



**POTOMAC
BANCSHARES**

BUILDING COMMUNITIES TOGETHER



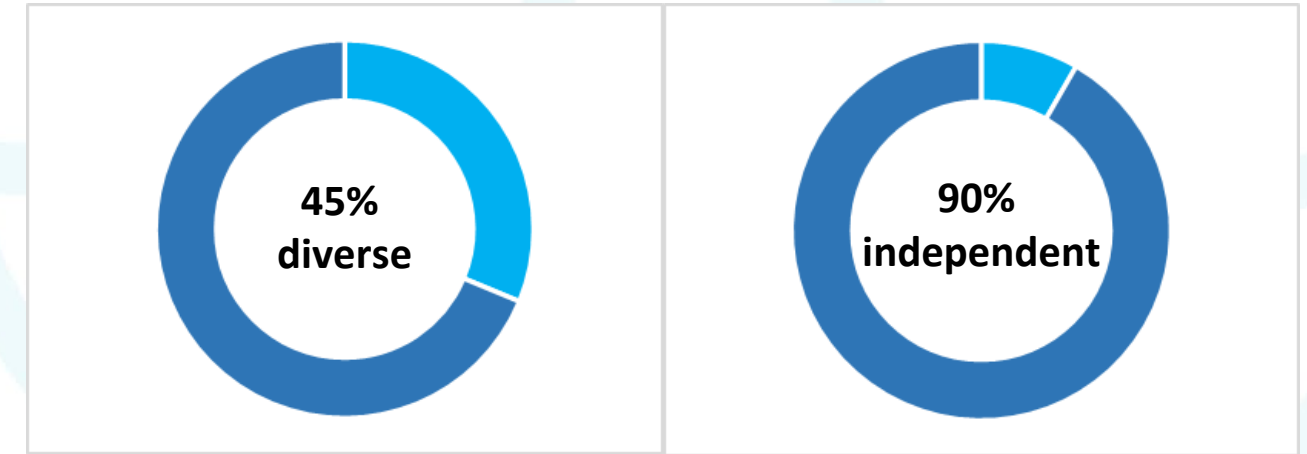
BCT
BANK OF CHARLES TOWN



BCT
THE COMMUNITY'S BANK

PTBS Board of Directors

Name		Business
Dr. Keith Berkeley	Chairman	Veterinary
Kristina Bouweiri	Board	Transportation
J. Scott Boyd	Board	Pharmacy
Norman M. Casagrande	Board	Retired, Building
Margaret M. Cogswell	Board	Hospice
Alice P. Frazier	Board, CEO	Banking
Dr. Mitesh Kothari	Board	Medical
Barbara Pichot (1)	Board	Retired, CPA
Andrew C. Skinner	Board	Attorney
William A. White	Board	Retired, CFO
Anthony P. Zelenka	Board	Retired, Hospital CEO
(1) Retiring from Board 4/2023		



1/3
Of Directors are Women

45%
Directors have been on the Board 5 years or less

Executive Leadership Team



Alice Frazier
President & CEO
Board of Director
Joined 2017



Dean Cagnetti
EVP & CFO
Joined 2011



Raymond Goodrich
EVP & Chief Lending Officer
Joined 2018



Tim Lewis
EVP, Retail and
Technology Operations
Joined 2004



President / CEO's Report

Alice P. Frazier

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) Disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events. 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

BCT is a solid, high-performing presence in the tri-state region of West Virginia, Virginia and Maryland, becoming the clear bank of choice for businesses and members of the community.

Purpose

Simplify our Clients' Financial Lives

Core Values



Integrity

Work in authentic, trustworthy ways to do the right thing every time, in all interactions, with our clients and colleagues



Teamwork

We are accountable to each other to be a collective WE, responsible to our vision, future, and success



Growth

Provide opportunities for our colleagues to feel well-prepared, confident, and able to grow their career with BCT



Client Commitment

Being in the moment, fully engaged and listening to our clients' needs to provide high quality products and services that simplify their financial lives



Community Focus

We live our founding principle, "neighbors helping neighbors," growing our communities through time, talent, and support

Strategic Priorities

Provide a Differentiated Client Experience

- Provide a differentiated culture in which employees thrive
- Ensure a consistent Amazing Client Experience (ACE) at every interaction with the ACE Playbook
- Must be equally present in the physical and digital environment

Grow and Enhance Overall Profitability to be High Performing Presence

- Attract, expand and retain profitable commercial relationships
- Industry specific niche banking products to expand geography
- Increase non-interest bearing deposits as % of overall deposits
- Continue expansion in Northern Virginia, banker first model

Leverage Technology for Client Experience, Expansion and Efficiency

- Deploy digital banking strategy with enhanced online/mobile/digital wallet banking services to unleash the geographic limitations
- Use interactive website with broad SEO and data analytics to remarket and grow
- Partnership with fintech to develop enterprise reporting for broad customer intelligence and analytics

Living the Community Focus



Outstanding
CRA Rating



2022 Community Commitment

Second Annual Pack the 'Pack raised \$56,000

3.7% of net profits supported Local
Community and Non-Profits Organizations

478 Hours of Community Service

December 31, 2022 Stats

BCT directly funded
16 loans for \$483,519

Collectively 3 banks,
\$907,134 funded program to date
Of \$1.5 million commitment

Employee Growth Commitment

All Employees Are Shareholders

41 Promotions during 2022

Certification Programs Drive Career Growth

Employee Engagement Teams
I.e. Diversity & Inclusion Committee



Together on Purpose Days



Strengthened BCT Residential Lending

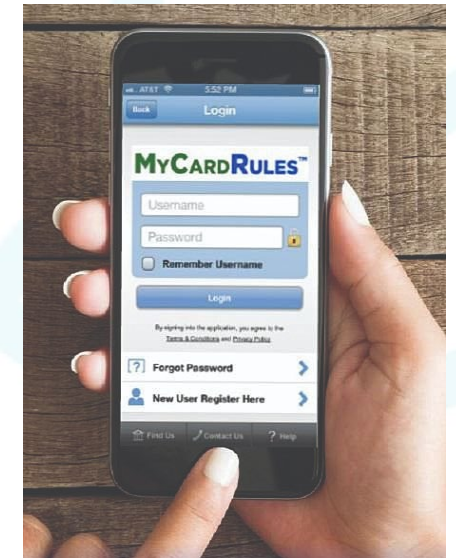
- Partnered with proven mortgage infrastructure built for community banks
- Access to more correspondent lenders providing more options for borrowers
- Outsourcing underwriting, processing and closing functions to a pay per loan cost efficiency
- Access to advanced technologies



Digital – Investments for the Future

- Adds value to the client
 - Simplifies the financial life
 - Ease of use
 - Saves client money
- Streamlines process for cost savings
- Enterprise-wide dashboard
- Outsourced AI

