



**Press Release**

**Queenstown Bancorp of Maryland, Inc. Announces Dividend and September 30, 2023 Financial Results**

QUEENSTOWN, MD., November 1, 2023 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported their semiannual dividend and its consolidated financial results for the nine months ended September 30, 2023.

The Company's Board of Directors has approved the payment of a \$1.75 per share cash dividend payable November 17, 2023, to shareholders of record as of October 25, 2023. With this semiannual payment, the total dividend for 2023 is \$2.50 per share which equals the total dividend paid in 2021 and 2022.

Net income for the nine months ended September 30, 2023 was \$4.6 million (\$3.86 per common share) compared to \$5 million (\$4.18 per common share) for the same period of 2022. These earnings resulted in a .89% Return on Average Assets and 7.90% Return on Average Equity. Net interest income was \$15.1 million for the nine months ended September 30, 2023 and 2022. There was a loan loss benefit of \$450 thousand for the nine months ended September 30, 2023, compared to no loan loss provision for the same period of 2022. The Bank has experienced net recoveries of loan losses of \$109 thousand for the nine months ended September 30, 2023 and net recoveries of loan losses of \$107 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 11.48% as of September 30, 2023. Tier I regulatory common equity grew from \$76.1 million at September 30, 2022 to \$79.5 million at September 30, 2023.

“The Bank continues to work hard to navigate through the current economic conditions. We are pleased with the results for the first nine (9) months of 2023 and are proud to announce our semiannual dividend payment. The continued rate increases from the Federal Reserve have had an impact both on our deposit pricing and loan pricing. We are committed to providing our customers with the best rates we can offer while producing the financial results expected from our shareholders. The Federal Reserve increased rates a total of 1.00% during the first nine (9) month of 2023 but paused on September 20, 2023 to assess the success of their efforts since March 2022.”, stated Kevin B. Cashen, President and Chief Executive Officer. “We will continue to monitor the actions of the Federal Reserve and make the necessary adjustments to our operations. We expect that loan demand will continue to soften and our cost of funds will increase in the coming months. Credit quality has remained stable, which is a good sign for the Bank and 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 \$674 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 -</b>			
<b>Financial Performance Summary</b>			
<b>For the nine months ended September 30, 2023</b>	<b>September 30,</b>	<b>September 30,</b>	<b>%</b>
<b>(Dollars in thousands, except per share data)</b>	<b>2023</b>	<b>2022</b>	<b>change</b>
<b>PROFITABILITY</b>			
Net interest income	\$ 15,085	\$ 15,195	-0.72%
Noninterest income	1,336	1,265	5.61%
Losses on sales of securities	(437)	-	
Noninterest expenses	10,206	9,709	5.12%
Provision for loan losses	(450)	-	
Income before taxes	6,228	6,751	-7.75%
Income tax expense	1,606	1,729	-7.11%
Net income	4,622	5,022	-7.96%
Return on average assets	0.89%	0.97%	
Return on average equity	7.90%	7.81%	
Net interest margin	3.04%	3.10%	
Efficiency ratio	61.51%	58.39%	
<b>PER SHARE DATA</b>			
Net income	3.86	4.18	-7.66%
Book Value	48.20	45.78	5.29%
Shares Outstanding	1,197,160	1,194,103	
<b>BALANCE SHEET</b>			
Loans	447,413	421,832	6.06%
Loan loss reserve	7,156	7,509	-4.70%
Loans, net of loan loss reserve	440,257	414,323	6.26%
Interest bearing deposits with banks	55,361	49,821	11.12%
Securities available for sale	133,185	151,627	-12.16%
Total assets	673,625	657,194	2.50%
Deposits	591,238	598,936	-1.29%
Borrowings	20,000	-	
Tier I capital	79,894	76,361	4.63%
Stockholders' equity	57,702	54,840	5.22%
Loans / Deposits	75.67%	70.43%	
Loan loss reserve / Loans	1.60%	1.78%	
<b>REGULATORY CAPITAL RATIOS</b>			
<b>QUEENSTOWN BANK -</b>			
Tier I leverage ratio	11.48%	11.15%	
Common equity risk based	16.98%	16.59%	
Tier I risk-based capital ratio	16.98%	16.59%	
Total risk based capital ratio	18.23%	17.84%	
Total risk weighted assets	468,556	459,306	
Total average assets quarter to date	692,668	683,262	
Tier I	79,551	76,192	
Total capital	85,425	81,955	