



Press Release

Queenstown Bancorp of Maryland, Inc. Announces Year End 2020 Financial Results

QUEENSTOWN, MD., February 12, 2021 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the year end December 31, 2020.

Net income for the year end of 2020 was \$5.4 million, a decrease of \$2.1 million from the same period in 2019, a 28% decrease. These earnings resulted in a 1.01% Return on Average Assets and 7.91% Return on Average Equity. Net income per share decreased from \$6.31 to \$4.50 per share in 2020. Net interest income decreased \$980 thousand to \$18.2 million for the year end of 2020. The provision for loan losses was \$1.6 million for 2020. Stockholders' equity at December 31, 2020 increased by \$2.7 million to \$68.3 million from December 31, 2019. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets increasing from 18.01% at December 31, 2019 to 18.38% at December 31, 2020. Book value per share was \$57.13 at December 31, 2020, up \$2.10 from December 31, 2019, representing an increase of 3.81%. The dividend paid in the fourth quarter was \$2.00 per share, bringing the total dividends paid in 2020 to \$2.50 per share, compared to the 2019 total dividends of \$2.75 per share.

“We are pleased to publish our 2020 financial results. 2020 was a difficult year on many fronts. The global pandemic has impacted both our professional lives and our personal lives. Many of the businesses in our community are struggling and the personal toll on the financial well-being of our neighbors has been great. The Bank has navigated through these times with a focus on continuing to serve our community and trying to protect our employees and customers. We have served this community well for over 120 years and 2020 was no different. We worked with hundreds of customers to provide relief on their mortgage payments and worked with hundreds of businesses to obtain a Paycheck Protection Program (“PPP”) loan through the SBA to help them survive. As I write this, we are actively engaged in the most recent phase of the PPP program helping business obtain additional funding. We also decided that it was important to maintain a meaningful dividend to help our shareholders. At the same time, we have worked to protect our employees and customers by altering our branch access and expanding our mobile and on-line banking activity.”

“All of this comes at a price, which is reflected in our financial results for the year. The Federal Reserve has lowered interest rates to unprecedented levels impacting both the savings rate for the customers and the lending rate for the Bank. We have seen a significant increase in savings rates which is good in the long run but, outside of mortgages, borrowing has been down as we all try to wait out this downturn. These changes negatively impacted our Net Interest Margin contributing to the decline in Net Income. We also increased our reserves by \$1.6 million to position the Bank to withstand any long-term credit quality issues. While this was a difficult year, the Bank continues to be on very solid footing with a significant capital base, sufficient reserves, quality earnings and improved asset quality in the loan portfolio. We continue to remain fully committed to doing whatever is necessary for our customers and the larger Mid-Shore communities to endure this crisis and thrive as the country recovers from this devastating virus”, stated Kevin B. Cashen, President and Chief Executive Officer.



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 \$577 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. & Subsidiary			
Financial Performance Summary & Ratios	December 31,	December 31,	%
(Dollars in thousands, except per share data)	2020	2019	change
PROFITABILITY			
Net interest income	\$ 18,168	\$ 19,148	-5.12%
Noninterest income	\$ 1,409	\$ 1,536	-8.27%
Other real estate gains (losses)	\$ 8	\$ 51	
Noninterest expenses	\$ 10,753	\$ 10,493	2.48%
Provision for loan losses	\$ 1,600	\$ -	
Income before taxes	\$ 7,232	\$ 10,242	-29.39%
Income tax expense	\$ 1,849	\$ 2,722	-32.07%
Net income	\$ 5,383	\$ 7,520	-28.42%
Return on average assets	1.01%	1.61%	
Return on average equity	7.88%	11.69%	
Net interest margin	3.55%	4.30%	
Efficiency ratio	53.69%	50.38%	
PER SHARE DATA			
Net income	\$ 4.50	\$ 6.31	-28.67%
Dividends	\$ 2.50	\$ 2.75	-9.09%
Book Value	\$ 57.13	\$ 55.03	3.81%
Shares Outstanding	\$ 1,195,786	\$ 1,192,281	
BALANCE SHEET			
PPP Loans	\$ 15,458	\$ -	
Loans-other	\$ 386,222	\$ 395,909	
Total Loans	\$ 401,680	\$ 395,909	1.46%
Loan loss reserve	\$ 7,170	\$ 5,752	24.65%
Loans, net of loan loss reserve	\$ 394,510	\$ 390,157	
Interest bearing deposits with banks	\$ 71,298	\$ 40,935	74.17%
Securities available for sale	\$ 81,941	\$ 15,327	434.62%
Total assets	\$ 576,977	\$ 473,122	21.95%
Deposits	\$ 505,564	\$ 404,913	24.86%
Stockholders' equity	\$ 68,316	\$ 65,614	4.12%
Loans / Deposits	79.45%	97.78%	
Loan loss reserve / Loans	1.79%	1.45%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	11.89%	13.88%	
Common equity risk based	18.38%	18.01%	
Tier I risk-based capital ratio	18.38%	18.01%	
Total risk based capital ratio	19.64%	19.27%	
Total risk weighted assets	\$ 370,014	\$ 364,067	
Total average assets quarter to date	\$ 571,849	\$ 472,277	
Tier I	\$ 67,998	\$ 65,572	
Total capital	\$ 72,655	\$ 70,138	