



Janney
Montgomery
Scott
Investor
Presentation

September 16, 2024

FOCUSED ON OUR FUTURE



**POTOMAC
BANCSHARES**

Forward Looking Statements

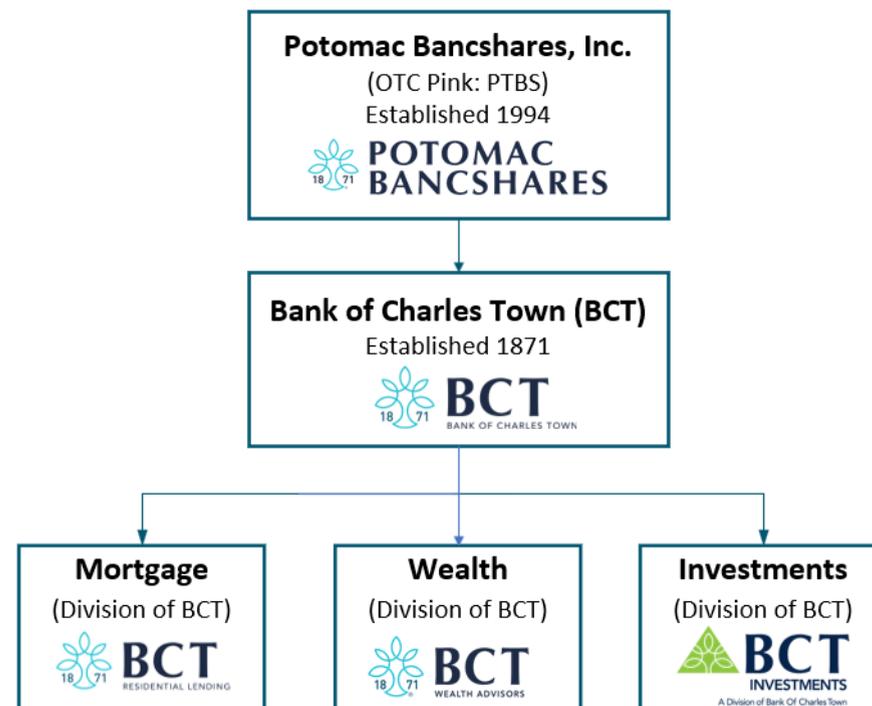
Certain statements made in this document may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, predictions, expectations, or beliefs about events or results or otherwise are not statements of historical facts, such as statements about the Company's growth strategy and deployment of capital. Although the Company believes that its expectations with respect to such forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results, performance, or achievements of the Company will not differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ from those discussed in such forward-looking statements include, but are not limited to, the following: (1) general economic conditions, especially in the communities and markets in which the Company conducts its business; (2) credit risk, including risk that negative credit quality trends may lead to a deterioration of asset quality, risk that our allowance for credit losses may not be sufficient to absorb actual losses in the Company's loan portfolio, and risk from concentrations in the Company's loan portfolio; (3) changes in the real estate market, including the value of collateral securing portions of the Company's loan portfolio; (4) changes in the interest rate environment; (5) operational risk, including cybersecurity risk and risk of fraud, data processing system failures, and network breaches; (6) changes in technology and increased competition, including competition from non-bank financial institutions; (7) changes in consumer preferences, spending and borrowing habits, demand for our products and services, and customers' performance and creditworthiness; (8) difficulty growing loan and deposit balances; (9) the Company's ability to effectively execute its business plan; (10) changes in regulations, laws, taxes, government policies, monetary policies and accounting policies affecting bank holding companies and their subsidiaries, including changes in deposit insurance premiums; (11) deterioration in the financial condition of the U.S. banking system may impact the valuations of investments the Company has made in the securities of other financial institutions; (12) regulatory enforcement actions and adverse legal actions; (13) difficulty attracting and retaining key employees; and (14) other economic, competitive, technological, operational, governmental, regulatory, and market factors affecting the Company's operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by applicable law.

I. Overview of Potomac Bancshares

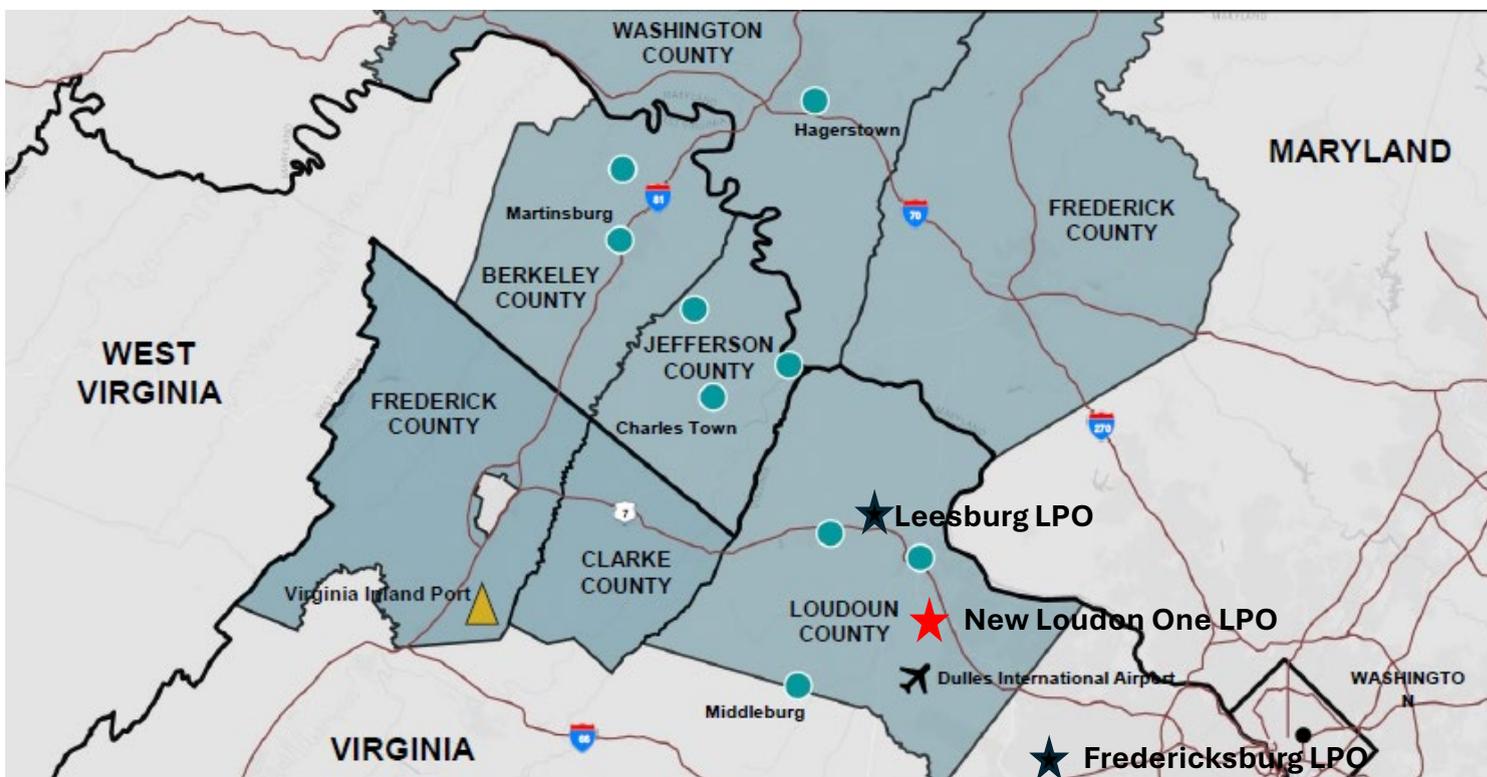
Overview of Potomac Bancshares

(\$ in thousands)	2022Y	2023Y	6/30/2024
Balance Sheet			
Total Assets	\$ 756,050	\$ 830,714	\$ 832,450
Total Loans	\$ 622,584	\$ 651,360	\$ 664,069
Total Deposits	\$ 665,469	\$ 739,680	\$ 740,096
Shareholders' Equity	\$ 60,460	\$ 66,874	\$ 69,305
TCE/TA	8.00%	8.05%	8.33%
Profitability Metrics			
ROAA	0.99%	0.91%	0.78%
ROAE	12.35%	11.59%	9.64%
Net Interest Margin	3.34%	3.38%	3.19%
Non-Interest Income/Avg. Assets	0.75%	0.78%	0.40%
Efficiency Ratio ¹	65.84%	69.27%	71.37%
Provision Expense	\$ 632	\$ 222	\$ 309
Asset Quality			
NPAs/Assets	0.00%	0.32%	0.36%
Reserves/Loans	1.00%	1.02%	1.04%
Other Metrics			
Wealth Division AUM	\$ 207,672	\$ 244,468	\$ 260,524

¹ Excludes OREO expenses and security gains/losses. Non-interest income for purposes of this ratio excludes loss on OREO sales which is included in noninterest expenses.



