POTOMAC BANCSHARES







2020

April 27, 2021

Forward-Looking Statements

A Warning about Forward-Looking Information

This presentation contains statements that are based on other than historical data and that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations or forecasts of future events and include, among others: (1) Statements with respect to the beliefs, plans, objectives, goals, guidelines, expectations, anticipations, and future financial condition, results of operations and performance of the Company and its subsidiaries (collectively "we," "our," or "us); and (2) Statements preceded by, followed by or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "projects," or similar expressions.

These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing the Company's or the Bank's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied. Factors that might cause such differences include, but are not limited to: (1) The ability of the Company and the Bank to successfully execute its business plans, manage its risks, and achieve its objectives; (2) Changes in local, national and international political and economic conditions; (3) Changes in financial market conditions, either internationally, nationally or locally in areas in which the Company conducts its operations, including without limitation reduced rates of business formation and growth, commercial and residential real estate development and real estate prices; (4) Changes in interest rates, the quality and composition of the loan and securities portfolios, demand for loan products, deposit flows and competition; (5) Changes in fiscal, monetary, regulatory, trade and tax policies and laws, and regulatory assessments and fees; (6) Continuing consolidation in the financial services industry; (7) Legal claims against the Company; (8) Increased competitive challenges and expanding product and pricing pressures among financial institutions; (9) The ability of the Company and the Bank to develop new banking products, the cost of such development, the acceptance of such new products by the Company's and Bank's clientele and the impact of these new product's on the Company's and Bank's profitability; (10) Technological changes and the Company's implementation of new technologies, including how the cost of implementation impacts the Company's profitability; (11) The Company's ability to develop and maintain secure and reliable information technology systems; (12) Legislation or regulatory changes which adversely affect the Company's operations or business; (13) The Company's ability to comply with applicable laws and regulations, and the cost of such compliance; and (14) Except to the extent required by law, the Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

Vision

Rooted in a Tradition of Neighbors Helping Neighbors, Growing our Communities

Core Values

(PHOTO OF EMPLOYEE CORE VALUES COMMITMENT BOARD)



Neighbors Helping Neighbors

BCT Cares
Neighbor Helping Neighbor

- Support 8 Non-Profits focused on assisting those who are Food Insecure
- Food Drives
- Volunteer Hours
- Monetary Contributions $61,000



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OTC: PTBS

Payroll Protection Program Loans

6,900 Jobs

Round One - $55 million, 561 Businesses

Round Two - $28 million, 353 Businesses (3/31/21)



"During COVID-19, BCT helped me breathe a sigh of relief."

- Tony Stafford, Ford's Fish Shack

Growing our Communities

BANKING ON DIVERSITY
MINORITY BUSINESS FUND



- Co-founded with 3 local community banks to serve 11 counties
- Response to 2019 Federal Reserve Minority Owned Firm Study
- Collective commitment of $1,000,000 in loans

Strategic Priorities

Provide an Amazing Customer Experience

Amazing Customer Experience at every interaction (face to face, digital, phone or community) that results in unsolicited referrals.

Grow Net Interest Income

- Targeted growth of commercial and small business relationships that drive loans, noninterest-bearing deposits and fee income growth
- Continued expansion in Virginia

Leverage Technology for Customer Experience, Expansion and Efficiency

- Unleash geographic boundaries with enhanced online/mobile banking and loan origination services
- Interactive website with broad SEO and data analytics