 **autobooks**



jack henry lending | LoanVantage

klariVis[®]
BRING YOUR DATA TO LIFE

 **nintex**

Future of Fintech Investing

- Five year involvement in the ICBA ThinkTech program
 - Selection Committee exposure
 - In-depth demos/coaching

- Anchor investment in BankTech Venture Fund
 - Access to Fintech ecosystem
 - Cash calls to date = \$160,000
 - Current valuation = \$205,000

- Direct investment in KBS Analytics, LLC dba KlariVis



Awards and Recognition



BEST BANK
BEST LOAN SERVICING
BEST FINANCIAL PLANNING



FINALIST - BANK
FINALIST - MORTGAGE COMPANY



DEIA Member Award
(Inaugural recipient)



FINALIST
Large Business



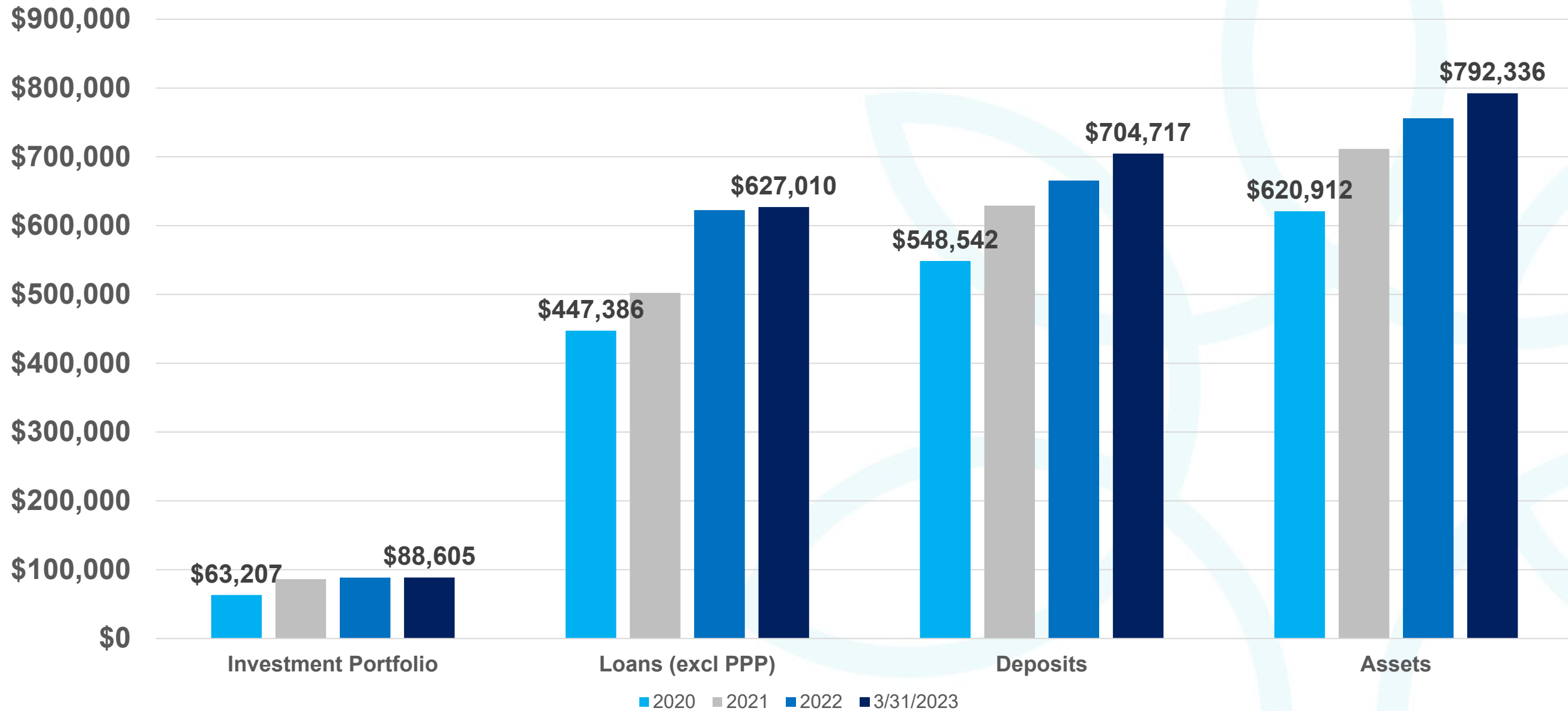
FINALIST
Executive Leader
(Paul Bice)