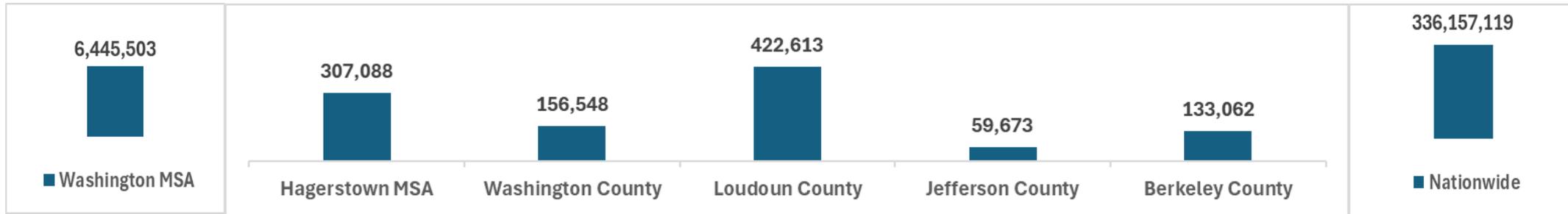
Well Positioned in Our Markets



- Nine banking offices in four fast growing counties in the suburbs/exburbs of Washington, DC MSA
- Loan production offices in Loudoun County, VA and Fredericksburg, VA; new office in eastern Loudoun County in Dec. 2024

Market Opportunity – By Population Growth

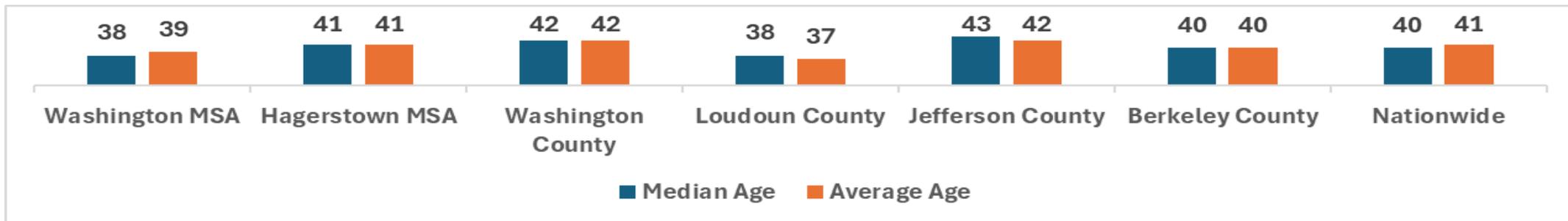
2024 Total Population



Population Change



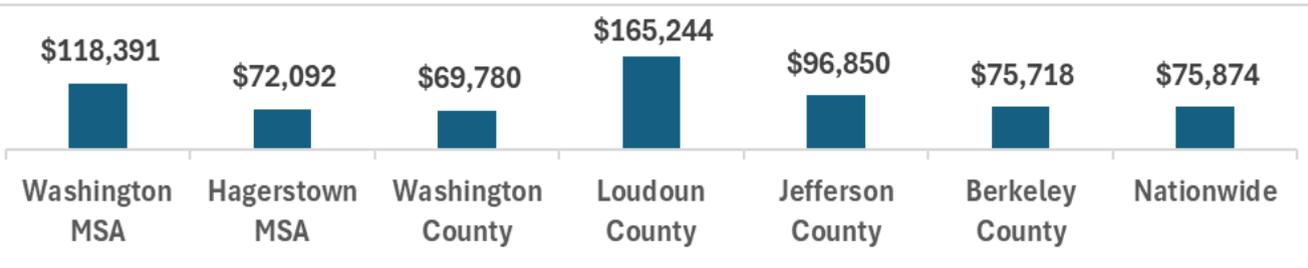
Age (Years)



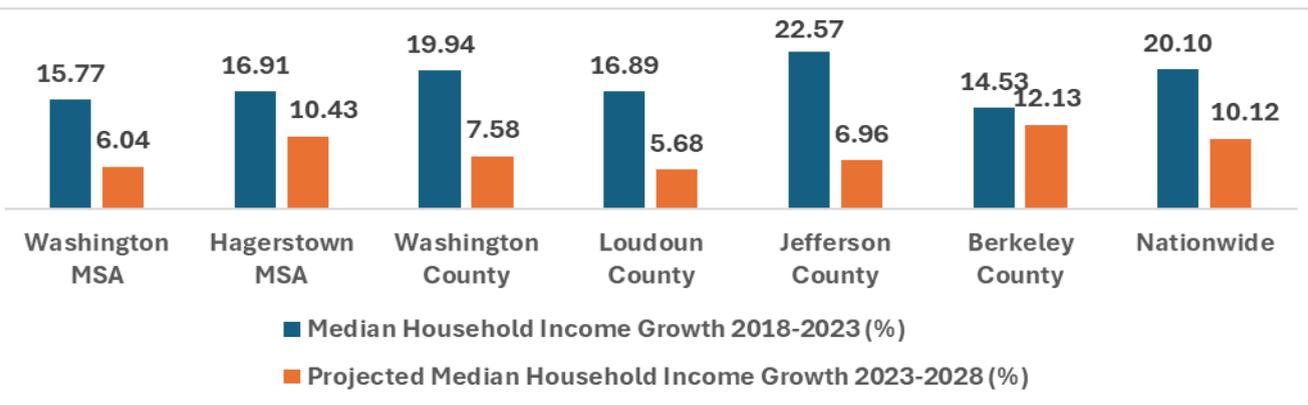
Source: S&P Capital IQ Pro

Market Opportunity – By Household Income

2024 Median Household Income



Median Household Income Growth



Jefferson and Berkeley County Economic Growth

- Ideally located on Route 81 provides access to 75% of East Coast within 7 hours' drive
- Most recent business investment announcements
 - Handcraft investing \$59 million with 220 jobs
 - Treplar investing \$50 million with 600 jobs
 - Commercial Metals Company (CMC) investing \$450 million with 200 jobs
- Existing manufacturing companies continue to expand and invest
 - Proctor & Gamble, Clorox, etc.

Loudoun County Economic Growth

- Consistently in the Top 10 Fastest Growing Counties in the U.S.
- Home to 41 of the Inc. 5,000 Fastest Growing Companies in U.S.
- Over \$10.1 billion in business investment in 2023 bringing 5,700 jobs
 - Health, IT & Consulting, Highly Specialized Manufacturing
 - Cuisine Solutions invested \$30 million with 150 jobs
 - Hanley Energy invested \$8 million with 343 jobs

Source: S&P Capital IQ Pro

Consistent Execution of 2018 Plan



Increased non-interest income through expansion of mortgage banking in all markets served

- Hired a top producing Director of Mortgage Banking with 20 years of experience in mortgage lending (2018)
- Improved secondary market platform for improved closing times and better pricing flexibility



Expansion of commercial and small business lending services to increase growth in business loans and non-interest-bearing deposits

- Hired a seasoned Chief Lending Officer with extensive experience including SBA lending, Government Contracting and Treasury Services (2018)
- Hired seasoned commercial bankers in 2018, 2019 and 2020 (Prince William County focus)
- SBA Team lift-out of three seasoned bankers (2021), approved to offer SBA loan products under SBA's Preferred Lender program.
- Established Cash Management Sales Support Team



Expansion into Virginia beginning in Loudoun County

- Opened full service micro-branches in Purcellville (2018) and Leesburg (2019)
- Opened Loan Production Office in Leesburg (2018)
- Opened Loan Production Office in Fredericksburg (2021)



Bolstered Technology and Training for growth

- Hired seasoned Chief Technology Officer (2019)
- Developed training team to support client experience and digital champions (2018)
- Converted digital banking systems to NCR/Digital Insight (now VOYIX) (2020)
- Developed enterprise dashboard reporting system with 3rd Party using Microsoft Power BI (2020/2021)



Increased capital to support growth plan

- Community-based common equity raise of \$12 million completed in 2018
- Subordinated Debt Issuance of \$10 million completed in September 2020

The Experience Culture

Client Testimonials

ROCK WATER FARM

"BCT built a comprehensive online platform just for us. They value our time, are always responsive, and are great at getting things done."