The Experience Culture

AMERICAN BANKER
BEST BANKS TO WORK FOR 2019

AMERICAN BANKER
2020 Best Banks to Work For





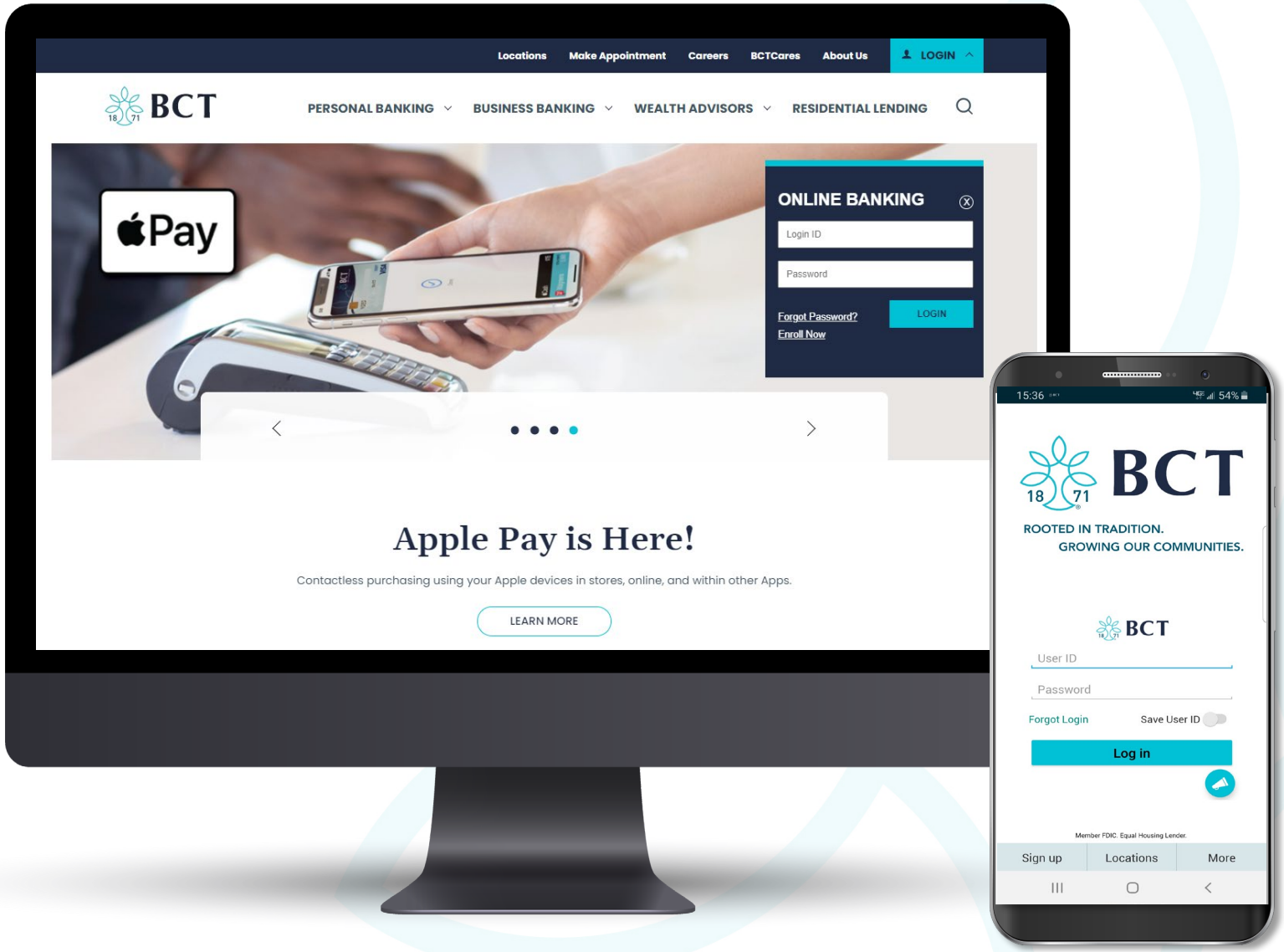


Small Business Initiative

- Highly experienced Small Business Banker Team
- Currently SBA Express Preferred Lender
- Become Preferred Lender for 7(a) and 504 programs
- Expands capacity to grow our communities
- LPO in Fredericksburg