5 Star Rating: BauerFinancial
23 Consecutive Quarters

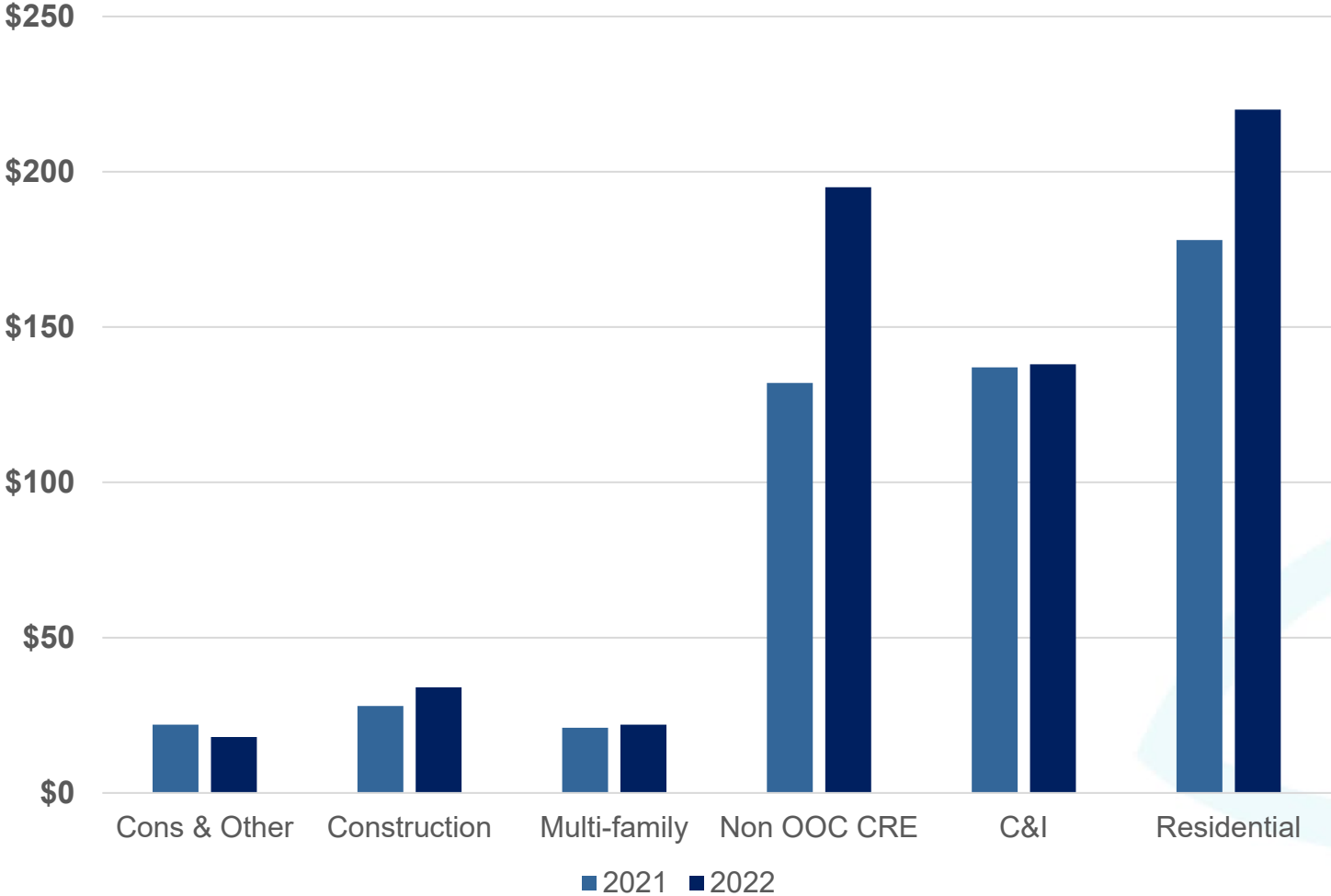
Financial Review

Balance Sheet Growth (in thousands)

