

Queenstown Bank

Press Release

Queenstown Bancorp of Maryland, Inc. Announces First Quarter 2018 Financial Results

QUEENSTOWN, Md., April 27, 2018 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the first quarter ended March 31, 2018.

Net income at the end of the first quarter of 2018 was \$1.695 million, an increase of \$428 thousand from the same period in 2017, a 33.8% increase. These earnings resulted in a 1.48% Return on Average Assets and 11.66% Return on Average Equity. Net income per share increased from \$1.01 to \$1.38 per share in 2018. Net interest income increased \$192 thousand to \$4.565 million for the first quarter of 2018. The provision for loan losses was \$150 thousand for the first quarter of 2018 and 2017. The Company continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 49.2%. Stockholders' equity at March 31, 2018 increased by \$2.8 million to \$59.6 million from March 31, 2017. The Bank remains very well capitalized with the ratio of common equity to assets increasing from 12.15% at March 31, 2017 to 12.81% at March 31, 2018. Book value per share was \$48.63 at March 31, 2018, up \$3.55 from March 31, 2017, representing an increase of 7.9%. During the first quarter of 2018, the Company returned \$42 thousand of capital to stockholders as stock repurchases.

“The Bank continues to show very positive trends and we are pleased with the Bank’s performance in the first quarter. We continue to watch the actions of the Federal Reserve Bank closely and monitor interest rates on both loans and deposits. Loan growth has still been limited but we are looking to expand our staffing to further penetrate the market. We are very pleased with our overall capital position with very strong capital ratios relative to the market”, stated Kevin B. Cashen, President and Chief Executive Officer. “Our focus of the balance of the year will be continued improvement in asset quality and smart loan growth across our footprint.”

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 \$479 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.

QUEENSTOWN BANCORP OF MARYLAND INC. AND SUBSIDIARY			
CONSOLIDATED FINANCIAL PERFORMANCE SUMMARY & RATIOS			
	March 31,	March 31,	%
(Dollars in thousands, except per share data)	2018	2017	change
PROFITABILITY			
Net interest income	\$ 4,565	\$ 4,372	4.41%
Noninterest income	293	261	12.26%
Other real estate gains (losses)	-	40	
Noninterest expenses	2,397	2,467	-2.84%
Provision for loan losses	150	150	0.00%
Income before taxes	2,311	2,056	12.40%
Income tax expense	616	789	-21.93%
Net income	1,695	1,267	33.78%
Return on average assets	1.48%	1.13%	
Return on average equity	11.66%	9.35%	
Net interest margin	4.13%	3.98%	
*Efficiency ratio excluding oreo gains (losses)	49.19%	51.94%	
PER SHARE DATA			
Net income	1.38	1.01	36.63%
Book Value	48.63	45.08	7.87%
Shares Outstanding	1,225,069	1,259,330	
BALANCE SHEET			
Loans	\$ 381,164	\$ 384,888	-0.97%
Loan loss reserve	5,438	5,915	-8.06%
Loans, net of loan loss reserve	375,726	378,973	-0.86%
Interest bearing deposits with banks	69,109	65,558	5.41%
Total assets	479,000	476,875	0.45%
Deposits	416,633	417,356	-0.17%
Stockholders' equity	59,576	56,774	4.94%
Loans / Deposits	91.49%	92.22%	
Loan loss reserve / Loans	1.43%	1.54%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	12.81%	12.15%	
Common equity risk based	17.41%	16.57%	
Tier I risk-based capital ratio	17.41%	16.57%	
Total risk based capital ratio	18.66%	17.83%	
Total risk weighted assets	343,309	342,778	
Total average assets quarter to date	466,468	467,383	
Tier I	\$ 59,766	\$ 56,805	
Total capital	\$ 64,073	\$ 61,112	