Digital – Investments for the Future

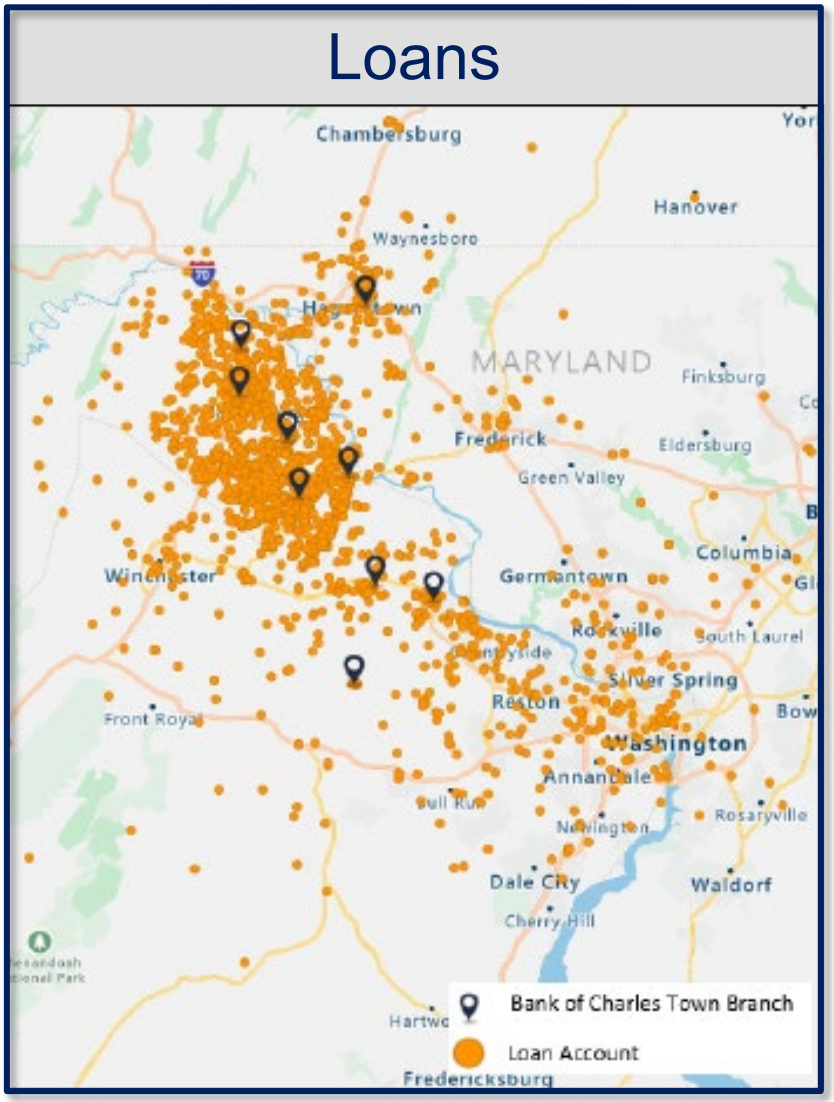


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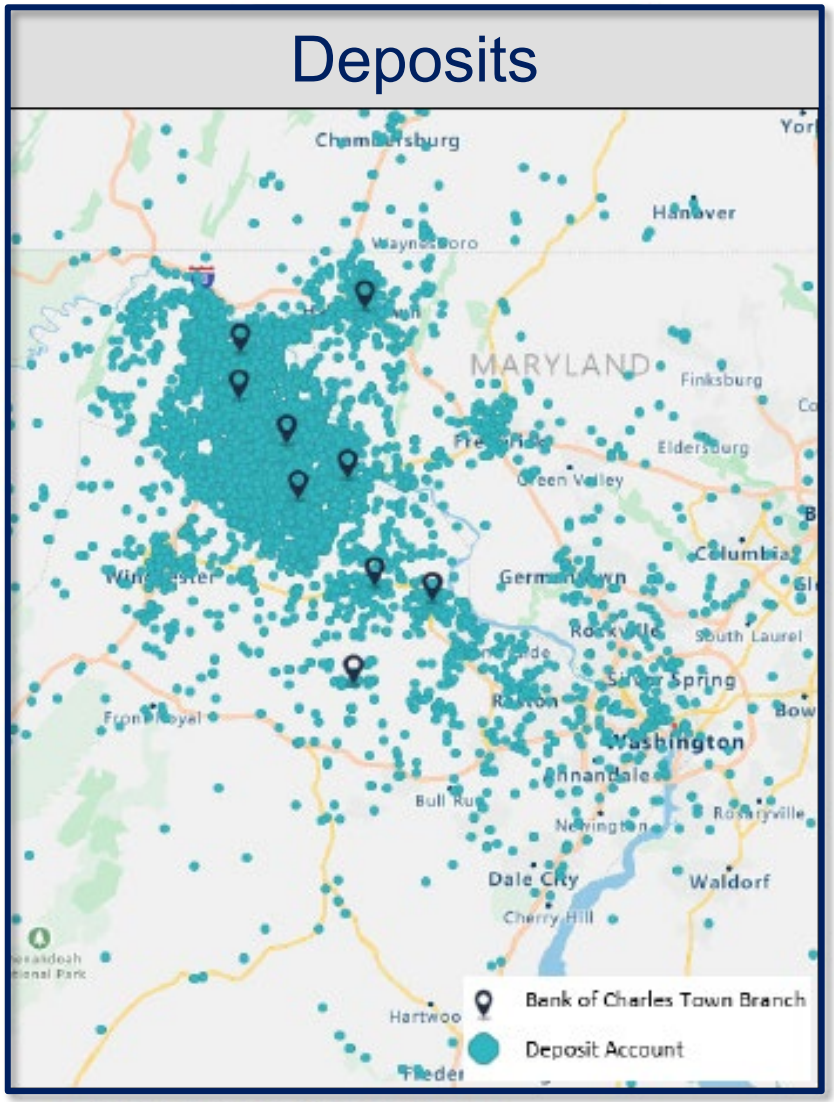
OTC: PTBS

