



Queenstown Bank of Maryland, Inc. Announces Second Quarter Financial Results

QUEENSTOWN, MD., / Company Release / -- Queenstown Bank of Maryland, Inc. reported its financial results for the six months ended June 30, 2017. Net income increased \$79 thousand to \$2.6 million for the six months ended June 30, 2017 from the same period in 2016. Net interest income declined slightly from \$8.9 million for the first six months of 2016, to \$8.8 million for the first six months of 2017. The slight decline in net interest income results primarily from the change in the composition of the balance sheet with loan balances comprising 85% of total assets at June 30, 2016, compared to 79% of total assets at June 30, 2017. Competitive pressures in the lending area remain high in the market. Continued improvement in credit performance and conditions resulted in a decrease in provisions for loan losses from \$540 thousand for the first six months of 2016, compared to \$300 thousand for the first six months of 2017. The Bank continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 51.98%. Stockholders' equity at June 30, 2017 increased by \$3.5 million to \$58 million from June 30, 2016. The Bank remains very well capitalized at June 30, 2017. The ratio of common equity to assets increased from 11.91% at June 30, 2016 to 12.09% at June 30, 2017. Book value per share was \$46.08 at June 30, 2017, up \$2.83 from June 30, 2016, representing an increase of 6.5%. The basic earnings per share increased from \$2.04 per share to \$2.10 per share. For the twelve months from July 1, 2016 to June 30, 2017, the Company has returned \$1.6 million of capital to stockholders as dividends.

“We are very pleased to release our financial results for the first half of 2017. While competition remains high, we continue to maintain our significant market share in Queen Anne’s County, Maryland. We are pleased that we continue to show improvements in our asset quality which has enabled the Bank to reduce its provision in the first half of 2017. Our capital ratios remain very high and positions the Bank for growth”, stated Kevin B. Cashen, President and Chief Executive Officer. “While we will continue to remain focused on our Efficiency Ratio, we will also be looking to expand our team to tap into the growing opportunities in our markets. We are excited about the future of the Bank.”

About Queenstown Bank of Maryland: Founded in 1899, Queenstown Bank is a full-service community bank offering a wide array of personal and commercial banking loan and deposit products. The Bank is active in both the residential and commercial mortgage lending markets and has developed a robust on-line banking suite of products for both individuals and businesses. The Bank has total assets of \$487.7 million and eight branches located in Queenstown, Easton, Grasonville, Chester, Stevensville, Centreville, Church Hill and Ridgely, Maryland. The Bank is well known for its outstanding customer service and responsiveness to its community. For more information on the Bank, visit us at www.queenstownbank.com or contact us at 410-827-8881.

Forward Looking Statements

In addition to the historical information contained herein, this press release contains forward-looking statements that involve risks and uncertainties that may be affected by various factors that may cause actual results to differ materially from those in the forward-looking statements.

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