Todd S. Thomasson
President
ROCK WATER FARM LANDSCAPES
& HARDSCAPES
ALDIE, VA



ERICA P. ROWE

"BCT fits our business culture. They're team-oriented, care about their employees, and are focused on positive growth. When it comes to a great banking partner, no one is stronger than BCT."

Randy P. Duane
President & CEO
CHEM-PAK, INC.
MARTINSBURG, WV



"As I developed my new business, I needed peace of mind. BCT provided it. They exceeded every expectation and consistently go above and beyond the call of duty."

Erica P. Rowe
CEO & Founder
BUSINESS BRAND
AMBASSADOR
LEESBURG, VA



CHEM-PAK

Client Social Recognition



Sharon L. Wright is with Alice Frazier and Patrick Flickinger.

Jul 23 · 👤

You know you are being served well by your business bank **BCT-The Community's Bank** when they offer to hand deliver papers to your office. Thanks Patrick for hunting me down at VentureX.



👍❤️ 96

16 comments

Differentiated Experiences are Recognized



Readers' Choice Award:
Loudoun County, Virginia
LoudounNow
 Best Bank – 2024
 Best Mortgage Company – 2024
 Best Financial Planner – 2024
 Best Banker – 2024
**First branch opened 2016*



Readers' Choice Award: Eastern Panhandle, West Virginia
Martinsburg Journal-News
 Best Bank – 2023, 2022, 2021, 2020
 Best Loan Service – 2023, 2022, 2021, 2020
 Best Financial Planning – 2023, 2022, 2021, 2020
 Best Mortgage Company – 2023
**2024 voting in progress*



Loudoun Times-Mirror Readers' Award
 Finalist, Best Mortgage Lending – 2023, 2022, 2021
 Finalist, Best Bank – 2022, 2021



Loudoun County Chamber of Commerce Leadership Awards
 Winner, Executive Leader – 2024
 Finalist, Large Business – 2024, 2023
 Finalist – Executive Leader – 2023

AMERICAN BANKER



2024, 2023, 2021,
 2020, 2019



Diversity, Equity and Inclusion
 Member Award – 2022



31 consecutive quarters

AMERICAN BANKER



Rocket Mortgage Top Broker – West Virginia
 2023, 2022, 2021

Deposit Market Share – West Virginia, Maryland

Jefferson County, WV

FDIC Report					
Institution (ST)	June 2023 Rank	June 2022 Rank	Jun-23		
			# Branches	Deposits (\$000)	Market Share
Potomac Bancshares (WV)	1	1	3	\$ 384,324	32.71%
Jefferson Security Bank (WV)	2	2	3	\$ 264,530	22.51%
Truist Bank (NC)	3	3	2	\$ 218,028	18.56%
United Bankshares (WV)	4	4	2	\$ 175,144	14.91%
City National Bank (WV)	5	5	2	\$ 90,600	7.71%
Summit Community Bank, Inc (WV)	6	6	1	\$ 42,375	3.61%
Total Jefferson County, WV			13	\$ 1,175,001	100%

Berkeley County, WV

FDIC Report					
Institution (ST)	June 2023 Rank	June 2022 Rank	Jun-23		
			# Branches	Deposits (\$000)	Market Share
United Bankshares (WV)	1	1	4	\$ 494,548	26.97%
Truist Bank (NC)	2	2	4	\$ 380,686	20.76%
City National Bank (WV)	3	3	4	\$ 235,097	12.82%
Summit Community Bank, Inc (WV)	4	4	3	\$ 181,210	9.88%
First United Bank & Trust (WV)	5	5	3	\$ 151,393	8.26%
Jefferson Security Bank (WV)	6	6	2	\$ 143,803	7.84%
CNB Bank, Inc. (WV)	7	7	3	\$ 130,447	7.11%
Potomac Bancshares (WV)	8	8	2	\$ 111,907	6.10%
Woodforest National Bank (WV)	9	9	1	\$ 4,374	0.24%
Total Berkeley County, WV			26	\$ 1,833,465	100.00%

Washington County, MD

FDIC Report					
Institution (ST)	2023 Rank	2022 Rank	Jun-23		
			# Branches	Deposits (\$000)	Market Share
Truist Bank (NC)	1	1	5	\$ 710,137	21.70%
Fulton Financial (PA)	2	2	6	\$ 622,767	19.03%
M&T Bank (NY)	3	3	9	\$ 589,355	18.01%
Middletown Valley Bank	4	4	3	\$ 475,267	14.52%
The PNC Finl Svcs Grp (PA)	5	5	3	\$ 344,013	10.51%
First United Corp (MD)	6	6	4	\$ 151,841	4.64%
CNB Financial Services (WV)	7	8	3	\$ 139,552	4.26%
United Bankshares (WV)	8	7	2	\$ 127,026	3.88%
Orrstown Financial (PA)	9	9	1	\$ 49,463	1.51%
Potomac Bancshares (WV)	10	10	1	\$ 33,444	1.02%
AmeriServ Financial (PA)	11	11	1	\$ 17,218	0.53%
Jefferson Security Bank (WV)	12	12	1	\$ 6,442	0.20%
Farmers and Merchants Chambersburg (PA)	13	---	1	\$ 6,153	0.19%
Total Washington County, MD			40	\$3,272,678	100.00%

Deposit Market Share – Virginia

Loudoun County, VA

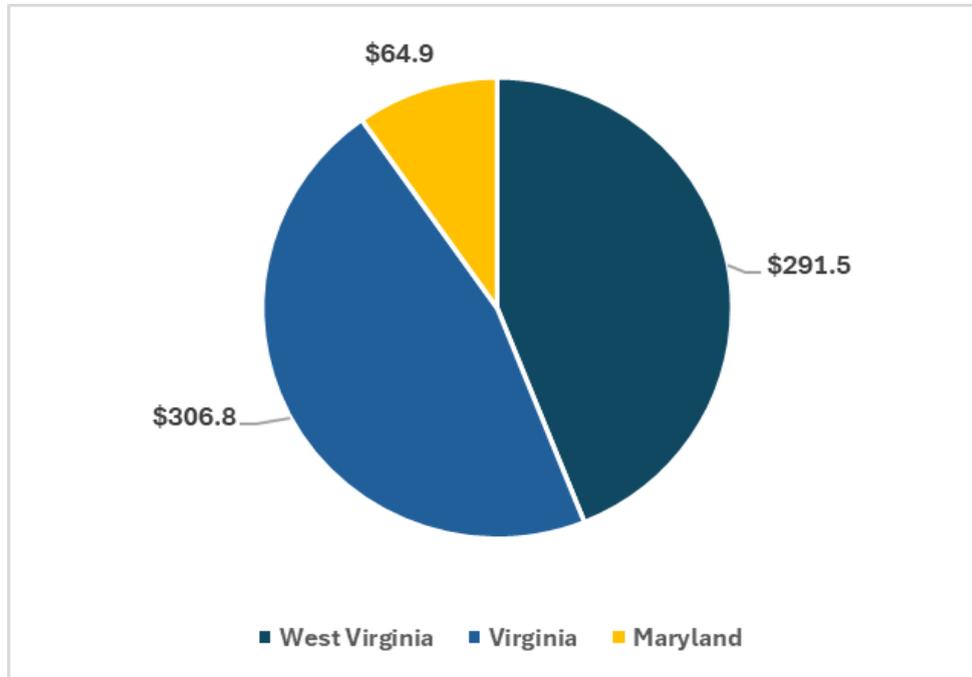
FDIC Report					
			Jun-23		
Institution (ST)	2023 Rank	2022 Rank	# Branches	Deposits (\$000)	Market Share
Bank of America, National Association	1	1	8	\$ 1,622,388	18.30%
Truist Bank (NC)	2	2	12	\$ 1,604,726	18.10%
Wells Fargo Bank, National Association	3	3	10	\$ 1,453,035	16.39%
Capital One, National Association	4	4	3	\$ 826,442	9.32%
Atlantic Union Bank	5	5	4	\$ 673,584	7.60%
PNC Bank, National Association	6	6	11	\$ 605,823	6.83%
Bank of Clarke County	7	8	3	\$ 355,895	4.01%
United Bankshares (WV)	8	7	6	\$ 354,331	4.00%
John Marshall Bank	9	9	1	\$ 245,792	2.77%
JP Morgan Chase Bank, National Association	10	15	3	\$ 194,333	2.19%
Potomac Bancshares (WV)	11	13	3	\$ 177,084	2.00%
Manufacturers and Traders Trust Company	12	11	3	\$ 164,541	1.86%
TD Bank, National Association	13	12	1	\$ 147,465	1.66%
Sandy Spring Bank	14	10	2	\$ 124,029	1.40%
Summit Community Bank, Inc	15	16	1	\$ 85,138	0.96%
Mainstreet Bank	16	18	1	\$ 79,446	0.90%
Primis Bank	17	14	2	\$ 63,579	0.72%
First-Citizens Bank & Trust Company	18	17	1	\$ 58,891	0.66%
Presidential Bank, FSB	19	19	1	\$ 25,637	0.29%
Woodforest National Bank	20	20	1	\$ 2,226	0.03%
Total Loudoun County, VA				\$ 8,864,385	100%