Unleashing Geographic Territories

Loans



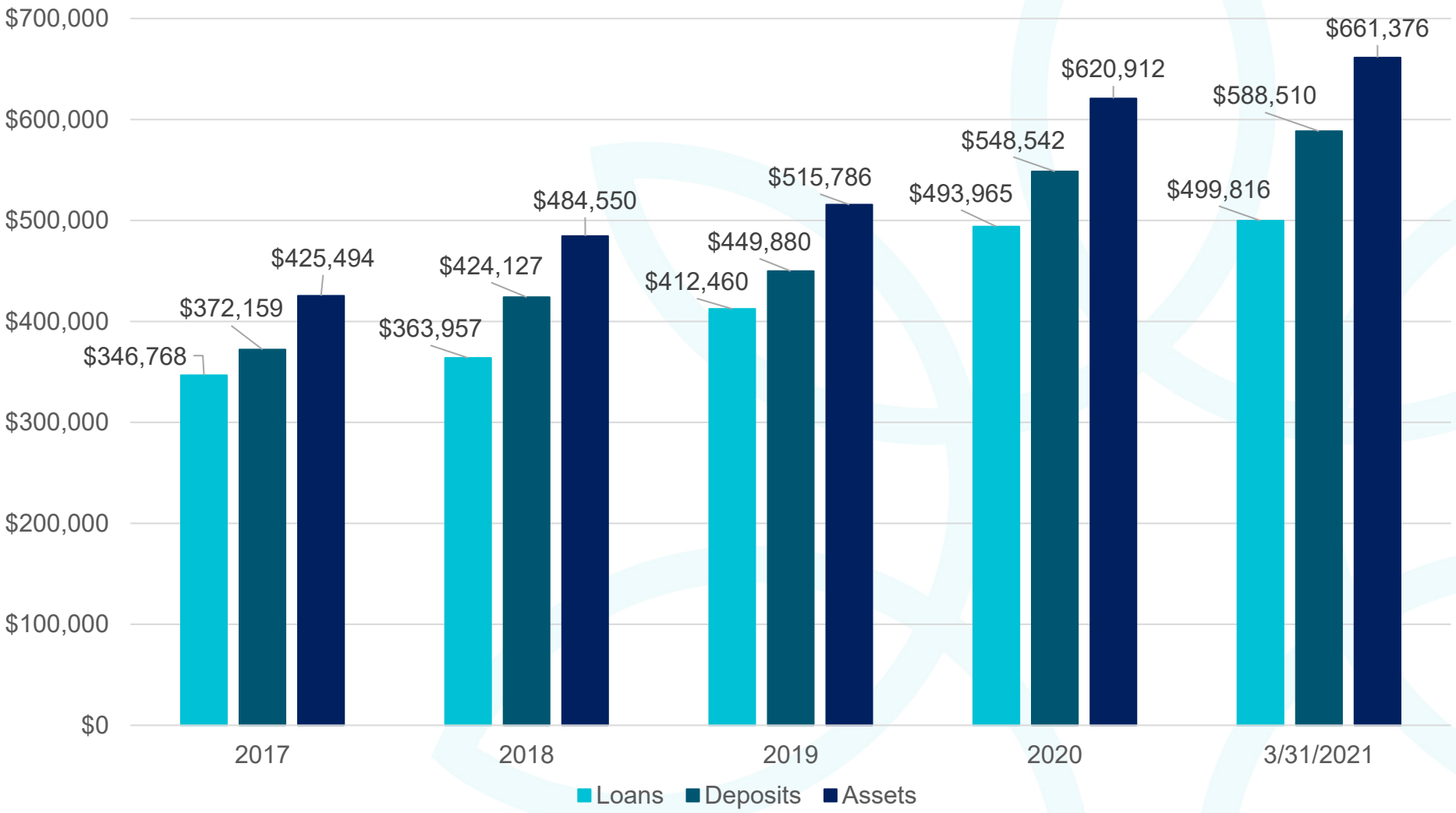
Deposits



Source: TKG Analysis of Client Provided Data

2020 and First Quarter 2021 Results

Balance Sheet Growth ('000's)

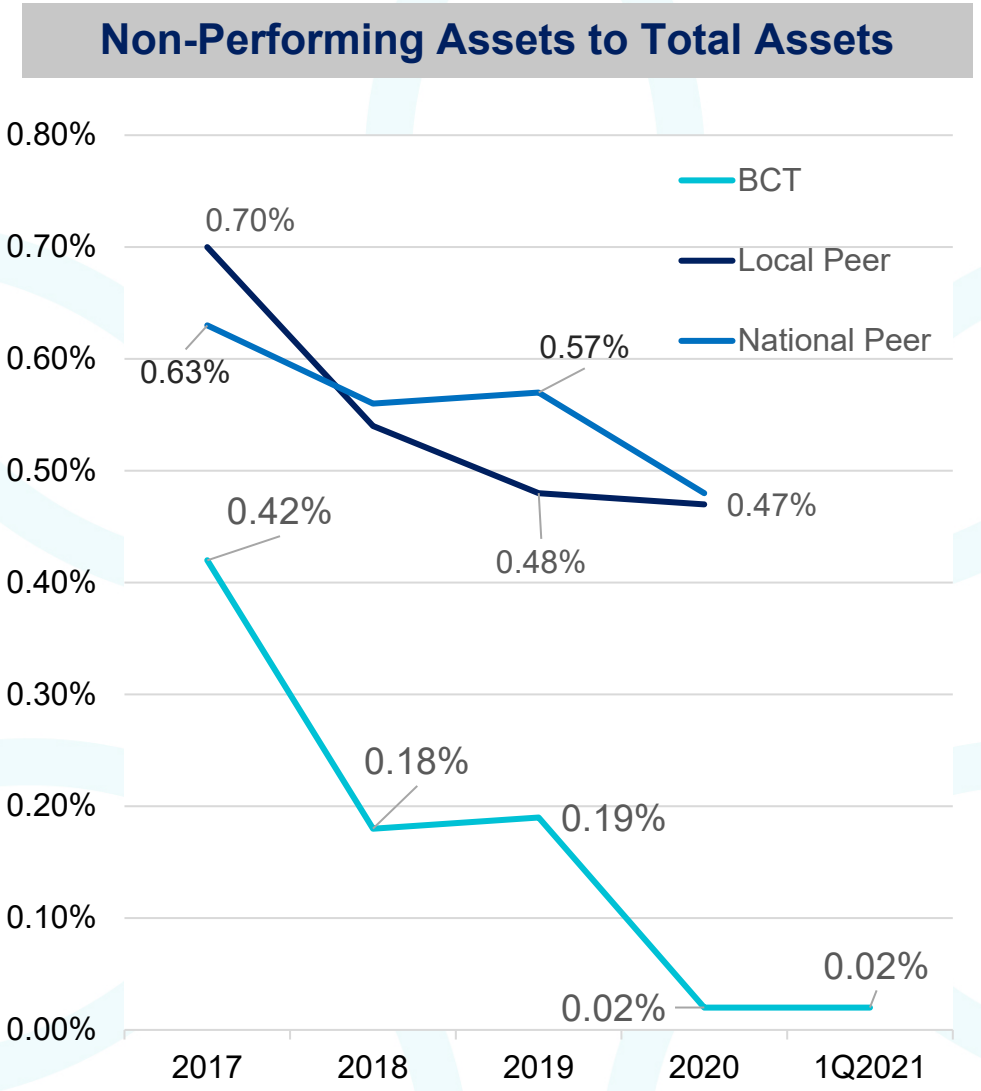


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Prudent Credit Culture Drives Asset Quality

- Strong credit culture and underwriting guidelines
- Strong monitoring practices of concentrations, trends
- Provided payment deferrals in accordance with CARES ACT
  - Reduced from a high of 15.1% of total loans 6.30.20 to 2.2% at 04.19.2021
- Focused business development efforts



