



Press Release

Queenstown Bancorp of Maryland, Inc. Announces December 31, 2022 Financial Results

QUEENSTOWN, MD., February 6, 2023 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported their consolidated financial results for the year ended December 31, 2022.

Net income for the year ended December 31, 2022 was \$7 million (\$5.87 per common share) compared to \$6.9 million (\$ 5.79 per common share) for the same period of 2021. These earnings resulted in a 1.05% Return on Average Assets and 9.22% Return on Average Tier I Capital. Net income for 2021 included one-time fee income from the S.B.A. Paycheck Protection Program. Excluding these fees, net income would have been \$ 5.8 million (\$ 4.84 per common share) for 2021. Net interest income increased \$1.5 million to \$21 million for 2022, compared to \$19.5 for 2021. There was no loan loss provision for 2022, nor 2021. The Bank has experienced net recoveries of loan losses of \$164 thousand for 2022, and net recoveries of loan losses of \$231 thousand for 2021. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets of 16.64% as of December 31, 2022. Tier I regulatory common equity grew from \$ 72 million as of December 31, 2021 to \$ 75.8 million as of December 31, 2022.

“We are pleased to share with you our 2022 financial report. Our results for 2022 were very good, even in the midst of the economic uncertainty which was prominent throughout the year. I am proud of our team and how they navigated through this period to produce the performance we delivered. During 2022, we saw a historic increase in inflation that has turned out to be more stubborn than expected and a rate increase strategy by the Federal Reserve that has produced one of the steepest increases in rates in history. Throughout all of this, we managed to grow our loan portfolio and stabilize our deposit base” stated Kevin B. Cashen, President and Chief Executive Officer. “One of our biggest concerns is how rate increases and inflation will impact our customers and our portfolio. The credit profile of the loan portfolio remains strong and the Bank maintains a healthy loan loss reserve. We continue to try to deliver all of the products and services that consumers are looking for by investing in technology and introducing new services that add efficiency to our customers’ financial lives. We will continue to navigate through this period and keep our focus on prudent growth, credit quality and technology.”

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 \$651 million and nine branches located in Queenstown, Easton, Grasonville, Chester, Stevensville, Centreville, Church Hill, Cambridge 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 OF MARYLAND INC. AND SUBSIDIARY			
FINANCIAL PERFORMANCE SUMMARY & RATIOS			
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021	December 31,	December 31,	%
(Dollars in thousands, except per share data)	2022	2021	change
PROFITABILITY			
Net interest income	\$ 20,977	\$ 19,510	7.52%
Noninterest income	1,709	1,659	3.01%
Noninterest expenses	13,199	11,799	11.87%
Provision for loan losses	-	-	
Income before taxes	9,487	9,370	1.25%
Income tax expense	2,450	2,423	1.11%
Net income	7,037	6,947	1.30%
Return on average assets	1.05%	1.10%	
Return on average tier I capital	9.22%	9.91%	
Net interest margin	3.21%	3.22%	
Efficiency ratio	57.56%	55.15%	
PER SHARE DATA			
Net income	\$ 5.87	5.79	1.34%
Book Value of regulatory capital	\$ 63.62	60.26	5.58%
Book value including unrealized loss on securities	\$ 46.59	58.43	-20.26%
Weighted average shares outstanding	1,199,084	1,199,302	
BALANCE SHEET			
Loans	\$ 429,306	385,104	11.48%
Loan loss reserve	7,565	7,401	2.22%
Loans, net of loan loss reserve	421,741	377,703	11.66%
Interest bearing deposits with banks	35,112	70,295	-50.05%
Securities available for sale (at fair value)	148,141	177,863	-16.71%
Securities held to maturity (at amortized cost)	3,239	-	
Total assets	650,619	658,087	-1.13%
Deposits	586,004	584,569	0.25%
Tier I capital	76,045	72,325	5.14%
Total stockholders' equity	55,690	70,135	-20.60%
Loans / Deposits	73.26%	65.88%	
Loan loss reserve / Loans	1.76%	1.92%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	11.27%	10.77%	
Common equity risk based	16.64%	17.13%	
Tier I risk-based capital ratio	16.64%	17.13%	
Total risk based capital ratio	17.89%	18.39%	
Total risk weighted assets	455,747	420,045	
Total average assets quarter to date	673,047	668,402	
Tier I	75,826	71,971	
Total capital	81,546	77,248	