



Queenstown Bancorp of Maryland, Inc. Announces June 30, 2022 Financial Results

QUEENSTOWN, MD., August 5, 2022 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the six months ended June 30, 2022.

Net income for the six months ended June 30, 2022 was \$3.1 million (\$2.57 per common share) compared to \$ 3.2 million (\$ 2.71 per common share) for the same period of 2021. These earnings resulted in a .93% Return on Average Assets and 8.46% Return on Average Equity. Net income for the first half of 2021 included one time fee income from the S.B.A. Paycheck Protection Program. Excluding these fees, net income would have been \$ 2.8 million (\$ 2.37 per common share) for the first half of 2021. Net interest income increased \$338 thousand to \$9.6 million for six months ended June 30, 2022 compared to the same period of 2021. There was no loan loss provision for the six months ended June 30, 2022, nor for the same period of 2021. The Bank has experienced net recoveries of loan losses of \$ 87 thousand for the six months ended June 30, 2022 and net recoveries of loan losses of \$ 9 thousand for the same period of 2021. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets of 16.73% as of June 30, 2022. Tier I regulatory common equity grew from \$ 70.6 million at June 30, 2021 to \$ 74.4 million at June 30, 2022.

“We are pleased with our performance through the first six months of the years. After excluding certain one-time events in 2021, the Bank actually had a better first six months on core operations. While we believe we are positioned well for the second half of the year, there is still concern about the economy and the impact of the Federal Reserve rate increases. The biggest concern is the significant rise in inflation and the impact that will have on our customers. Over the past two and one-half years, the asset quality in the industry has remained strong and the asset quality of the Bank’s loan portfolio has shown improvement. We continuously monitor the market and credit trends and have been pleased with our performance” stated Kevin B. Cashen, President and Chief Executive Officer. “We continue to see growth in our deposit base and have grown our loan portfolio. Loan activity has begun to slow with the increase in rates especially in the residential mortgage market. We continue to see commercial lending activity as companies in many sectors are doing well, even in this environment. Our focus will continue to be on prudent growth and credit quality.”

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 \$668 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 | | | |
| For the six months ended June 30, 2022 | | | |
| | June 30, | June 30, | % |
| (Dollars in thousands, except per share data) | 2022 | 2021 | change |
| PROFITABILITY | | | |
| Net interest income | \$ 9,643 | 9,307 | 3.61% |
| Noninterest income | \$ 836 | 834 | 0.24% |
| Noninterest expenses | \$ 6,339 | 5,776 | 9.75% |
| Provision for loan losses | \$ - | - | |
| Income before taxes | \$ 4,140 | 4,365 | -5.15% |
| Income tax expense | \$ 1,050 | 1,113 | -5.66% |
| Net income | \$ 3,090 | 3,252 | -4.98% |
| Return on average assets | 0.93% | 1.09% | |
| Return on average equity | 8.46% | 9.41% | |
| Net interest margin | 2.98% | 3.20% | |
| Efficiency ratio | 59.86% | 56.28% | |
| PER SHARE DATA | | | |
| Net income | \$ 2.57 | 2.71 | -5.17% |
| Dividends | \$ 0.50 | 0.50 | 0.00% |
| Book value- regulatory capital* | \$ 62.31 | 59.15 | 5.34% |
| Book value- gaap* | \$ 49.28 | 58.66 | -15.99% |
| Shares Outstanding | 1,202,103 | 1,200,048 | |
| BALANCE SHEET | | | |
| Loans | \$ 404,736 | \$ 397,767 | 1.75% |
| Loan loss reserve | \$ 7,487 | 7,179 | 4.29% |
| Loans, net of loan loss reserve | \$ 397,249 | 390,588 | 1.71% |
| Securities available-for-sale (at market) | \$ 159,193 | 113,467 | 40.30% |
| Interest bearing deposits with banks | \$ 68,425 | 85,025 | -19.52% |
| Total assets | \$ 667,658 | 621,933 | 7.35% |
| Deposits | \$ 608,423 | 548,527 | 10.92% |
| Stockholders' equity | \$ 59,235 | 70,396 | -15.85% |
| Loans / Deposits | 66.52% | 72.52% | |
| Loan loss reserve / Loans | 1.85% | 1.80% | |
| REGULATORY CAPITAL RATIOS | | | |
| Queenstown Bank of Maryland | | | |
| Tier I leverage ratio | 10.86% | 11.45% | |
| Common equity risk based | 16.73% | 18.36% | |
| Tier I risk-based capital ratio | 16.73% | 18.36% | |
| Total risk based capital ratio | 17.99% | 19.62% | |
| Total risk weighted assets | \$ 444,979 | 384,764 | |
| Total average assets quarter to date | \$ 685,612 | 617,139 | |
| Tier I | \$ 74,461 | 70,649 | |
| Total capital | \$ 80,047 | 75,488 | |