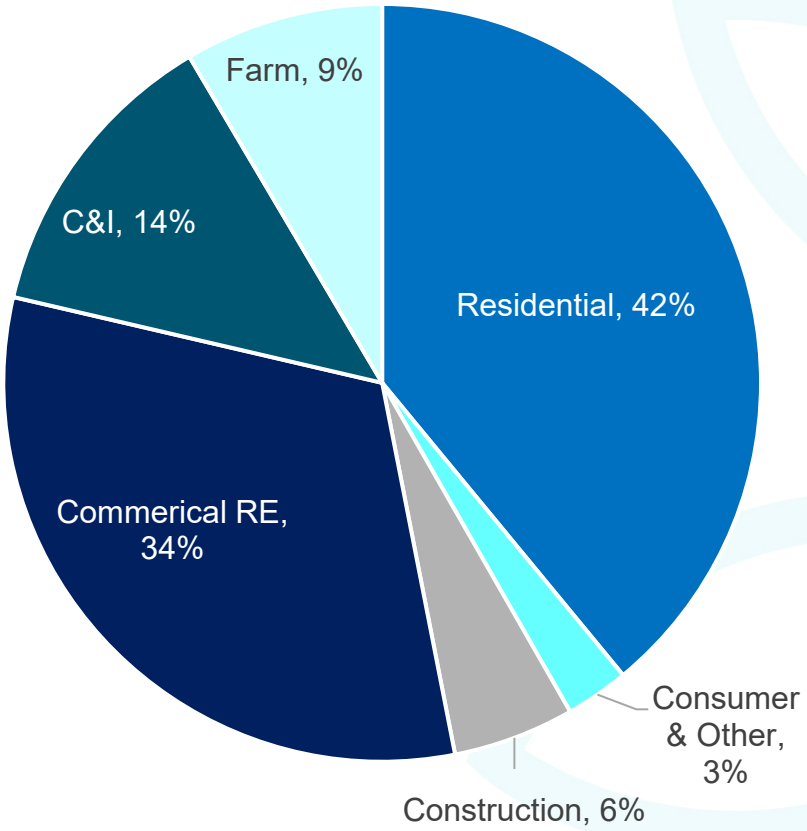
Source: Peer UBPR data available through 12.31.20