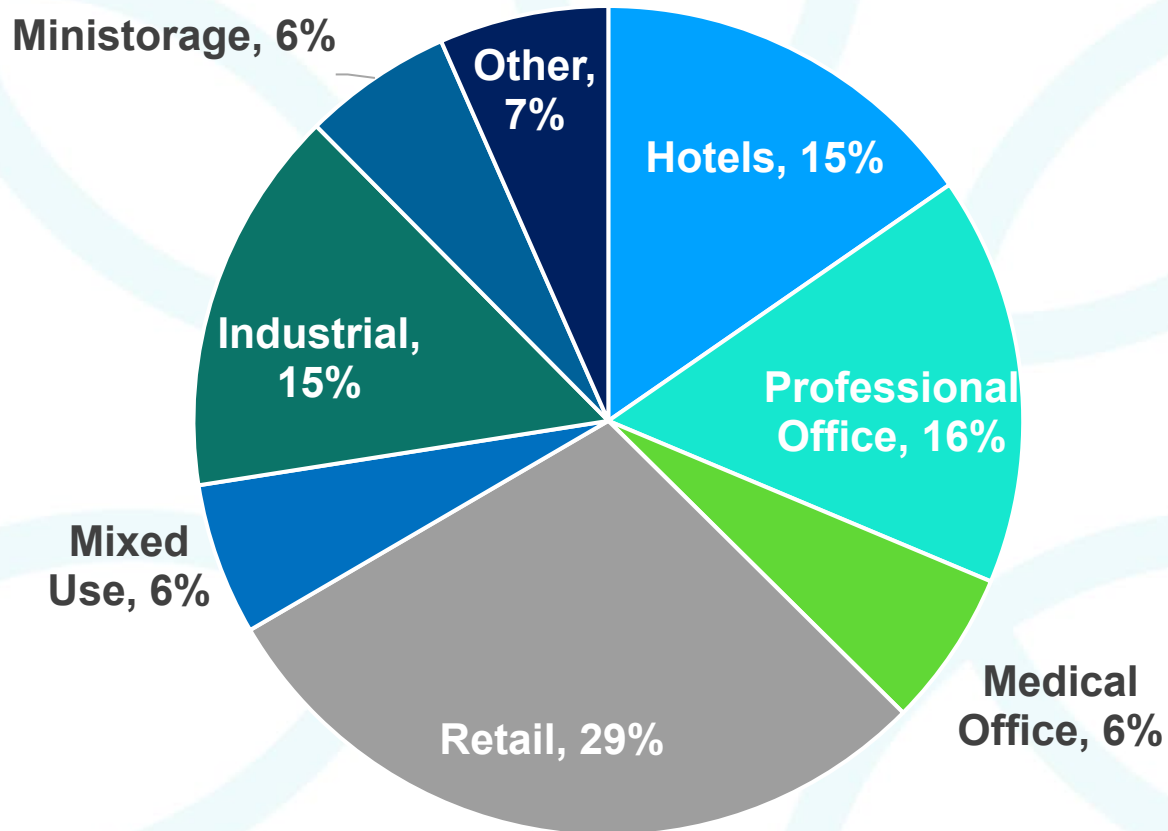


Well Diversified Loan Portfolio

**Loan Portfolio Comparison YoY
(in millions)**



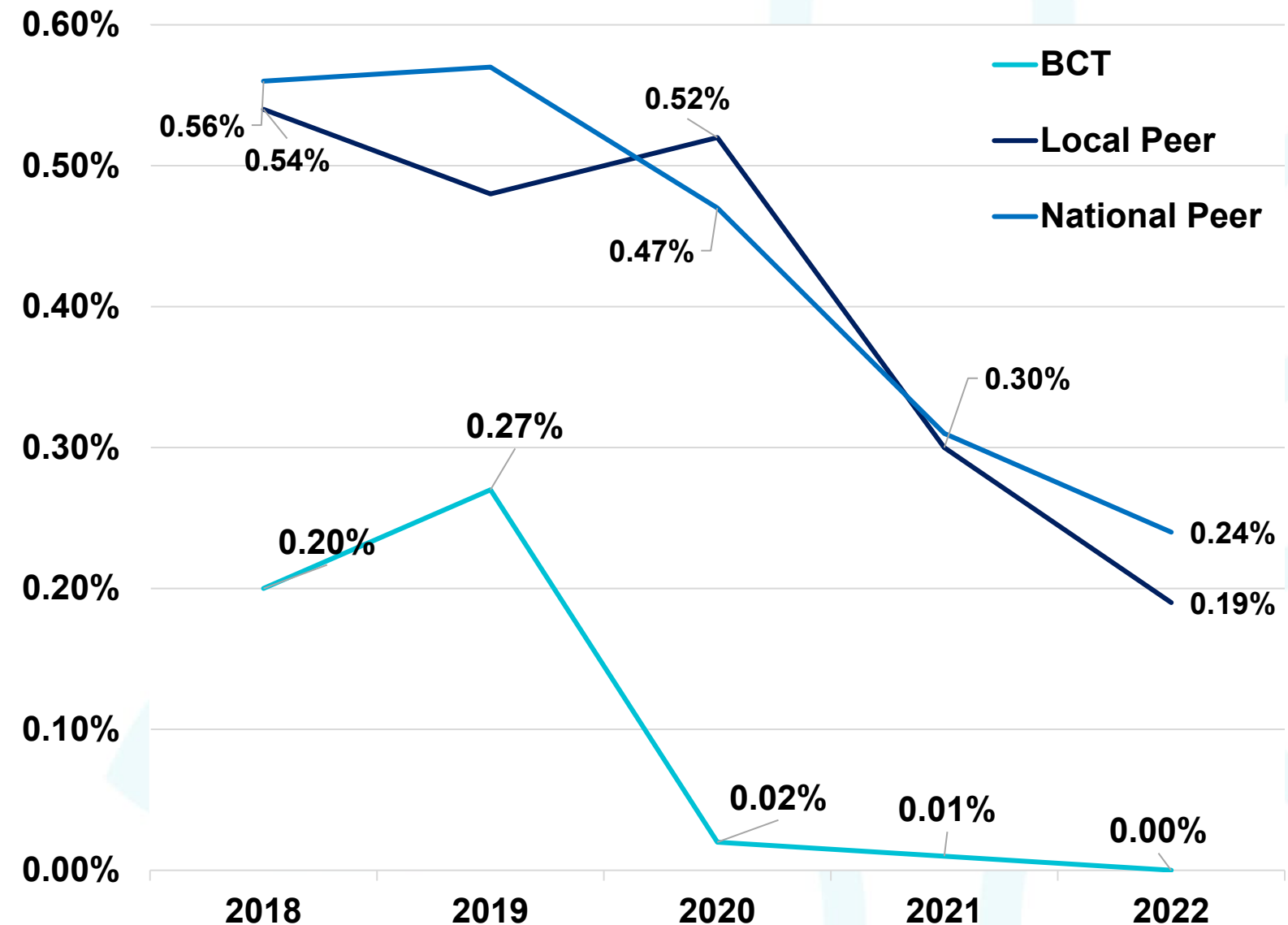
Non-Owner Occupied CRE – 12/31/22



Prudent Credit Culture Drives Asset Quality

- Strong credit culture and underwriting guidelines
- Well below regulatory guidelines:
 - Construction & Land = 39.6%
 - Commercial RE = 284.6%
- Strong monitoring practices of concentrations, trends
- Semi-annual credit score monitoring of consumer portfolios
- Early 2020, proactively adjusted underwriting criteria for consumer lending
- **1/1/23 CECL Adjustment was \$452,000 to equity**

