



Press Release

Queenstown Bancorp of Maryland, Inc. Announces June 30, 2023 Financial Results

QUEENSTOWN, MD., August 15, 2023 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the six months ended June 30, 2023.

Net income for the six months ended June 30, 2023 was \$3.1 million (\$2.62 per common share) compared to \$3.1 million (\$2.57 per common share) for the same period of 2022. These earnings resulted in a .90% Return on Average Assets and 8.03% Return on Average Equity. Net interest income increased \$511 thousand to \$10.1 million for the period. There was no loan loss provision for the six months ended June 30, 2023, nor for the same period of 2022. The Bank has experienced net recoveries of loan losses of \$89 thousand for the six months ended June 30, 2023 and net recoveries of loan losses of \$85 thousand for the same period of 2022. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets of 16.56% as of June 30, 2023. Tier I regulatory common equity grew from \$74.4 million at June 30, 2022 to \$78 million at June 30, 2023.

“We are pleased with our performance for the first six months of the year given the many headwinds facing banks during this period. We have continued to see a rise in interest rates from the Federal Reserve and we saw the failure of two banks. The two failures had very specialized business models and had specific risks that led to their demise. These events are outliers to what is an overall healthy banking market. That is not to say that the banking industry does not continue to face challenges, but the industry fundamentals are strong”, stated Kevin B. Cashen, President and Chief Executive Officer. “We believe that we may see additional rate increases from the Federal Reserve which will impact both our cost of deposits and our rates on loans, but we feel we are well positioned to navigate through this phase of the current rate environment. On the credit side, our loan portfolio continues to perform well and the credit profile remains solid. We are committed to remain vigilant in effectively managing the Bank and are committed to continuing to serve our local community.”

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 \$677 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 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, 2023 and 2022 | | | |
| | June 30, | June 30, | % |
| (Dollars in thousands, except per share data) | 2023 | 2022 | change |
| PROFITABILITY | | | |
| Net interest income | \$ 10,154 | \$ 9,643 | 5.30% |
| Noninterest income | 879 | 836 | 5.14% |
| Other real estate gains (losses) | - | - | |
| Noninterest expenses | 6,799 | 6,339 | 7.26% |
| Provision for loan losses | - | - | |
| Income before taxes | 4,234 | 4,140 | 2.27% |
| Income tax expense | 1,094 | 1,050 | 4.19% |
| Net income | 3,140 | 3,090 | 1.62% |
| Return on average assets* | 0.90% | 0.90% | |
| Return on average equity* | 8.03% | 8.29% | |
| Net interest margin | 3.10% | 2.98% | |
| Efficiency ratio | 61.61% | 59.86% | |
| PER SHARE DATA (Bancorp) | | | |
| Net income | 2.62 | 2.57 | 2.08% |
| Book value | 49.22 | 49.28 | |
| Shares outstanding | 1,196,927 | 1,202,103 | |
| BALANCE SHEET | | | |
| Loans | 447,112 | 404,736 | 10.47% |
| Loan loss reserve | 7,587 | 7,487 | 1.34% |
| Loans, net of loan loss reserve | 439,525 | 397,249 | 10.64% |
| Interest bearing deposits with banks | 50,178 | 68,425 | -26.67% |
| Securities available for sale | 143,562 | 159,193 | -9.82% |
| Total assets | 676,873 | 667,658 | 1.38% |
| Deposits | 593,868 | 608,423 | -2.39% |
| Borrowings | 20,000 | - | |
| Stockholders' equity | 58,913 | 59,235 | -0.54% |
| Loans / Deposits | 75.29% | 66.52% | |
| Loan loss reserve / Loans | 1.70% | 1.85% | |
| REGULATORY CAPITAL RATIOS | | | |
| QUEENSTOWN BANK - | | | |
| Tier I leverage ratio | 11.21% | 10.86% | |
| Common equity risk based | 16.56% | 16.73% | |
| Tier I risk-based capital ratio | 16.56% | 16.73% | |
| Total risk based capital ratio | 17.82% | 17.99% | |
| Total risk weighted assets | 471,388 | 444,979 | |
| Total average assets quarter to date | 696,350 | 685,612 | |
| Tier I | 78,068 | 74,461 | |
| Total capital | 83,982 | 80,047 | |