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Diversified Loan Portfolio

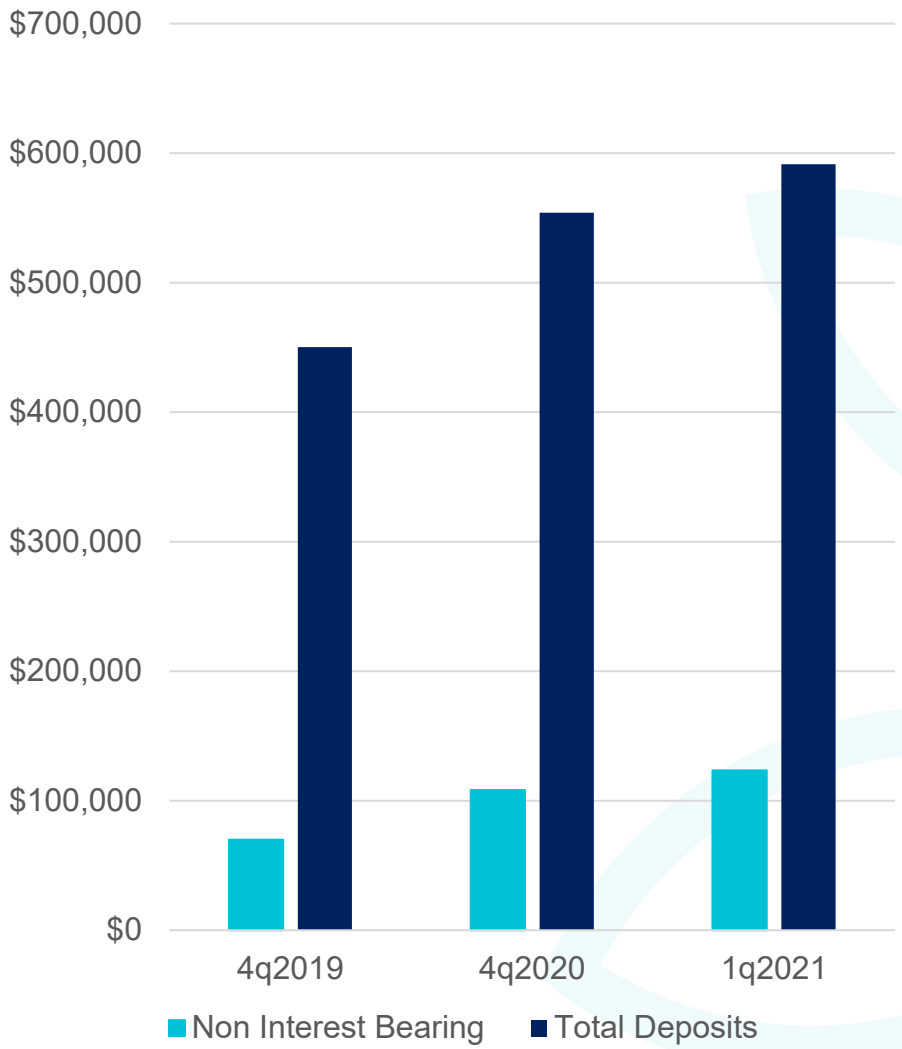
Loan Portfolio as of 3/31/2021



Concentrations of Credit

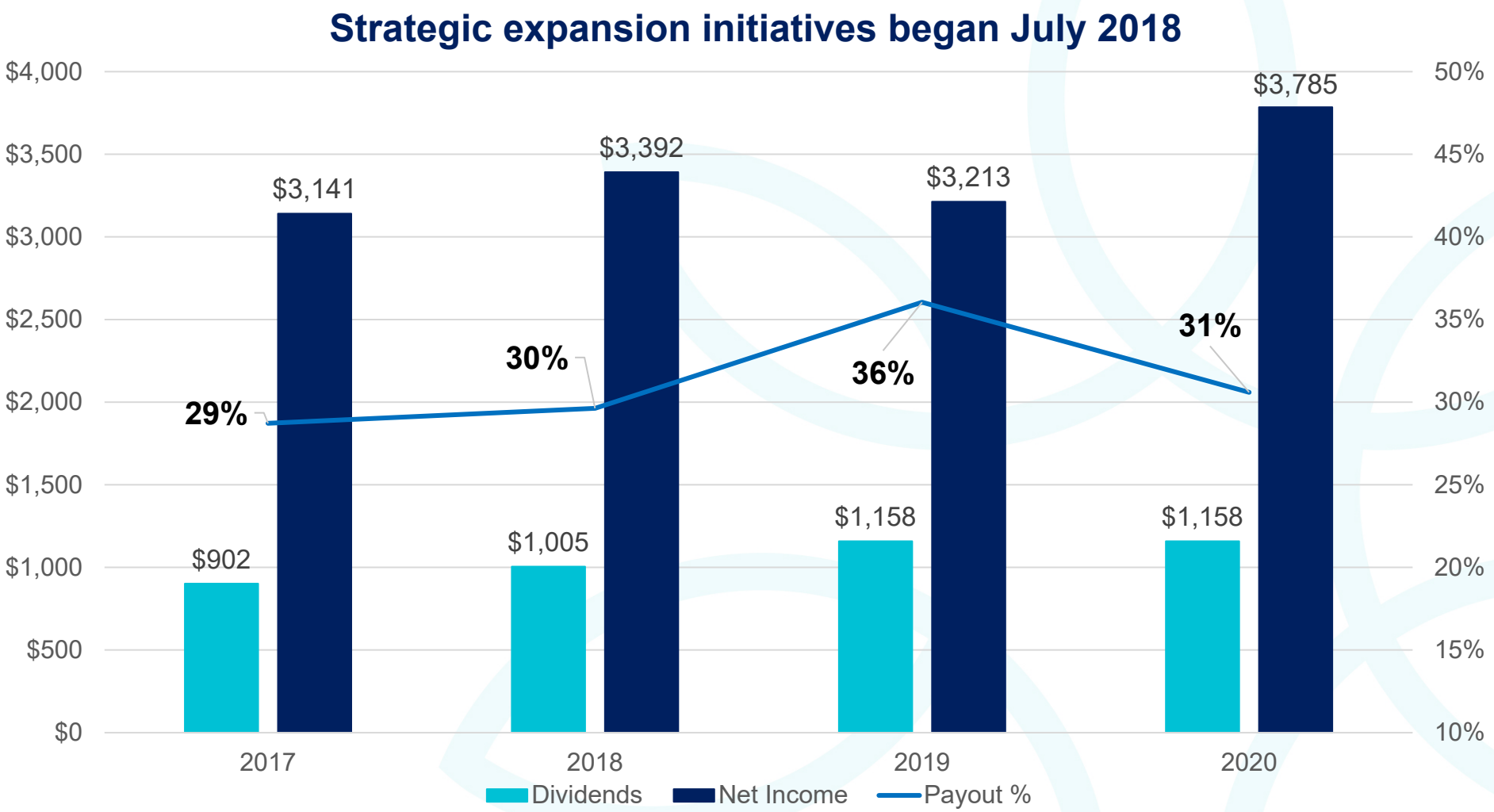
- Well below regulatory guidelines:
  - Construction & Land = 40.47%
  - Commercial RE = 208.41%
- Capped Hotel Lending in 3Q2019
  - O/S balances = $28.2 million
- Office building exposure is all performing and primarily owner-occupied

Deposits



- Strategic initiative to grow non-interest bearing deposits as % of total deposits
  - March 31, 2021 = 21%
- Specifically designed products for targeted businesses
- Enhanced Cash Management Online Platform
- Cost of deposits as of March 31, 2021 = 0.35%

