

February 2, 2024

Dear Shareholder:

We are pleased to provide a dividend for the fourth quarter of 2023 of six cents per share to shareholders of record as of February 2, 2024.

Net income was \$3.7 million or \$9.23 per common share for the twelve months ended December 31, 2023, compared to \$2.9 million or \$7.11 per common share for the twelve months ended December 31, 2022.

Total assets increased by \$12.6 million or 3.2% to \$412.1 million as of December 31, 2023, compared with \$399.5 million on December 31, 2022. Loans, net of the allowance for loan losses, increased \$25.2 million to \$276.6 million as of December 31, 2023, compared to \$251.4 million as of December 31, 2022.

The Bank's liquidity position remains strong, with \$25.2 million in cash and cash equivalents which is being utilized for funding loans, investments, and strategic initiatives.

Shareholders equity totaled \$21.3 million on December 31, 2023, compared to \$16.4 million on December 31, 2022. Book value was \$53.58 and \$41.02 per share as of December 31, 2023, and 2022, respectively. The Bank's capital ratios continue to meet each of the minimum well capitalized ratios required by regulatory statute.

In the fourth quarter, we were named the "**Best Bank**" in the Frederick News-Post "Best of the Best" competition for the fourth year in a row. This speaks to our focus on improving performance and commitment to our bank colleagues, clients, community, and shareholders. In the fourth quarter, the Bank saw healthy loan demand, stable deposits, and continued growth of our client base. This trend is counter to the market as many banks reduced lending due to liquidity or credit concentration concerns. Our focus is on prudent and steady growth.

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 "About Us" tab and then the "Shareholder Relations" page. Submit your name and email address at the bottom of the page.

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.