Non-Current Assets to Total Assets

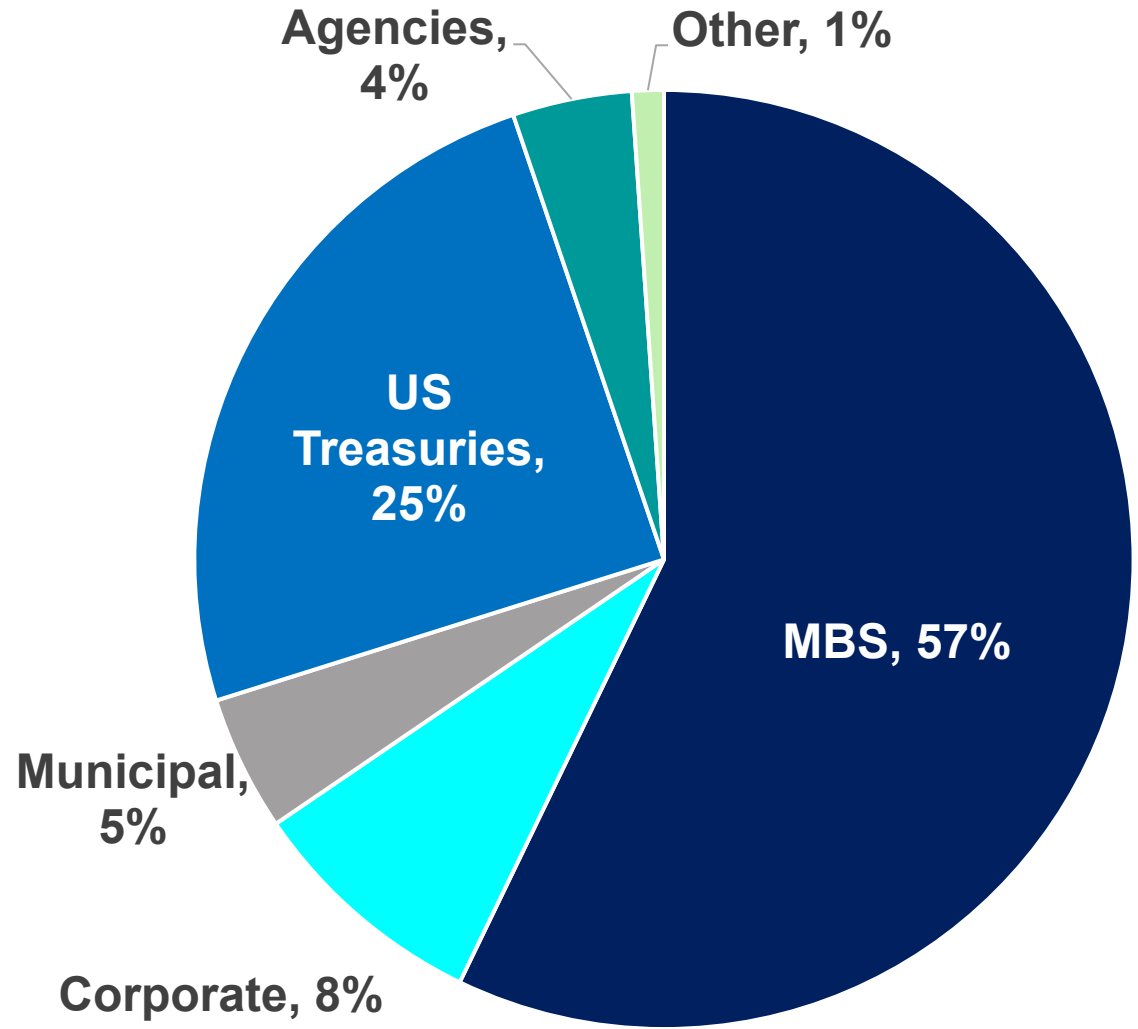


OTC: PTBS

Source: Peer UBPR data available through 12.31.22

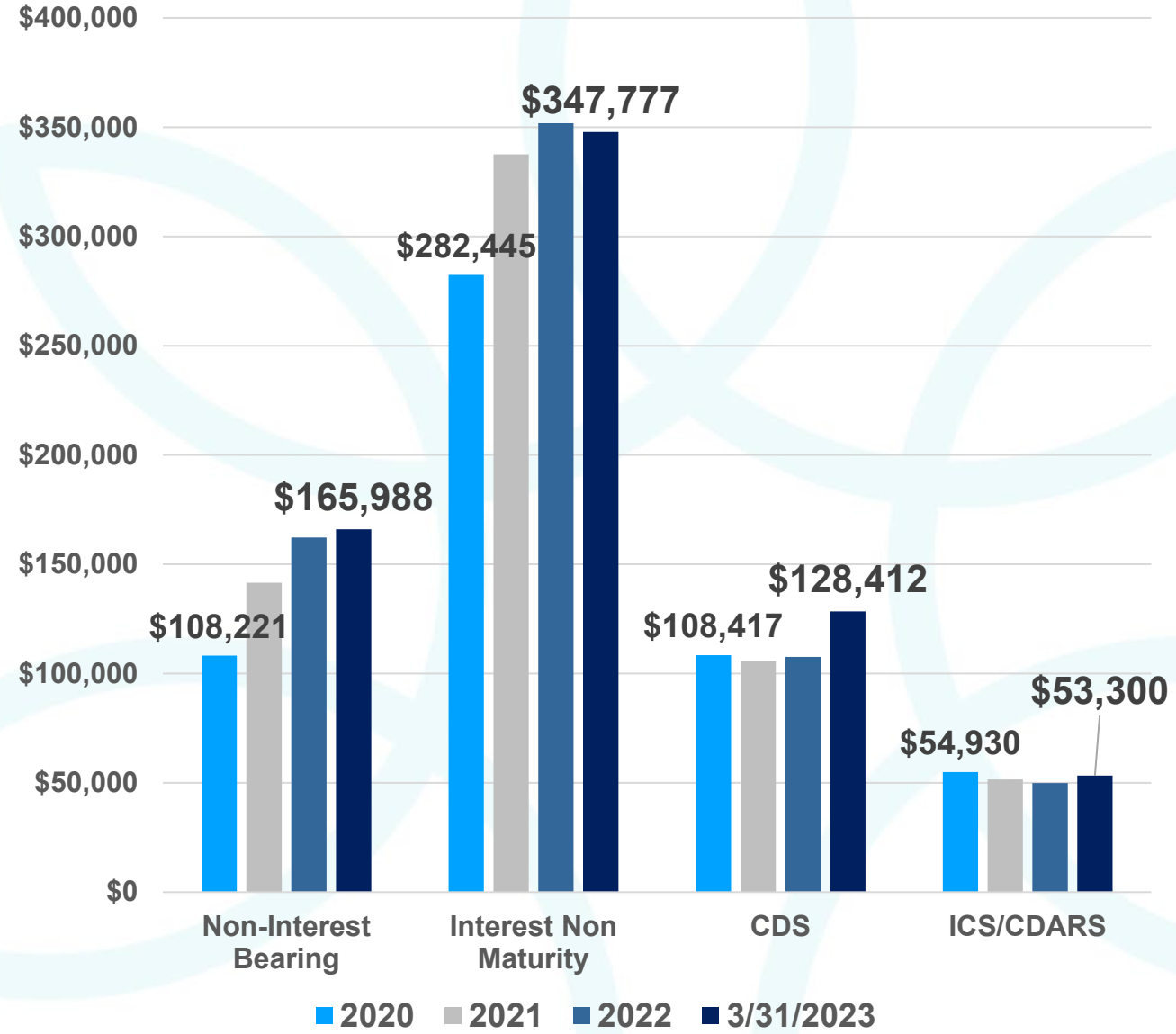
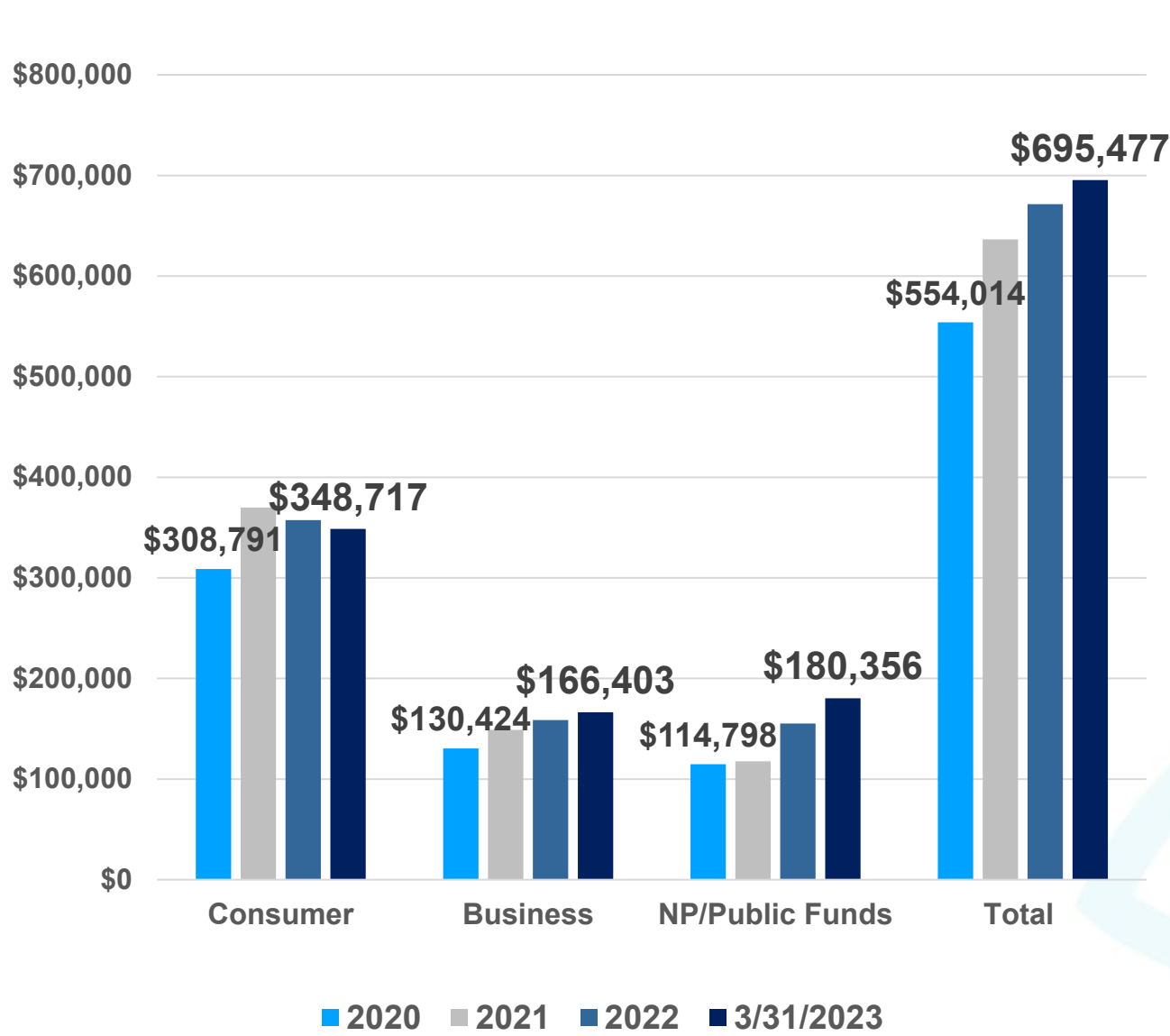
Conservative Investment Portfolio & Limited AOCI