Annual Net Income & Dividends

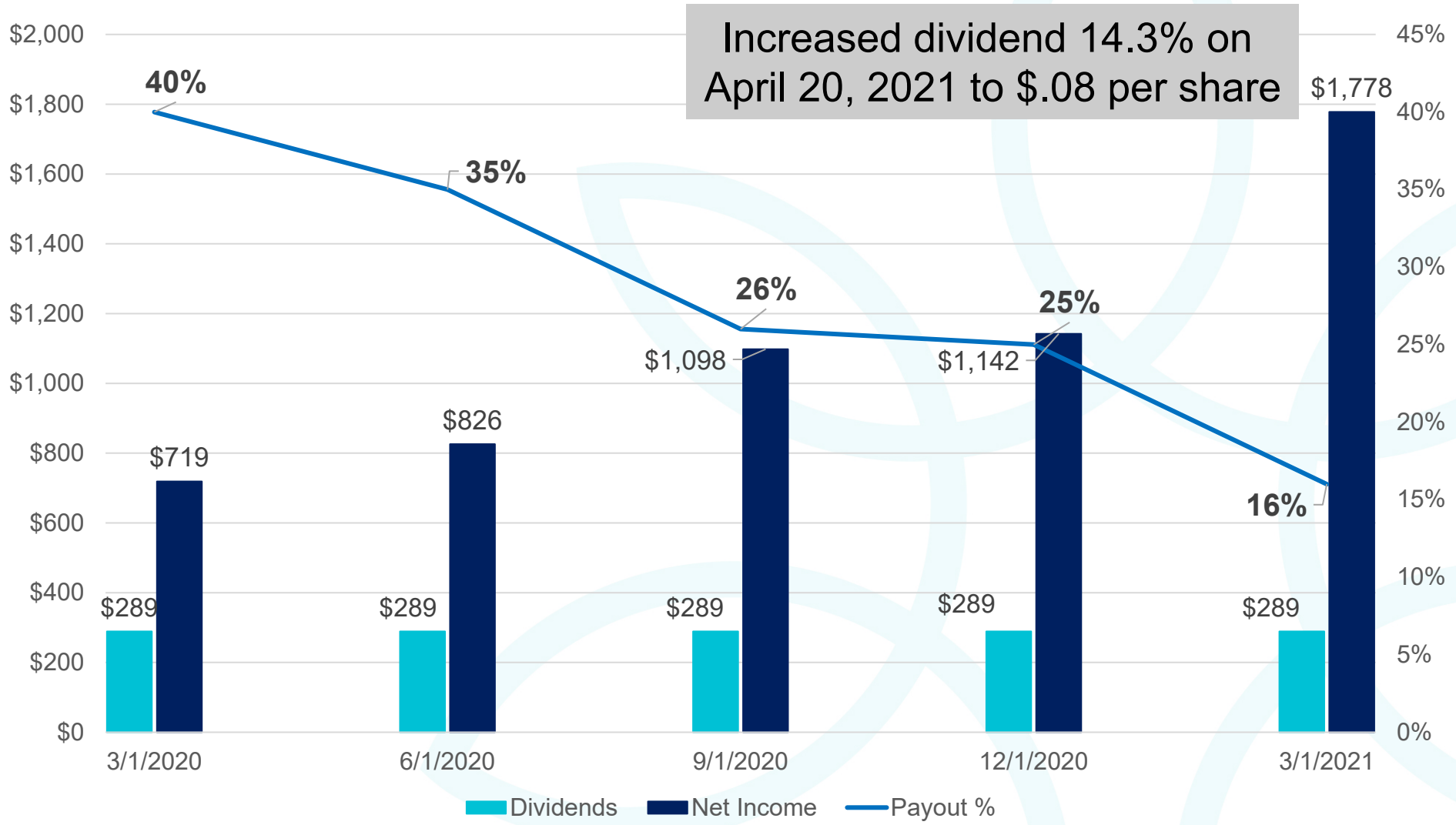


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Net Income and Dividends (000's)