- Rapid Virginia market share growth since 2018 with deposits fueled by commercial banking focus
 - FDIC deposit market share improvement
 - 6/2023 Rank: 11th
 - 6/2018 Rank: 21st

Diversified Markets

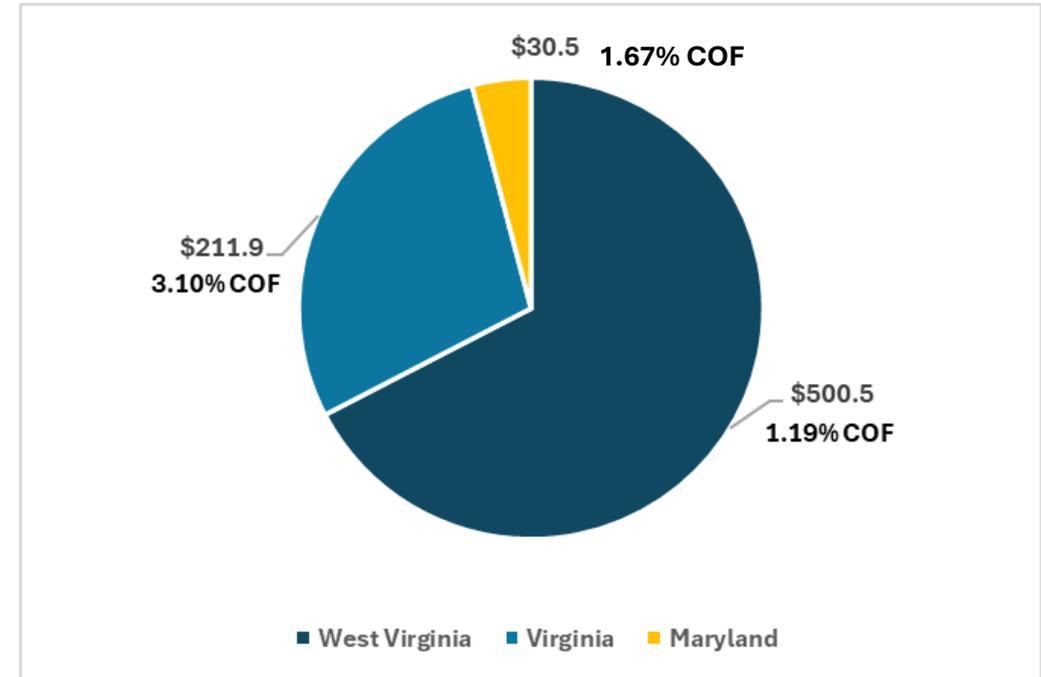
Loan Portfolio by Region (6/30/24)

(In millions)



Deposit Portfolio by Region (6/30/24)

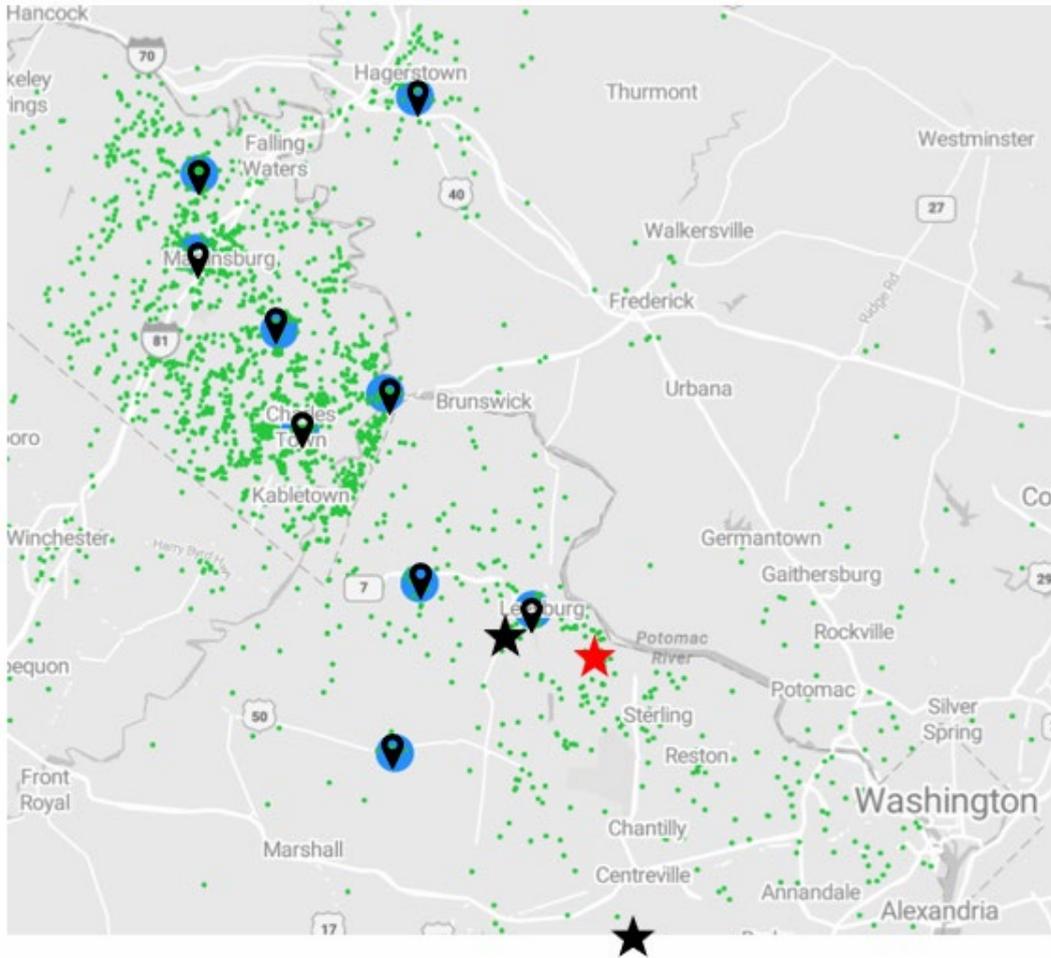
(In millions)



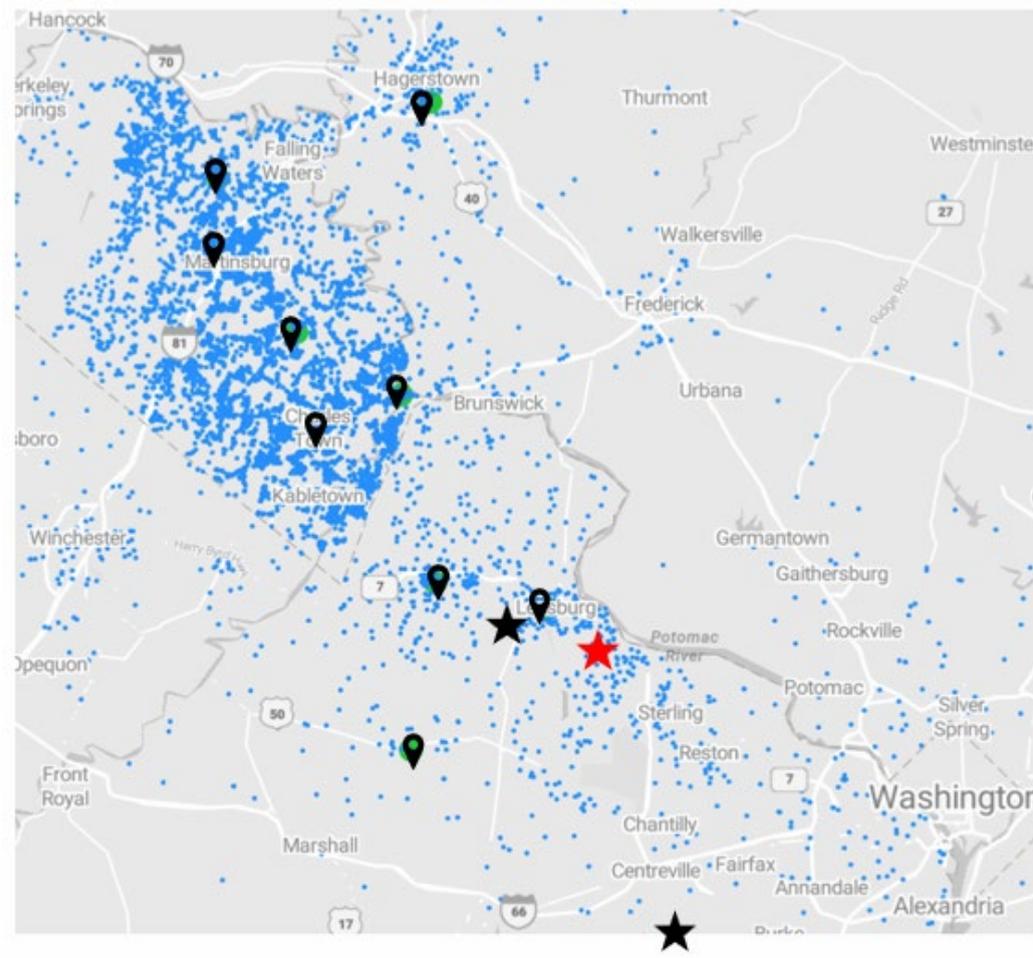
Virginia strategic expansion began in 2018

