



Press Release

Queenstown Bancorp of Maryland, Inc. Announces 3rd Quarter Financial Results

QUEENSTOWN, MD., November 3, 2020 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported its consolidated financial results for the third quarter September 30, 2020.

Net income through the third quarter of 2020 was \$4.3 million, a decrease of \$1.4 million from the same period in 2019, a 25% decrease. These earnings resulted in a 1.09% Return on Average Assets and 8.47% Return on Average Equity. Net income per share decreased from \$4.82 to \$3.60 per share in 2020. Net interest income decreased \$824 thousand to \$13.6 million through the third quarter of 2020. The provision for loan losses was \$1 million through the third quarter of 2020. Stockholders' equity at September 30, 2020 increased by \$3.4 million to \$69.6 million from September 30, 2019. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets increasing from 18.36% at September 30, 2019 to 19.44% at September 30, 2020. Book value per share was \$58.18 at September 30, 2020, up \$2.67 from September 30, 2019, representing an increase of 4.81%. Based on these strong capital ratios the Company's board of directors has approved the payment of a \$2.00 per share cash dividend payable on November 20, 2020 to shareholders of record as of October 28, 2020. This dividend equals the \$2.00 per share cash dividend paid in the fourth quarter of 2019. The \$2.00 per share fourth quarter cash dividend will bring the total per share dividend for 2020 to \$2.50 per share compared to the \$2.75 per share dividend paid in 2019.

“These are unprecedented times resulting from the global pandemic health crisis. This crisis has resulted in a significant death toll and hospitalization rate for those infected with this virus. The economic impact of the virus has resulted in a prolonged ongoing economic slowdown. The Bank has responded to the crisis by providing support for our customers and community as we all try to navigate through these difficult times. Whether we extend payment terms on loans, participate in the Paycheck Protection Program, donate to organizations fighting the human toll of this pandemic, we are fully committed to do whatever is necessary for our customers and the larger Mid-Shore communities to endure this crisis and thrive once the pandemic dissipates. We are here, open and ready with a dedicated group of employees to help our communities through this crisis”, stated Kevin B. Cashen, President and Chief Executive Officer.

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 \$559 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. & Subsidiary			
Financial Performance Summary & Ratios	September 30	September 30	%
(Dollars in thousands, except per share data)	2020	2019	change
PROFITABILITY			
Net interest income	\$ 13,604	\$ 14,428	-5.71%
Noninterest income	\$ 1,021	\$ 1,020	0.10%
Other real estate gains (losses)	\$ 8	\$ 51	
Noninterest expenses	\$ 7,860	\$ 7,684	2.29%
Provision for loan losses	\$ 1,000	\$ -	
Income before taxes	\$ 5,773	\$ 7,815	-26.13%
Income tax expense	\$ 1,465	\$ 2,075	-29.40%
Net income	\$ 4,308	\$ 5,740	-24.95%
Return on average assets	1.09%	1.64%	
Return on average equity	8.47%	12.02%	
Net interest margin	3.63%	4.33%	
Efficiency ratio	53.35%	49.41%	
PER SHARE DATA			
Net income	\$ 3.60	\$ 4.82	-25.39%
Dividends	\$ 0.50	\$ 0.75	-33.33%
Book Value	\$ 58.18	\$ 55.51	4.81%
Shares Outstanding	1,195,736	1,192,281	
BALANCE SHEET			
Loans	\$ 398,368	\$ 389,742	2.21%
Loan loss reserve	\$ 6,532	\$ 5,874	11.20%
Loans, net of loan loss reserve	\$ 391,836	\$ 383,868	
Interest bearing deposits with banks	\$ 91,055	\$ 45,635	99.53%
Securities available for sale	\$ 47,488	\$ 14,643	224.31%
Total assets	\$ 558,550	\$ 473,793	17.89%
Deposits	\$ 485,322	\$ 404,660	19.93%
Stockholders' equity	\$ 69,568	\$ 66,189	5.11%
Loans / Deposits	82.08%	96.31%	
Loan loss reserve / Loans	1.64%	1.51%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	12.46%	14.15%	
Common equity risk based	19.44%	18.36%	
Tier I risk-based capital ratio	19.44%	18.36%	
Total risk based capital ratio	20.70%	19.62%	
Total risk weighted assets	\$ 356,368	\$ 359,908	
Total average assets quarter to date	\$ 555,853	\$ 466,988	
Tier I	\$ 69,283	\$ 66,088	
Total capital	\$ 73,764	\$ 70,604	