128	0.82
Short-term borrowings	2,734	15	2.18	2,700	17	2.50
FHLB advances	15,000	84	2.22	10,000	81	3.21
Junior subordinated debentures	6,186	30	1.92	6,186	32	2.05
Total interest-bearing liabilities	247,509	420	0.67	235,600	494	0.83
Noninterest-bearing deposits	53,661			51,726		
Noninterest-bearing liabilities	777			1,226		
Total liabilities	301,947			288,552		
Total shareholders' equity	26,625			26,606		
Total liabilities and shareholders' equity	$318,586			$315,158		
Net interest income		$2,896			$2,796	
Net interest spread			3.70%			3.56%
Net interest margin			3.82%			3.74%

[(1)] Yields on securities available-for-sale have been calculated on the basis of historical cost and do not give effect to changes in the fair value of those securities, which is reflected as a component of shareholders' equity.

[(2)] Presented on a taxable-equivalent basis using the statutory federal income tax rate of 34%. Taxable-equivalent adjustments of $26 thousand in 2013 and $40 thousand in 2012 are included in the calculation of the tax-exempt investment interest income.

[(3)] Presented on a taxable-equivalent basis using the statutory federal income tax rate of 34%. Taxable-equivalent adjustments of $35 thousand in 2013 and $31 thousand in 2012 are included in the calculation of the loan interest income. Net loan origination income in interest income totaled $3 thousand in 2013 and $43 thousand in 2012.

Year Ended December 31,	*2013*			*2012*		
(dollars in thousands)	*Average daily balance*	*Interest Income/ Expense*	*Average Yield/ rate*	*Average daily balance*	*Interest Income/ Expense*	*Average Yield/ rate*
Assets						
Interest-earning assets:						
Federal funds sold	$ 18	$ --	--%	$ 142	$ --	--%
Interest bearing deposits in other banks	27,622	63	0.23	25,845	59	0.23
Investment securities [1]:						
Taxable	25,903	479	1.85	30,758	651	2.11
Tax-exempt [2]	8,094	362	4.47	11,962	583	4.86
Loans [3]	238,241	11,967	5.02	220,574	12,042	5.44
Total interest-earning assets	299,878	12,871	4.29	289,281	13,335	4.60
Noninterest-earning assets	18,140			17,118		
Total assets	$318,018			$306,399		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
NOW accounts	$ 20,042	32	0.16%	$ 17,108	38	0.22%
Savings accounts	7,361	2	0.03	6,263	4	0.06
Money market accounts	88,643	261	0.29	78,479	364	0.46
Certificates of deposit $100,000 or more	45,343	468	1.03	43,978	501	1.14
Certificates of deposit less than $100,000	56,542	464	0.82	65,151	607	0.93
Short-term borrowings	2,709	65	2.40	2,700	76	2.81
FHLB advances	11,260	324	2.88	10,000	322	3.21
Junior subordinated debentures	6,186	119	1.92	6,186	132	2.13
Total interest-bearing liabilities	238,086	1,735	0.73	229,865	2,044	0.89
Noninterest-bearing deposits	52,345			48,993		
Noninterest-bearing liabilities	790			1,167		
Total liabilities	291,221			280,025		
Total shareholders' equity	26,697			26,374		
Total liabilities and shareholders' equity	$318,018			$306,399		
Net interest income		$11,136			$11,291	
Net interest spread			3.56%			3.71%
Net interest margin			3.71%			3.89%

[1] Yields on securities available-for-sale have been calculated on the basis of historical cost and do not give effect to changes in the fair value of those securities, which is reflected as a component of shareholders' equity.

[2] Presented on a taxable-equivalent basis using the statutory federal income tax rate of 34%. Taxable-equivalent adjustments of $123 thousand in 2013 and $198 thousand in 2012 are included in the calculation of the tax-exempt investment interest income.

[3] Presented on a taxable-equivalent basis using the statutory federal income tax rate of 34%. Taxable-equivalent adjustments of $127 thousand in 2013 and $124 thousand in 2012 are included in the calculation of the loan interest income. Net loan origination income in interest income totaled $30 thousand in 2013 and $105 thousand in 2012.

The statements in this press release that are not historical facts constitute "forward-looking statements" as defined by Federal Securities laws. Forward-looking statements can generally be identified by the use of forward- looking terminology such as "believes," "expects," "intends," "may," "will," "should," "anticipates" or similar terminology. Such statements, specifically regarding the Company's intentions regarding growth and market expansion, are subject to risks and uncertainties that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, changes in interest rates, deposit flows, loan demand and real estate values, as well as changes in economic, competitive, governmental, regulatory, technological and other factors which may affect the Company specifically, its existing and target market areas or the banking industry generally. Forward-looking statements speak only as of the date they are made. The Company will not update forward-looking statements to reflect factual assumptions, circumstances or events that have changed after a forward-looking statement was made.

Contact: William R. Talley, Jr., Executive Vice President, Chief Financial Officer and Chief Operating Officer, (240) 529-1507.

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