Unleashed Geographic Boundaries

Loans



Deposits



Pindrop map of all loan and deposit accounts demonstrates penetration deep into Washington DC MSA

 BCT Branch  BCT Loan Production Office  Future Loan Production Office

Future of Fintech Investing

- **Six-year involvement in the ICBA ThinkTech program**

- Selection Committee exposure
- In-depth demos/coaching



- **Anchor investment in BankTech Venture Fund**

- Access to Fintech ecosystem
- Total commitment - \$500,000



- **Direct investment in KBS Analytics, LLC, dba KlariVis**

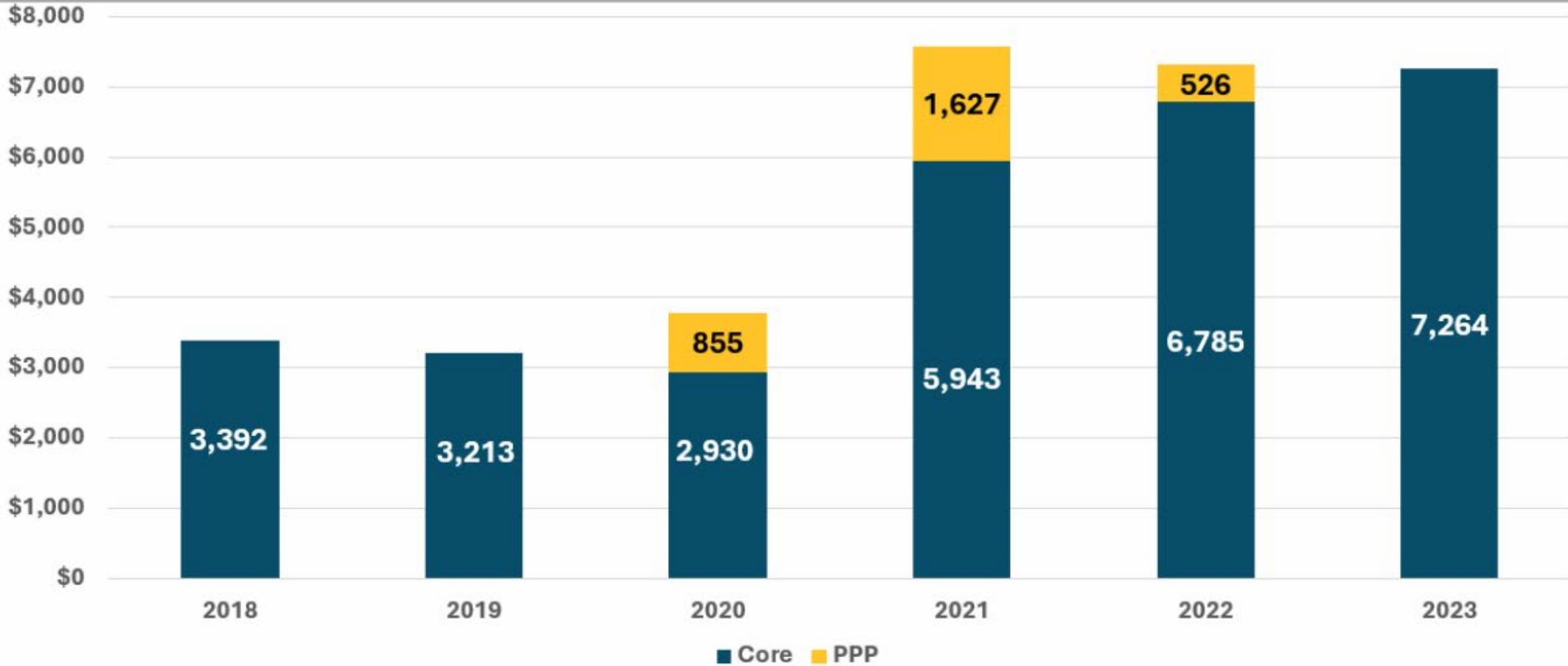
- Investment - \$500,000
- Current company valuation in 2023 capital raise - \$60 million in total



Net Income

(in thousands)

Strategic expansion initiatives began July 2018



Positioning PTBS for Future Success

2024-2026 Focused Growth Strategies

A Coaching Culture for Relationship-Building with Accountability to "We A.R.E." - Attracting, Retaining, and Expanding relationships.

Create a Coaching Culture

Grow Meaningful Market Share

Berkeley County: Garner Significant Market Share in Berkeley County Moving BCT to the Predominant Locally-owned Community Bank.

Loudoun County: Garner Market Share in Loudoun County Moving BCT within Top 10 Banks in Loudoun County.

Launch Government Contracting Banking While Expanding Market Presence to Fairfax County.

Launch Government Contracting

Leverage SBA Team

Become a Known Leader for Small Business Banking by Leveraging our SBA Team.

Be an "Employer of Choice" Where Colleagues Embody the Culture of a "Collective We Made Up of Responsible Me's Accountable to Each Other."

Be an Employer of Choice

Expand Wealth and Mortgage

Wealth: Be Known as Trusted Advisors that Take Pride in our Clients' Successes.

Mortgage: Be Known as the Preferred Bank for Residential Mortgages.

Scalable Fee Income Based Business Lines



- Partnered with Clearstead Advisors for Investment Management
- Outsourced back office to Fi-Tek

- Partnered with Lender Solutions for all back-office functions
- Better execution for greater margins

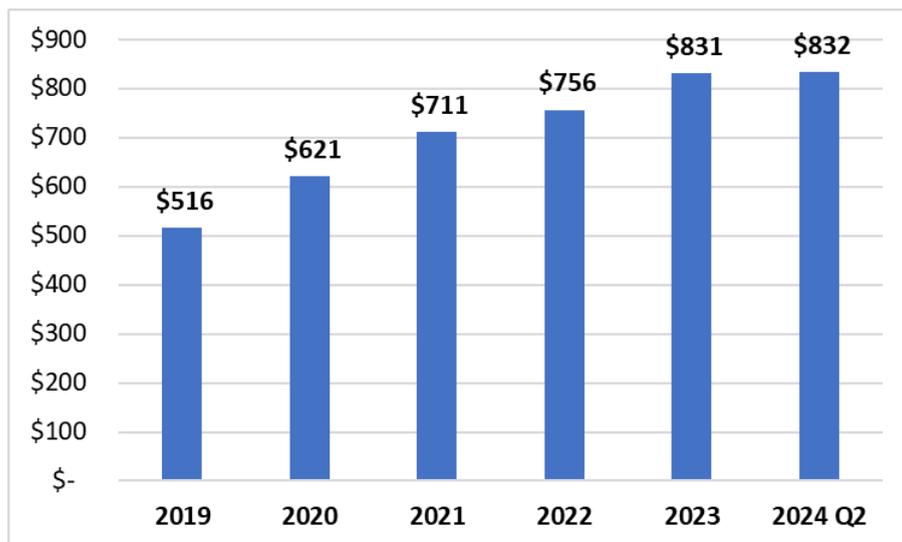
- Partnered with Sterling Financial Management, a registered LPL Advisory Firm
- BCT receives a percentage of gross fees

