



### Press Release

## **Queenstown Bancorp of Maryland, Inc. Announces First Half 2018 Financial Results**

QUEENSTOWN, MD., July 27, 2018 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the six months ended June 30, 2018.

Net income for the six months ended June 30, 2018 was \$3.401 million, an increase of \$756 thousand from the same period in 2017, a 28.6% increase. These earnings resulted in a 1.46% Return on Average Assets and 11.41% Return on Average Equity. Net income per share increased from \$2.10 to \$2.78 per share in 2018. Net interest income increased \$436 thousand to \$9.275 million for the first half of 2018. The provision for loan losses was \$300 thousand for the first half of 2018 and 2017. The Company continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 49.5%. Stockholders' equity at June 30, 2018 increased by \$2.94 million to \$60.97 million from June 30, 2017. The Bank remains very well capitalized with the ratio of common equity to assets increasing from 12.08% at June 30, 2017 to 12.88% at June 30, 2018. Book value per share was \$50.04 at June 30, 2018, up \$3.96 from June 30, 2017, representing an increase of 8.6%. During the first half of 2018, the Company returned \$333 thousand of capital to stockholders as stock repurchases.

“The Bank had a very good first half of the year in 2018. We have seen positive momentum throughout the Bank as we position ourselves for the future. We are very excited about the improvements we have seen in asset quality during the first half of the year. The Bank, and industry as a whole, continues to monitor the actions of the Federal Reserve Bank and the impact their actions have on both loan and deposit rates. Loan growth continues to be a challenge but we are beginning to make progress on that front. Our overall capital ratios remain very strong, positioning the Bank well for future growth”, stated Kevin B. Cashen, President and Chief Executive Officer. “We will continue to focus on smart growth and a stable portfolio.”

**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](http://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 (1) (2)**

	June 30, 2018	June 30, 2017	%
	(Dollars in thousands, except per share data)		
<b>PROFITABILITY</b>			
Net interest income	\$ 9,275	\$ 8,839	4.93%
Noninterest income	573	538	6.51%
Other real estate (losses) gains	(19)	142	
Noninterest expenses	4,879	4,917	-0.77%
Provision for loan losses	300	300	0.00%
Income before taxes	4,650	4,302	8.09%
Income tax expense	1,249	1,657	-24.62%
Net income	3,401	2,645	28.58%
Return on average assets	1.46%	1.13%	
Return on average equity	11.41%	9.37%	
Net interest margin	4.12%	3.94%	
*Efficiency ratio excluding oreo (losses) gains	49.46%	51.98%	
<b>PER SHARE DATA</b>			
Net income	2.78	2.10	32.36%
Book Value	50.04	46.08	8.60%
Shares Outstanding	1,218,281	1,259,330	
<b>BALANCE SHEET</b>			
Loans	\$ 373,941	\$ 383,753	-2.56%
Loan loss reserve	5,746	5,802	-0.97%
Loans, net of loan loss reserve	368,195	377,951	-2.58%
Interest bearing deposits with banks	71,522	77,589	-7.82%
Total assets	475,558	487,709	-2.49%
Deposits	412,321	427,443	-3.54%
Stockholders' equity	60,965	58,027	5.06%
Loans / Deposits	90.69%	89.78%	
Loan loss reserve / Loans	1.54%	1.51%	
<b>REGULATORY CAPITAL RATIOS</b>			
<b>QUEENSTOWN BANK -</b>			
Tier I leverage ratio	12.88%	12.08%	
Common equity risk based	18.18%	17.05%	
Tier I risk-based capital ratio	18.18%	17.05%	
Total risk based capital ratio	19.43%	18.30%	
Total risk weighted assets	336,593	340,214	
Total average assets quarter to date	474,939	480,034	
Tier I capital	\$ 61,181	\$ 57,994	
Total capital	\$ 65,409	\$ 62,268	

(1) The above financial information is unaudited

(2) This document is for informational purposes only and does not constitute an offer to purchase or sell any securities