March 31, 2023

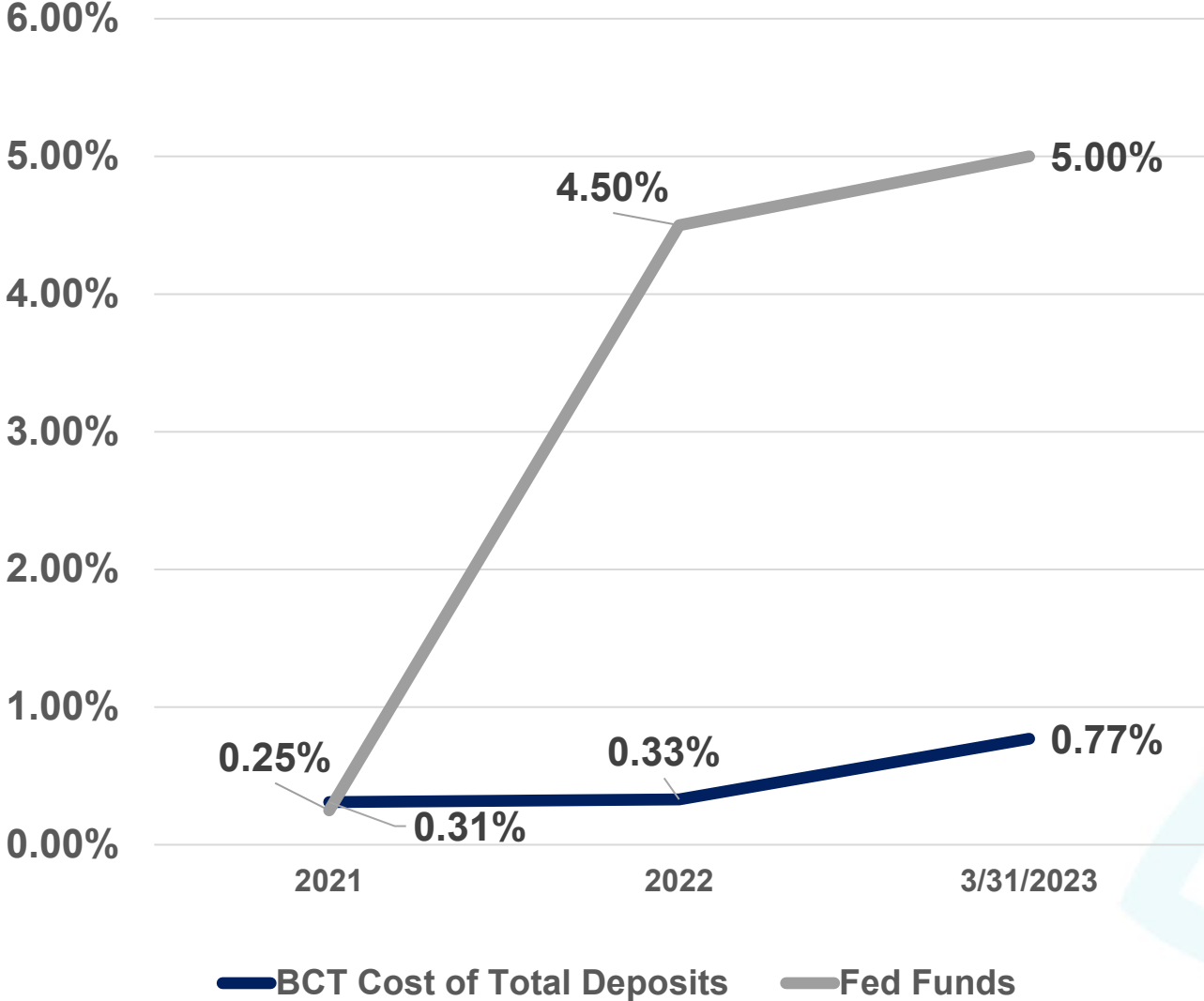


- Conservative, high-quality portfolio = 11.2% of total assets
- All securities classified as AFS
- Average duration = 4.46 years
- Taxable equivalent yield = 2.28%
- Unrealized loss at 3/31/23 = \$8,707,843

Trends in Deposit Growth (in thousands)



Additional Deposit Information



Uninsured deposits are less than 15% (March 31, 2023)

Average balance per deposit account is \$24,252

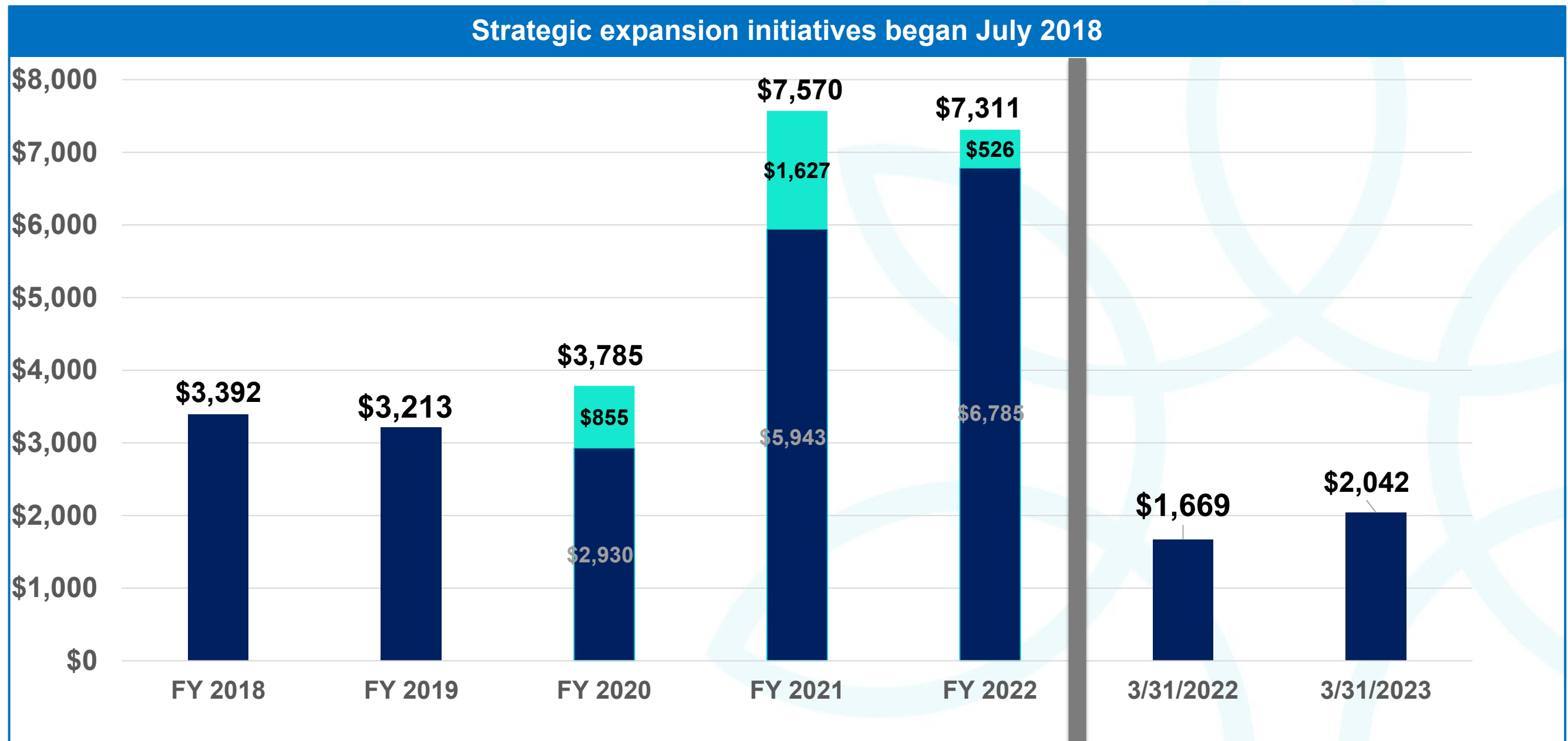
Effective relationship pricing to manage cost