II. Financial Overview

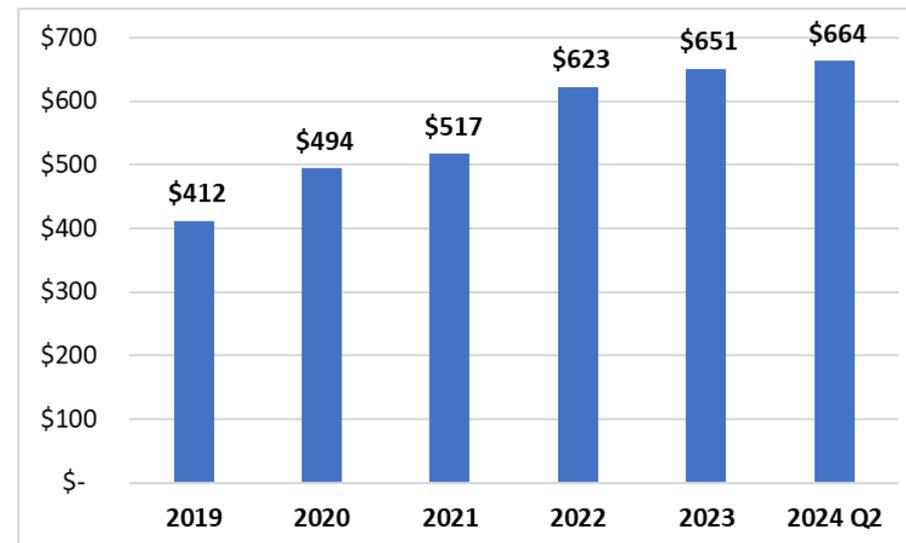
Consistent Balance Sheet Growth

(Dollars in millions)

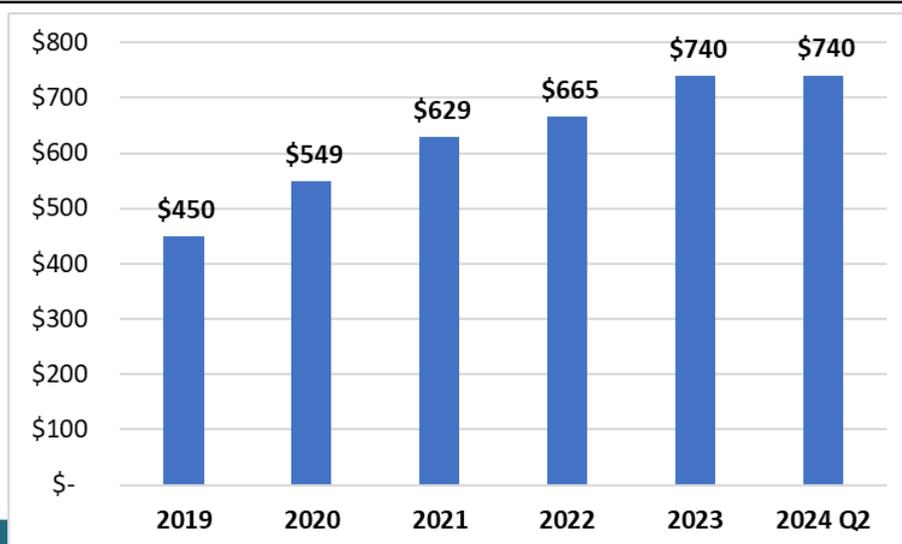
Total Assets



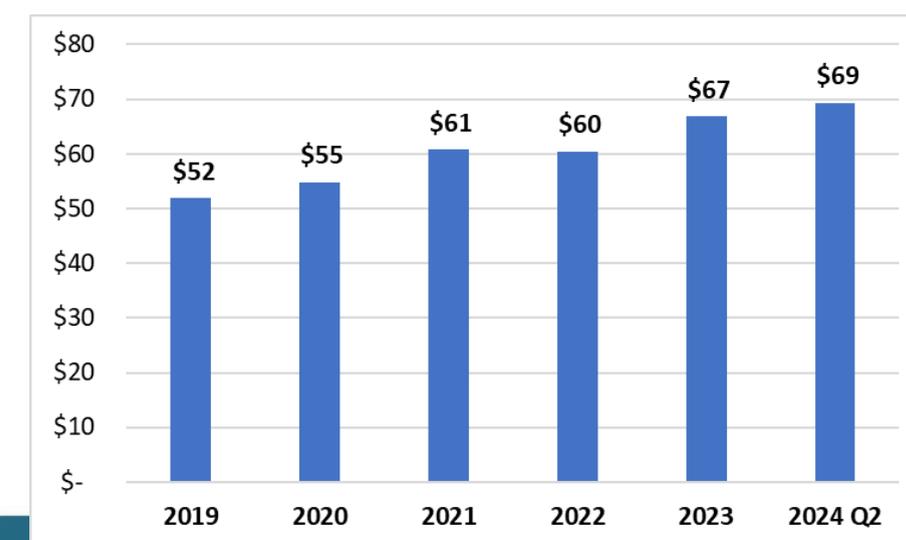
Total Loans



Total Deposits



Total Shareholders' Equity



Second Quarter Financial Highlights

(\$ in thousands except EPS data)	2Q23	1Q24	2Q24
Earnings			
Net Interest Income	\$ 6,276	\$ 6,391	\$ 6,567
Pre-Provision Net Revenue	\$ 2,476	\$ 2,343	\$ 1,954
Net Income	\$ 1,783	\$ 1,675	\$ 1,421
EPS	0.43	0.40	0.34
Provision Expense	\$ 191	\$ 180	\$ 129
Profitability Ratios			
ROAA	0.91%	0.81%	0.79%
ROAE	11.41%	10.00%	9.73%
Net Interest Margin	3.28%	3.16%	3.21%
Efficiency Ratio ¹	69.86%	71.80%	72.90%
NCOs/Average Loans	-0.01%	0.01%	0.03%
Capitalization Ratios			
Tangible Common Equity	7.86%	7.92%	8.33%
Tier 1 Leverage ²	10.04%	9.98%	9.99%
Total Capital ²	13.58%	13.97%	13.96%
Dividend Payout	20.93%	25.00%	35.29%

¹Excludes OREO expenses and security gains/losses. Non-interest income for purposes of this ratio excludes loss on OREO sales which is included in noninterest expenses.

²Data presented is for the Bank of Charles Town.

- Drivers of the Efficiency Ratio were primarily due to investments in information technology and human capital as well as slowing growth in net interest income

Thoughtful Diversification of Commercial Specialties



Traditional C&I lending in our Core Markets led by seasoned, well-known Community Market Presidents



Commercial Real Estate led by seasoned, well-known banker with contacts throughout Washington DC MSA (2019)



Team lift-out in May 2021 of 3 seasoned bankers with over 25 years (each) experience in SBA Lending. Achieved Preferred Lender status in October 2021. Currently ranked 3rd in WV and VA of similar sized banks.



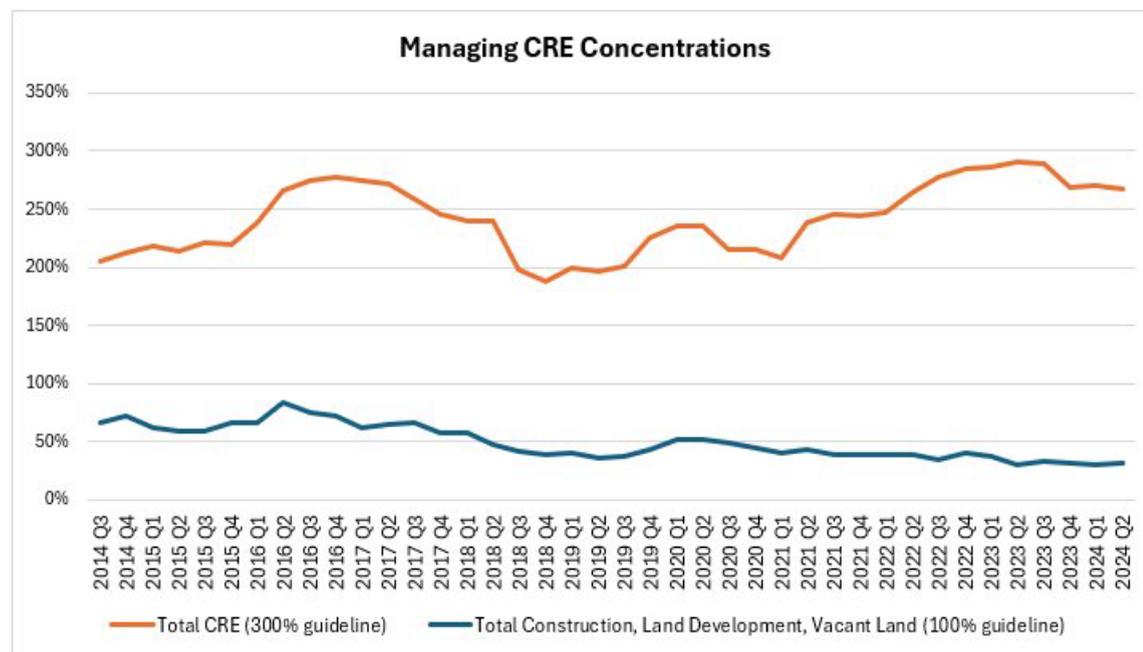
Added new business line of Government Contractor Banking. In October 2023, hired seasoned banker with over 20 years of experience in government contract banking. Strong opportunities in all markets served.