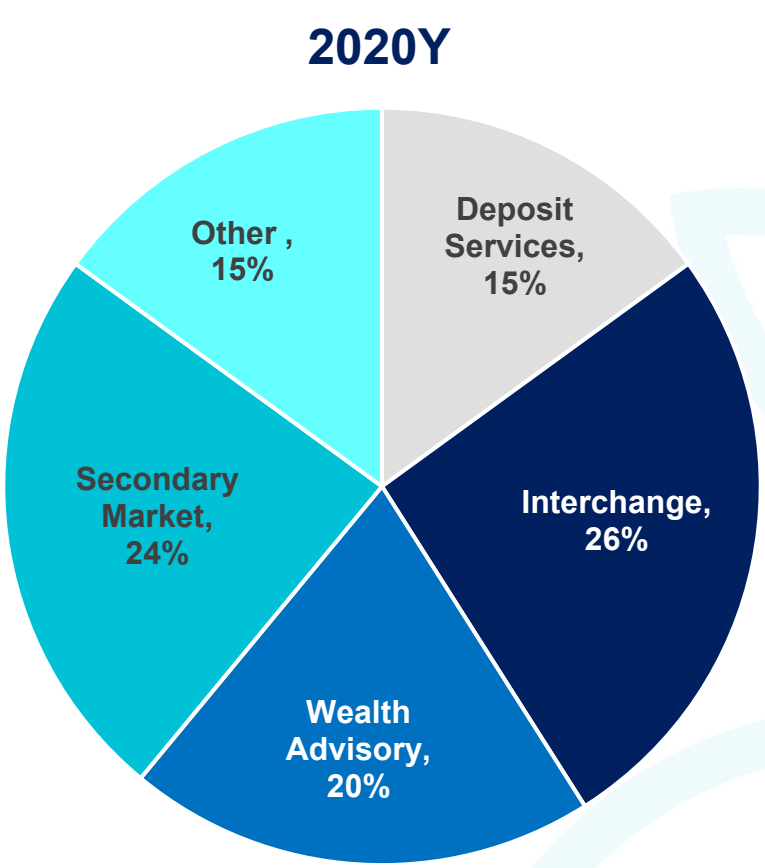
Quarterly Net Income & Dividends

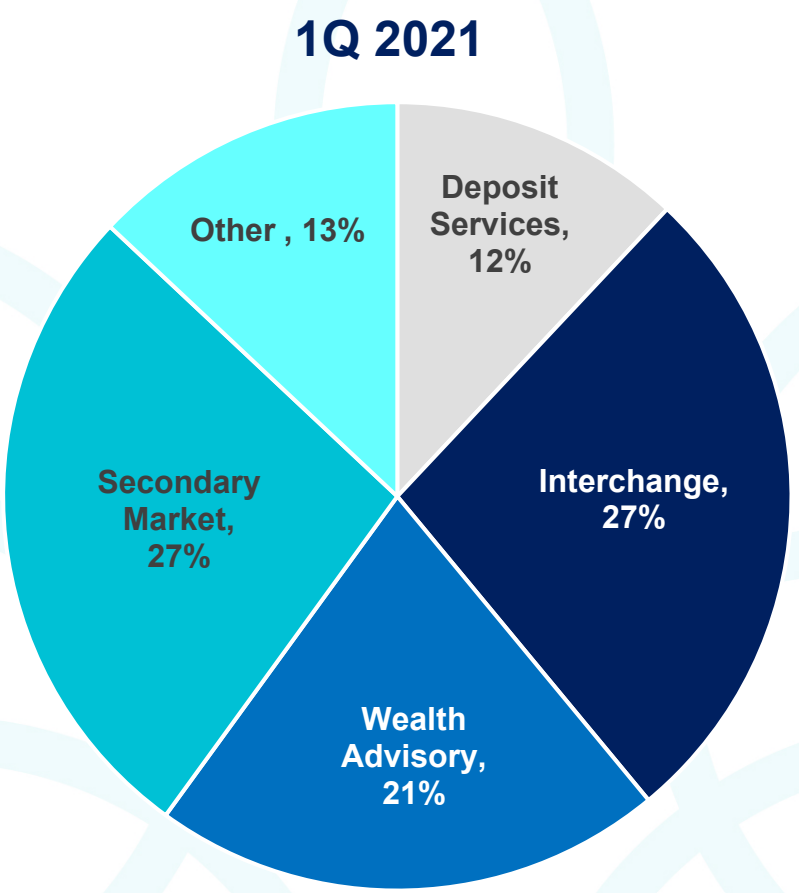


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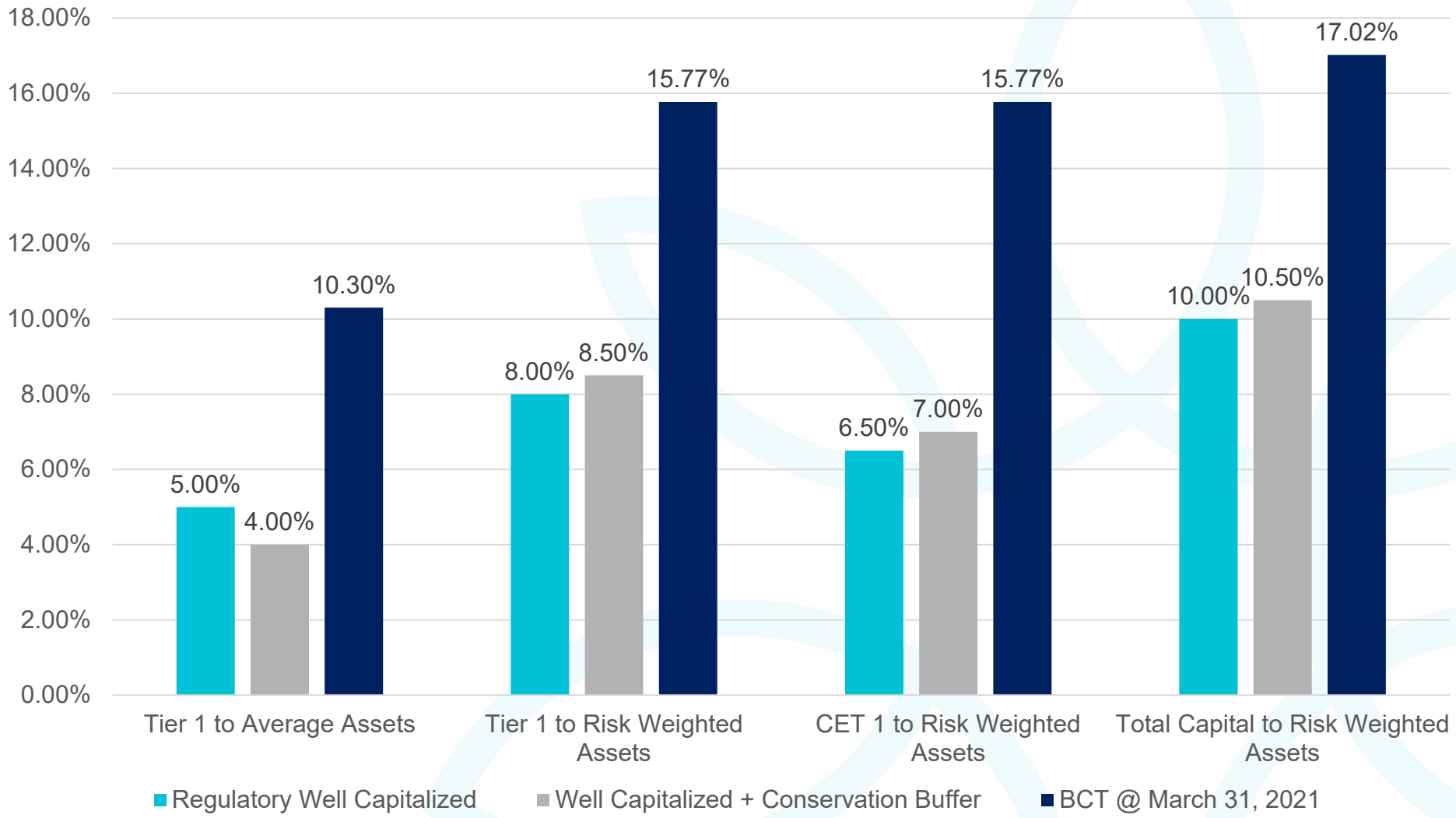
OTC: PTBS

Diversified Non-Interest Income





Strong Capital Position as of March 31, 2021



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NOTE: Capital Ratios are for BCT only

April 4, 1871 – Our Story



18 71
150
YEARS

Thank You For
Your Continued Support