

February 3, 2023

Dear Shareholder:

We are pleased to announce a dividend for the fourth quarter of 2022 of six cents per share to shareholders of record as of February 3, 2023.

Net income for the twelve months ended December 31, 2022 was \$2.9 million or \$7.11 per common share, compared to \$2.3 million or \$5.67 per common share for the twelve months ended December 31, 2021.

Total assets grew by \$20.2 million or 5.3% to \$399.5 million as of December 31, 2022, compared to \$379.3 million on December 31, 2021. Gross Loans increased \$33.3 million or 15.3% to \$251.4 million as of December 31, 2022, compared to \$218.1 million as of December 31, 2021.

The Bank's liquidity position remains strong, with \$21.2 million in cash and cash equivalents, derived from \$30.7 million in deposit growth. The Bank's strong liquidity will be utilized for funding loans and investments.

Shareholders equity totaled \$16.4 million on December 31, 2022, compared to \$26.9 million on December 31, 2021. Shareholder equity increased \$2.8 million from retained earnings from December 31, 2021, to December 31, 2022. The increase was offset by a \$13.1 million decrease in accumulated other comprehensive income (AOCI) during the same period. The AOCI decrease was caused by the fair value adjustment in the investment portfolio declining from the significant and rapid increase in market interest rates. Book value was \$41.02 and \$66.69 per share as of December 31, 2022, and 2021, respectively, reflecting the effect of the AOCI decrease. The Bank's capital ratios continue to meet each of the minimum well capitalized ratios required by regulatory statute.

We are proud of the entire Woodsboro Bank team that worked diligently throughout the year to deliver strong earnings growth. In the fourth quarter, we were named the "Best Bank" for the 3rd year in a row and "Best Company to Work For" in the Frederick News-Post "Best of the Best" competition. This reflects the dedicated work of our bank colleagues, engaged clients, and commitment to the Frederick Community for the purpose of enhancing shareholder returns. In the fourth quarter, we continued to see healthy loan demand and growth of our client base. This occurred within the backdrop of historic increases in interest rates in 2022 and an uncertain economy.

A condensed comparative financial statement is enclosed for your review. **To enhance shareholder communication and considering delays in mail delivery, we ask that you provide us with your e-mail address** so that we can send you information about the Bank via electronic communication rather than through the U.S. mail. We encourage you to receive electronic communications from the Bank relating to shareholder matters, please log onto our website at www.woodsborobank.com and go to the shareholder relations page. Click on the Electronic Communications Form at the bottom of the page to provide your preferred email address. On behalf of the Board of Directors, management, and bank colleagues, we thank you for your continued support and offer you our best wishes. Please contact us with any questions.

Sincerely,



M. Natalie McSherry, Board Chair



Stephen K. Heine, President & CEO

This letter may contain forward-looking statements, as defined by federal securities laws, which may involve significant risks and uncertainties. The statements are based on estimates and assumptions made by management in conjunction with other factors deemed appropriate under the circumstances. Actual results could differ materially from current projections.