Abundant Liquidity

March 31, 2023	
Type	Amount Available
Fed Funds Lines	\$ 10,000,000
FHLB	\$ 265,442,000
Fed Discount Window	\$ 18,414,000
Total	\$ 293,856,000

- On balance sheet liquidity at March 31, 2023 = 19.25%
- Off balance sheet liquidity = 42% of total deposits
- FHLB borrowings at March 31, 2023 = \$6 million
- BTFP in process to provide additional liquidity
- Active Enterprise Risk Management (ERM) Committee monitoring 52 key metrics
- Liquidity monitored daily along with changes in deposit accounts

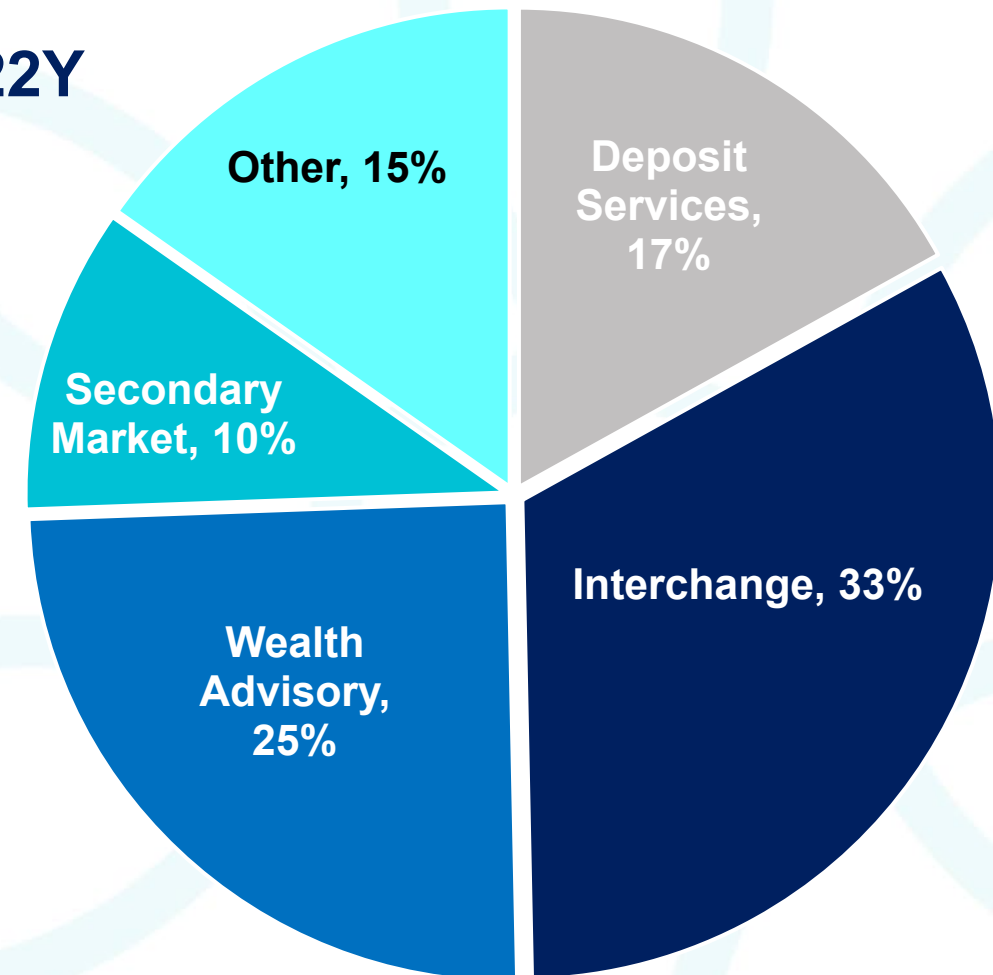
Earnings Trends (in thousands)



Well Diversified Non-Interest Income

- Non-Interest Income to Average Assets
 - PTBS/BCT = 0.82%
 - Local Peer Group = 0.78%
 - National Peer Group = 0.57%
- Wealth AUM growth of new accounts = 10% of assets
- Interchange fees nearly \$2.0 million for the year