Proactive Credit Risk Management Practices

Proactive Underwriting Culture

- Strengthened credit culture and underwriting guidelines during the uncertainties of the pandemic and future conditions to position ourselves to weather any potential economic downturn
- Continually refine our credit culture and underwriting guidelines based on current market conditions
- Focused commercial business development efforts with prudent credit culture in mind
- Loan stress testing is conducted:
 - At a transaction level, we stress test increased vacancy, rising interest rates, and high capitalization rates (i.e., lower values)
 - At a more macro level, we stress test lower net operating incomes (NOI) compared with higher capitalization rates to assess ability to repay along with impact to value. We then compare loss scenarios to the bank's capital level.

CRE and ADC Concentration Ratios

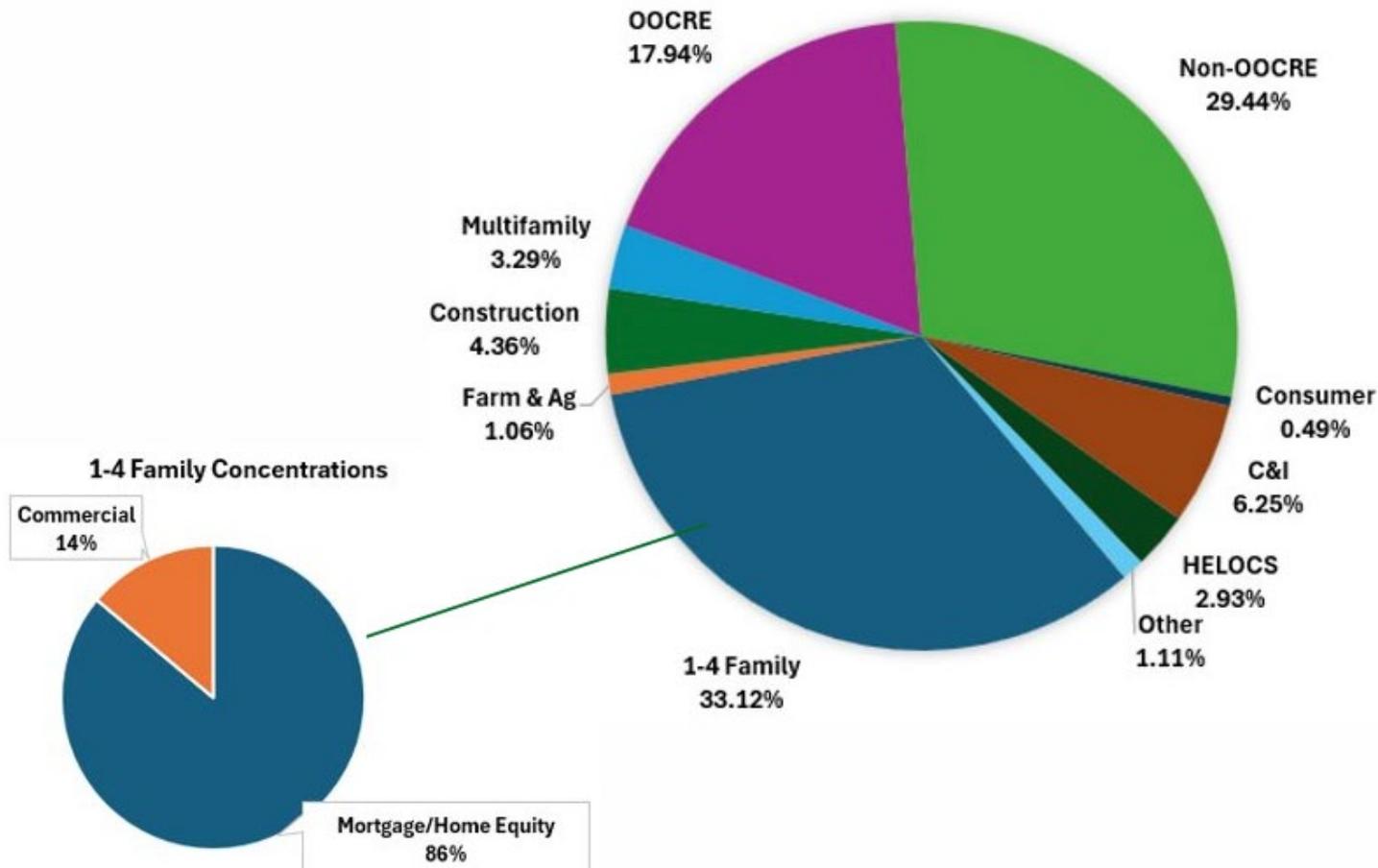


Diversified Loan Portfolio

As of 6/30/2024

Loan Portfolio Breakdown

By Call Code



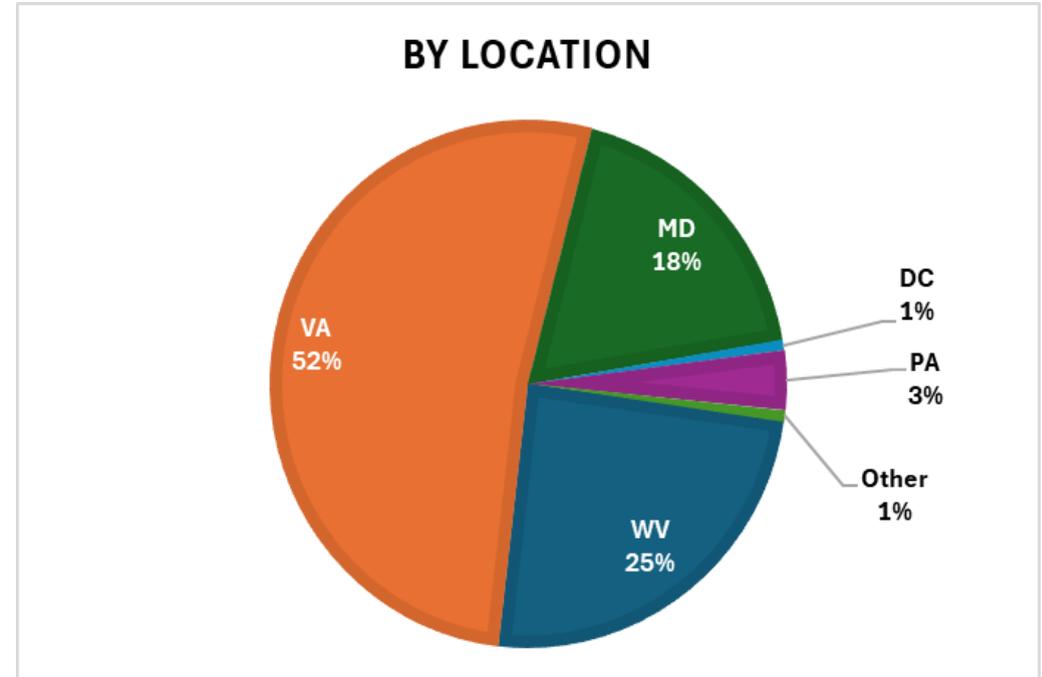
- Consistent monitoring of portfolio maintenance balance
- Commercial portfolio now accounts for 57% of loan portfolio

