

Press Release

Queenstown Bancorp of Maryland, Inc. Announces Year-End 2017 Financial Results

QUEENSTOWN, Md., January 29, 2018 / Company Release / Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the twelve months ended December 31, 2017.

Net income of \$5.245 million included a charge of \$400 thousand relating to the Tax Cut & Jobs Act (“Tax Act”) passed in December 2017. Prior to the charge, the Company’s net income was \$5.645 million, an increase of \$429 thousand or 8.2% from the same period in 2016. After the Tax Cut charge, the Company’s net income increased \$29 thousand from the same period in 2016. These earnings resulted in a 1.10% Return on Average Assets and 9.06% Return on Average Equity. Net income per share increased from \$4.14 to \$4.20 per share in 2017. Net interest income increased \$164 thousand to \$18.123 million for 2017. Continued improvement in credit performance and conditions resulted in a decrease in provisions for loan losses from \$990 thousand for 2016 to \$600 thousand for 2017. The Company continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 49.6%, excluding gains/losses on Other Real Estate Owned. Stockholders’ equity at December 31, 2017 increased by \$2.6 million to \$58 million from December 31, 2016. The Bank remains very well capitalized with the ratio of common equity to assets increasing from 11.76% at December 31, 2016 to 12.15% at December 31, 2017. Book value per share was \$47.36 at December 31, 2017, up \$3.32 from December 31, 2016, representing an increase of 7.5%. During 2017, the Company returned \$2.7 million of capital to stockholders as dividends and stock repurchases.

“We are very pleased with the year we had in 2017. The Tax Act passed at the end of 2017 required that the Company take a charge of \$400 thousand dollars in 2017 but we are very confident that the Tax Act will have a positive impact on our financial results in 2018. One of the biggest challenges we continue to face is loan growth without sacrificing credit quality. This is an issue not limited to Queenstown Bank. We are hopeful that the overall economy will show growth in 2018 which will spur activity here on the Eastern Shore. We are very pleased with our overall capital position as our capital ratios remain very high and provide us the room to grow as market opportunities present themselves. We have shown continued improvement in our asset quality which has enabled the Bank to reduce its provision in 2017”, stated Kevin B. Cashen, President and Chief Executive Officer. “We were also very pleased with how the Bank was positioned to reward its shareholders in 2017. The Dividend was increased from \$1.15 per share in 2016 to \$1.25 per share in 2017 and the Company increased its Stockholders’ Equity by \$2.6 million. We look forward to 2018 and continue to be excited about the future of the Bank.”

About Queenstown Bank of Maryland: Queenstown Bank of Maryland (“Bank”) is the sole subsidiary of Queenstown Bancorp of Maryland Inc. (“Company”). 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 \$464 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 or if you are interested in buying or selling stock, please 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 may contain 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 any forward-looking statements.