2022Y



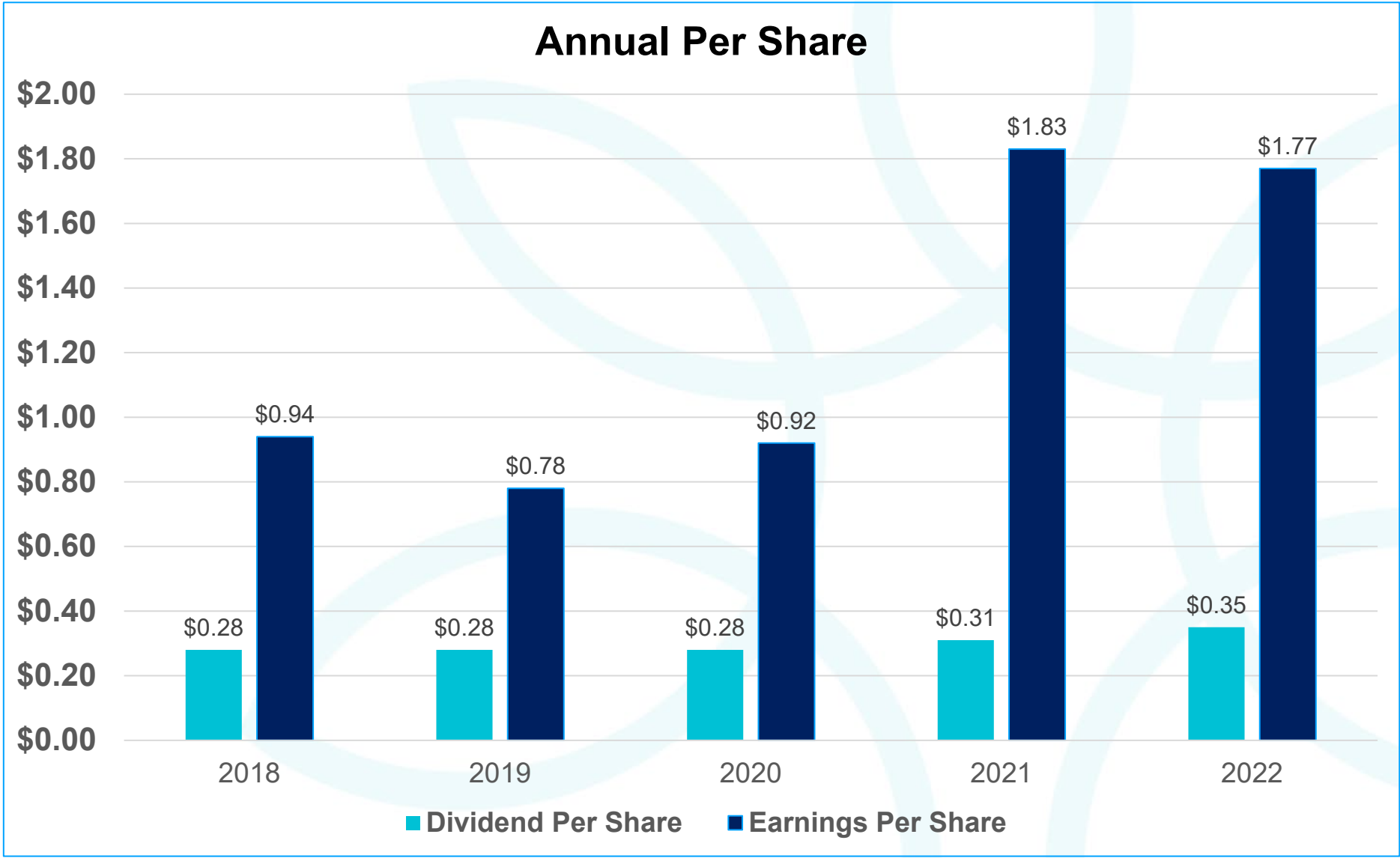
Rewarding Shareholders with Dividends and Total Return

Total Return since July 1, 2017 75.68%

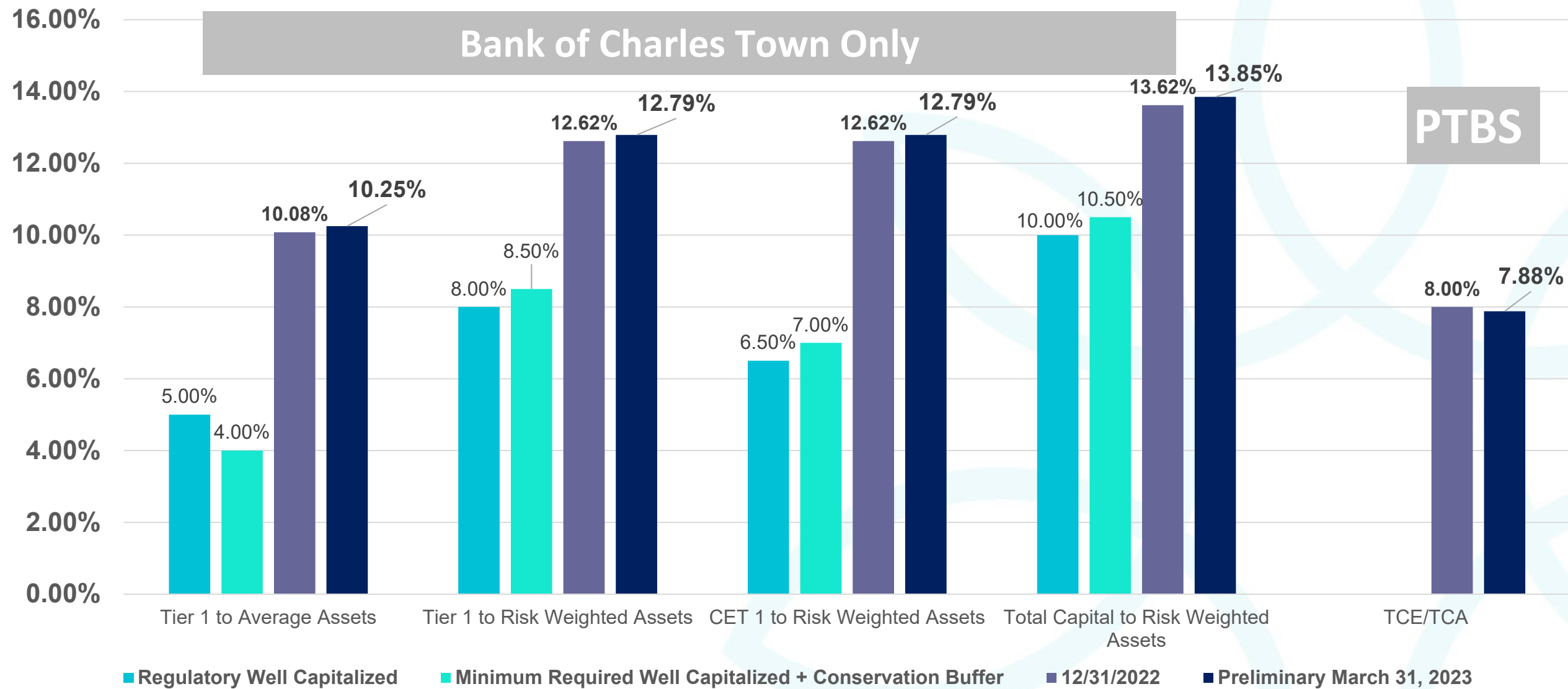
Quarterly assessment of capital with stress test

Target payout of 20-25%

2022 Payout 20%



Strong Capital Position



NOTE: Regulatory Capital Ratios are for BCT only



BUILDING COMMUNITIES TOGETHER

Thank You.