



Press Release

Queenstown Bancorp of Maryland, Inc. Announces 2018 Financial Results

QUEENSTOWN, MD., February 15, 2018 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the year ended December 31, 2018.

Net income for 2018 was \$7.228 million, an increase of \$1.983 million from 2017, a 37.8% increase. These earnings resulted in a 1.53% Return on Average Assets and 12.00% Return on Average Equity. Net income per share increased from \$4.20 to \$5.99 per share in 2018. Net interest income increased \$779 thousand to \$18.901 million for 2018. The provision for loan losses was \$300 thousand for 2018, compared to \$600 thousand for 2017. The Company continues to maintain a very attractive Efficiency Ratio, the industry standard for effective expense control, at 49%. Stockholders' equity at December 31, 2018 increased by \$2.87 million to \$61 million from December 31, 2017. The Bank remains very well capitalized with the ratio of common equity to assets increasing from 12.15% at December 31, 2017 to 12.95% at December 31, 2018. Book value per share was \$51.30 at December 31, 2018, up \$3.94 from December 31, 2017, representing an increase of 8.31%.

“We are very pleased with the Bank’s performance in 2018. We continued to see growth in Net Income, Equity and Book Value and saw improvement in our ROE and ROAA. Because of the strong performance, we were able to reward our shareholder with an increased dividend in 2018, increasing it from \$1.25 per share to \$2.25 for the year. We saw growth in our core deposits and modest growth in our loan portfolio. While the Bank’s credit quality remains satisfactory, we are monitoring the portfolio closely as 2018 was a very difficult year for many of those in our community who were impacted by the rainy weather. The Bank is well positioned for growth with our strong liquidity position and capital ratios that far exceed the regulator requirements”, stated Kevin B. Cashen, President and Chief Executive Officer. “We will continue to serve our customers with a commitment to excellent customer service and serve our community with the dedication and commitment it has come to expect.”

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 \$465 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
FINANCIAL PERFORMANCE SUMMARY & RATIOS

In thousands, Except Per Share Data	2018	2017	2016	2015	2014
PROFITABILITY					
Net interest income	\$ 18,901	\$ 18,122	\$ 17,959	\$ 17,927	\$ 17,014
Noninterest income	1,206	1,102	1,160	1,192	1,211
Net gain (loss) on sales of other real estate owned	53	167	(38)	(136)	(300)
Securities gains	-	-	-	22	476
Noninterest expenses	9,953	9,590	9,633	9,579	9,468
Provisions for credit losses	300	600	990	1,241	3,000
Income before taxes	9,907	9,201	8,458	8,185	5,933
Income tax expense before deferred tax writedown	2,679	3,556	3,242	3,076	2,231
Net income before deferred tax writedown	7,228	5,645	5,216	5,109	3,702
Deferred tax writedown	-	400	-	-	-
Net income	7,228	5,245	5,216	5,109	3,702
Return on average assets	1.53%	1.10%	1.13%	1.15%	0.83%
Return on average equity	12.00%	9.06%	9.58%	10.09%	7.84%
Net interest margin	4.16%	3.96%	4.08%	4.29%	4.09%
*Efficiency ratio (excluding other real estate gains(losses))	49.40%	49.58%	49.95%	49.44%	51.95%
Basic earnings per share before deferred tax writedown	\$ 5.99	\$ 4.52	\$ 4.14	\$ 4.06	\$ 2.94
Basic earnings per share	\$ 5.99	\$ 4.20	\$ 4.14	\$ 4.06	\$ 2.94
Dividends per share	\$ 2.25	\$ 1.25	\$ 1.15	\$ 1.00	\$ 0.60
BALANCE SHEET					
Loans	\$ 381,897	\$ 377,627	\$ 386,044	\$ 393,672	\$ 383,135
Allowance for loan losses	5,966	5,297	5,910	5,908	6,035
Loans, net of allowance for loan losses	375,931	372,330	380,134	387,764	377,100
Interest bearing deposits with banks	46,652	59,088	49,134	29,906	24,366
Total assets	465,011	464,719	462,685	447,126	438,092
Deposits	401,766	404,552	405,341	393,525	388,213
Stockholders' equity	60,948	58,075	55,500	51,847	48,091
Shares outstanding	1,188,081	1,226,125	1,259,330	1,259,330	1,259,330
Book value per share	\$ 51.30	\$ 47.36	\$ 44.07	\$ 41.17	\$ 38.19
Loans / Deposits	95.05%	93.34%	95.24%	100.04%	98.69%
Allowance for loan losses / Loans	1.56%	1.40%	1.53%	1.50%	1.58%
REGULATORY CAPITAL RATIOS					
QUEENSTOWN BANK					
Tier I leverage (avg. equity / avg. assets) ratio	12.95%	12.15%	11.76%	11.47%	10.77%
Common equity risk based	17.38%	17.45%	16.05%	14.89%	14.11%
Tier I risk-based capital ratio	17.38%	17.45%	16.05%	14.89%	14.11%
Total risk based capital ratio	18.64%	18.71%	17.30%	16.14%	15.37%
QUEENSTOWN BANCORP					
Tier I leverage (avg. equity / avg. assets) ratio	12.95%	12.15%	11.77%	11.48%	10.78%
Common equity risk based	17.39%	17.46%	16.05%	14.89%	14.12%
Tier I risk based capital ratio	17.39%	17.46%	16.05%	14.89%	14.12%
Total risk based capital ratio	18.64%	18.71%	17.31%	16.15%	15.38%

*Efficiency ratio: total noninterest expenses excluding other real estate gains (losses) divided by tax equivalent net interest income plus noninterest income