



**Press Release**

**Queenstown Bancorp of Maryland, Inc. Announces Dividend and September 30, 2022 Financial Results**

QUEENSTOWN, MD., November 2, 2022 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported their semiannual dividend and its consolidated financial results for the nine months ended September 30, 2022.

The Company's Board of Directors has approved the payment of a \$2.00 per share cash dividend payable November 18, 2022, to shareholders of record as of October 26, 2022. This dividend equals the \$2.00 per share dividend paid in fourth quarter of 2021. With this semiannual payment, the total dividend for 2022 is \$2.50 per share which equals the total dividend paid in 2021.

Net income for the nine months ended September 30, 2022 was \$5 million (\$4.18 per common share) compared to \$ 5.1 million (\$4.31 per common share) for the same period of 2021. These earnings resulted in a .97% Return on Average Assets and 7.81% Return on Average Equity. Net income for the first nine months of 2021 included one-time fee income from the SBA Paycheck Protection Program ("PPP"). Excluding these fees, net income would have been \$4.3 million (\$3.64 per common share) for the first nine months of 2021. Net interest income increased \$866 thousand to \$15.1 million for the nine months ended September 30, 2022 compared to the same period of 2021. There was no loan loss provision for the nine months ended September 30, 2022, nor for the same period of 2021. The Bank has experienced net recoveries of loan losses of \$107 thousand for the nine months ended September 30, 2022 and net recoveries of loan losses of \$58 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 16.59% as of September 30, 2022. Tier I regulatory common equity grew from \$72.5 million at September 30, 2021 to \$76.1 million at September 30, 2022.

"We are very pleased with the results through the third quarter of 2022. As we navigated through the past several years, it is important to understand the variances from year-to-year that drive our financial results. After excluding certain one-time events in 2021 relating primarily to the government's PPP program, the Bank had a better first nine months on core operations in 2022.", stated Kevin B. Cashen, President and Chief Executive Officer. "We continue to monitor the actions of the Federal Reserve in increasing interest rates to try to reduce inflation back to their target goal of 2%. The significance and speed of the rate increases have challenged the economy and slowed the housing market. The Bank continues to show growth in both loans and deposits although the loan pipeline is slowing and the pressure on deposit rates is increasing daily. A bright spot continues to be our asset quality. The loan portfolio has held up well year-to-date and we are closely monitoring asset quality metrics to ensure we stay ahead of any issues. The Bank is very well reserved for any loan losses that may arise during this period of uncertainty. We have continued to make the necessary investment in technology and feel that we are able to keep abreast of the market. The Bank opened its ninth branch in Cambridge in Dorchester County in October 2022, consistent with our commitment to invest in and service our community. We will continue to focus on technology, 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 \$657 million and nine branches located in Queenstown, Easton, Grasonville, Chester, Stevensville, Centreville, Church Hill, Ridgely and Cambridge, 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.

<b>Queenstown Bancorp of Maryland, Inc. and Subsidiary - Financial Performance Summary</b>			
<b>For the nine months ended September 30, 2022</b>	<b>September 30,</b>	<b>September 30,</b>	<b>%</b>
(Dollars in thousands, except per share data)	<b>2022</b>	<b>2021</b>	<b>change</b>
<b>PROFITABILITY</b>			
Net interest income	\$ 15,195	\$ 14,330	6.04%
Noninterest income	1,265	1,256	0.72%
Other real estate gains (losses)	-	-	
Noninterest expenses	9,709	8,635	12.44%
Provision for loan losses	-	-	
Income before taxes	6,751	6,951	-2.88%
Income tax expense	1,729	1,783	-3.03%
Net income	5,022	5,168	-2.83%
Return on average assets	0.97%	1.05%	
Return on average equity	7.81%	9.27%	
Net interest margin	3.10%	3.21%	
Efficiency ratio	58.39%	54.77%	
<b>PER SHARE DATA</b>			
Net income	4.18	4.31	-3.16%
Book Value of regulatory capital	63.81	60.75	5.03%
Book value including unrealized loss on securities	45.93	59.48	-22.79%
Shares Outstanding	1,194,103	1,200,048	
<b>BALANCE SHEET</b>			
Loans	421,832	381,054	10.70%
Loan loss reserve	7,509	7,228	3.89%
Loans, net of loan loss reserve	414,323	373,826	10.83%
Interest bearing deposits with banks	49,821	106,528	-53.23%
Securities available for sale	151,627	150,251	0.92%
Total assets	657,194	663,821	-1.00%
Deposits	598,936	589,203	1.65%
Tier I capital	76,361	72,908	4.74%
Stockholders' equity	54,840	71,383	-23.17%
Loans / Deposits	70.43%	64.67%	
Loan loss reserve / Loans	1.78%	1.90%	
<b>REGULATORY CAPITAL RATIOS</b>			
<b>QUEENSTOWN BANK -</b>			
Tier I leverage ratio	11.15%	11.11%	
Common equity risk based	16.59%	18.16%	
Tier I risk-based capital ratio	16.59%	18.16%	
Total risk based capital ratio	17.84%	19.41%	
Total risk weighted assets	459,306	399,682	
Total average assets quarter to date	683,262	653,362	
Tier I	76,192	72,565	
Total capital	81,955	77,589	