



Press Release

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

QUEENSTOWN, MD., October 17, 2018 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the third quarter ended September 30, 2018.

Net income at the end of the third quarter of 2018 was \$5.413 million, an increase of \$1.292 million from the same period in 2017, a 31.4% increase. These earnings resulted in a 1.52% Return on Average Assets and 12.04% Return on Average Equity. Net income per share increased from \$3.28 to \$4.47 per share in 2018. Net interest income increased \$649 thousand to \$14.12 million through the third quarter of 2018. The provision for loan losses was \$300 thousand for the nine months ended September 30, 2018 compared to \$450 thousand for the nine months ended September 30, 2017. The Company continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 48.85%. Stockholders' Equity at September 30, 2018 increased by \$2.50 million to \$61.15 million from September 30, 2017. The Bank remains very well capitalized with the ratio of common equity to assets increasing from 12.04% at September 30, 2017 to 12.91% at September 30, 2018. Book value per share was \$51.44 at September 30, 2018, up \$3.97 from September 30, 2017, representing an increase of 8.37%.

“The Bank continues to perform well in 2018, delivering a very good first nine months of the year. Net Interest Income is well up over 2017 and asset quality is much improved over the past 12 months. While loan growth has been elusive, we continue to grow our very stable core deposit base. The keys moving forward are our stable, yet growing, core deposit base and quality loan growth in the portfolio. We are very committed to maintaining a quality loan portfolio and have maintained our standards on underwriting and pricing. Capital levels remain very high, far in excess of the required regulatory levels. We have begun making further investments in our infrastructure to position us well for the future. We have a plan to update our fleet of ATMs and have rolled out the first two at our Benton’s Crossing and Church Hill branches. We have also introduced our new logo and corporate tag line, “Just the Bank You Need™”, to refresh the brand and emphasize our commitment to the local market.” stated Kevin B. Cashen, President and Chief Executive Officer. “We will continue to treat our customers and shareholders with the outstanding service that is our hallmark in the community”.

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 has total assets of \$471 million and eight branches located in Queenstown, Easton, Grasonville, Chester, Stevensville, Centreville, Church Hill and Ridgely, Maryland. 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**

	September 30, 2018	September 30, 2017	%
(Dollars in thousands, except per share data)			change
PROFITABILITY			
Net interest income	\$ 14,120	13,471	4.82%
Noninterest income	873	829	5.31%
Other real estate (losses) gains	53	145	
Noninterest expenses	7,357	7,314	0.59%
Provision for loan losses	300	450	-33.33%
Income before taxes	7,389	6,681	10.60%
Income tax expense	1,976	2,560	-22.81%
Net income	5,413	4,121	31.35%
Return on average assets	1.52%	1.15%	
Return on average equity	12.03%	9.56%	
Net interest margin	4.11%	3.90%	
*Efficiency ratio excluding oreo (losses) gains	48.85%	50.93%	
PER SHARE DATA			
Net income	4.47	3.28	36.63%
Book Value	51.44	47.47	8.36%
Shares Outstanding	1,188,081	1,234,616	
BALANCE SHEET			
Loans	\$ 373,630	382,000	-2.19%
Loan loss reserve	5,839	5,695	2.53%
Loans, net of loan loss reserve	367,791	376,305	-2.26%
Interest bearing deposits with banks	62,215	74,533	5.41%
Total assets	470,924	484,090	-2.72%
Deposits	407,269	423,070	-3.73%
Stockholders' equity	61,120	58,606	4.29%
Loans / Deposits	91.74%	90.29%	
Loan loss reserve / Loans	1.56%	1.49%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	12.91%	12.04%	
Common equity risk based	17.74%	17.41%	
Tier I risk-based capital ratio	17.74%	17.41%	
Total risk based capital ratio	18.99%	18.66%	
Total risk weighted assets	\$ 346,171	336,659	
Total average assets quarter to date	475,473	486,706	
Tier I	61,407	58,605	
Total capital	65,754	62,833	