



Press Release

Queenstown Bancorp of Maryland, Inc. Announces 2023 Financial Results

QUEENSTOWN, MD., February 29, 2024 / Company Release / -- Queenstown Bancorp of Maryland, Inc. reported their consolidated financial results for the year ended December 31, 2023.

Net income for 2023 was \$6.1 million (\$5.15 per common share) compared to \$7 million (\$5.87 per common share) for 2022. These earnings resulted in a .92% Return on Average Assets and 10.51% Return on Average Equity. Net interest income was \$20.1 million for 2023 and \$21 million for 2022. There was a loan loss benefit of \$768 thousand for 2023, compared to no loan loss provision for 2022. The Bank has experienced very strong credit performance of the loan portfolio over the last several years. Losses on securities sales of \$660 thousand were recognized in 2023. These sales of covid-era securities were reinvested in much higher yielding loans to improve the net interest income of the Company going forward. The Bank remains very well capitalized with the ratio of common equity to risk-based total assets of 16.60% as of December 31, 2023. Tier I regulatory common equity grew from \$75.8 million at December 31, 2022 to \$79 million at December 31, 2023.

“We are pleased with our results in what was a very challenging year. There were many positives in our financial performance including stable credit quality, a stable deposit base, and strong liquidity. The interest rate environment was a challenge in 2023 with deposit rates increasing very quickly to levels not seen in many years. This rise in interest rates on deposits is typical at this point in the rate cycle and should come down once overall market rates begin to come down.”, stated Kevin B. Cashen, President and Chief Executive Officer. “With interest rate stability and the potential for a decrease in 2024, we expect that we will see a reduction in our cost of funds in the coming year and renewed interest on the lending side of our business. We pledge to continue to provide our customers with the best loan and deposit rates we can while providing the same high-quality customer service as we have over the past 125 years. Thank you to all of our customers and shareholders for your continued support.”

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 Company has total assets of \$679 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 year ended December 31, 2023			
	December 31,	December 31,	%
(Dollars in thousands, except per share data)	2023	2022	change
PROFITABILITY			
Net interest income	\$ 20,193	\$ 20,977	-3.74%
Noninterest income	1,783	1,709	4.33%
Securities(losses)	(660)	-	
Noninterest expenses	13,705	13,199	3.83%
Provision for loan losses	(700)	-	
Income before taxes	8,311	9,487	-12.40%
Income tax expense	2,150	2,455	-12.42%
Net income	6,161	7,037	-12.45%
Return on average assets	0.92%	1.05%	
Return on average equity	10.51%	9.22%	
Net interest margin	3.02%	3.21%	
Efficiency ratio	61.94%	57.56%	
PER SHARE DATA			
Basic net income	5.15	5.87	-12.27%
Diluted net income	5.10	5.81	-12.22%
Book value	52.32	46.59	12.30%
Shares outstanding	1,197,300	1,195,223	0.17%
BALANCE SHEET			
Loans	457,399	429,297	6.55%
Allowance for loan losses	6,734	7,565	-10.98%
Loans, net of allowance for loan losses	450,665	421,732	6.86%
Interest bearing deposits with banks	48,190	35,112	37.25%
Securities available for sale	136,404	148,141	-7.92%
Investments held-to-maturity (at amortized cost)	2,999	3,239	-7.41%
Total assets	679,279	650,619	4.41%
Deposits	591,384	586,004	0.92%
Borrowings	20,000	5,000	
Stockholders' equity	62,649	55,690	12.50%
Loans / Deposits	77.34%	73.26%	
Loan loss reserve / Loans	1.47%	1.76%	
REGULATORY CAPITAL RATIOS			
QUEENSTOWN BANK -			
Tier I leverage ratio	11.37%	11.27%	
Common equity risk based	16.60%	16.64%	
Tier I risk-based capital ratio	16.60%	16.64%	
Total risk based capital ratio	17.85%	17.89%	
Total risk weighted assets	475,967	455,747	4.44%
Total average assets quarter to date	694,843	673,047	3.24%
Tier I	79,009	75,826	4.20%
Total capital	84,969	81,546	4.20%