Commercial Real Estate – Non-Owner Occupied

As of 6/30/2024

Exposure by Asset Class

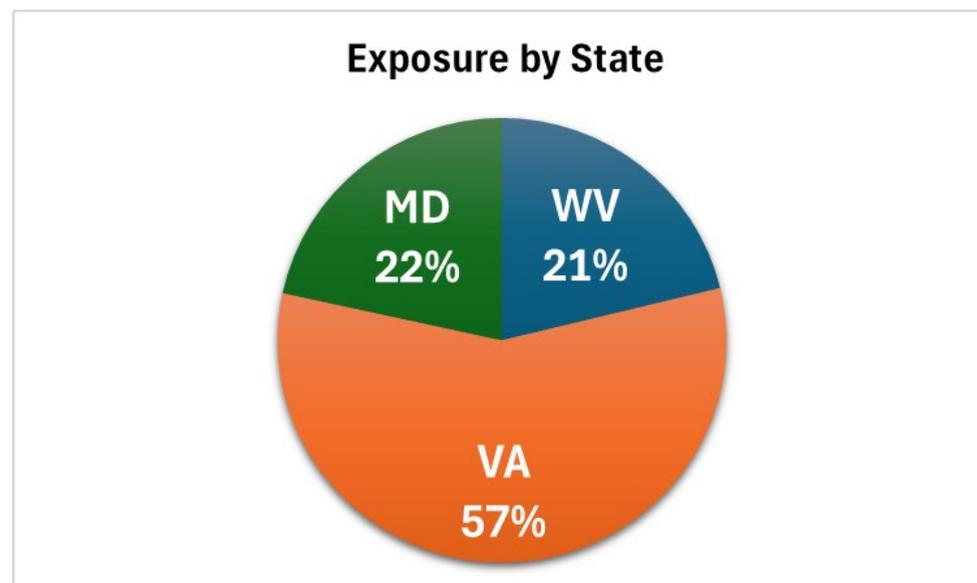
Asset Class	Balances (in \$000s)	% of Total Pool
Retail	\$ 58,578	30.0%
Office	\$ 32,726	16.7%
Medical Office	\$ 11,430	5.8%
Hotel	\$ 33,292	17.0%
Industrial	\$ 27,468	14.1%
Mixed Use	\$ 12,112	6.2%
Self Storage	\$ 14,880	7.6%
Other	\$ 4,929	2.5%
Total	\$ 195,415	100.0%



Commercial Real Estate – Office Buildings *(not including medical)*

As of 6/30/2024

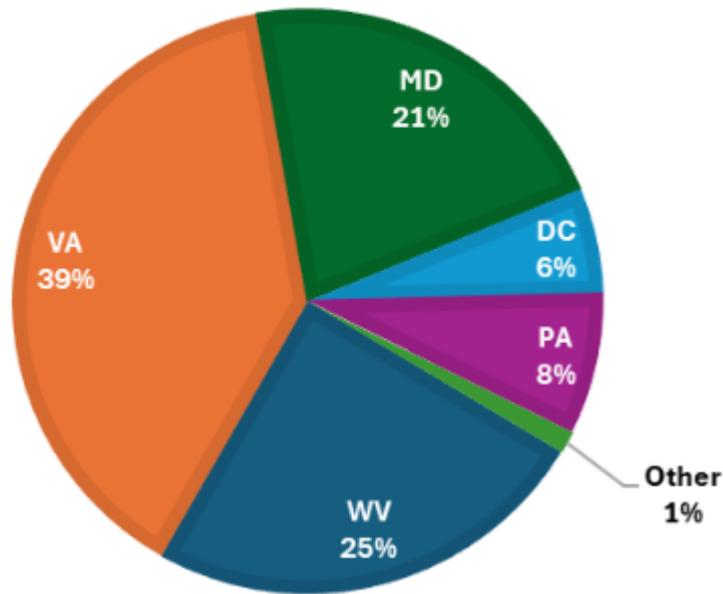
- Office real estate is primarily “Main Street” and not major city centers; tenants are commonly local real estate agents, accountants, and attorneys
- Total exposure \$32.7 million across 20 assets/ facilities
- Largest single facility exposure is in Frederick, MD (\$5.9 million); the building is nearly 50% owner occupied
- \$28 million of the total was originated 2020 through 2024
 - Impact of pandemic and shift to remote work was well known as loans were underwritten/approved



Commercial Real Estate – Owner Occupied

As of 6/30/2024

DIVERSIFIED BY LOCATION



Diverse Across Multiple Industries

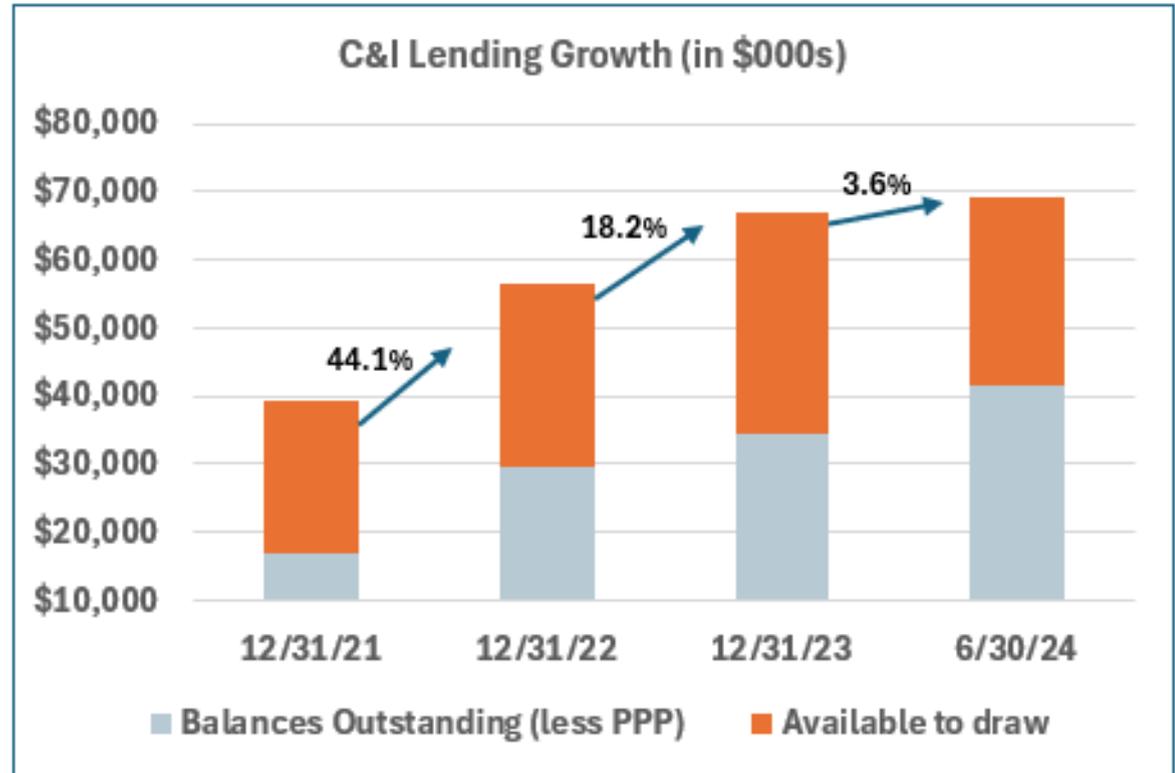
Industry	Balances (in \$000s)	% of Total Pool
Construction	\$ 5,127	4.30%
Manufacturing	\$ 7,678	6.45%
Retail Trade	\$ 8,605	7.22%
Professional, Scientific, and Technical Services	\$ 16,023	13.45%
Administrative and Support Services	\$ 6,423	5.39%
Health Care & Social Assistance	\$ 23,615	19.83%
Restaurants	\$ 7,851	6.59%
Car Washes	\$ 8,878	7.45%
Churches	\$ 7,253	6.09%
All Other	\$ 27,652	23.22%
Total	\$ 119,105	100.00%

Diversified Loan Portfolio

As of 6/30/2024

COIs and LOCs

- In late 2022, we pivoted the loan portfolio for greater diversity by focusing on C&I Lending and Lines of Credit diversification
- The bank pivoted business development focus to operating companies with deposit, equipment and working capital line of credit needs
- The outcome has been the acquisition of key client relationships, market recognition and portfolio diversification
- C&I lending has grown 76.5% since 2021



Credit Culture Drives Asset Quality

Proactive Risk Management Culture

- Increase in NPA primarily based on one relationship which is well secured
- Annual third-party loan reviews – 42% coverage
- Semi-annual soft credit analysis on consumer loans

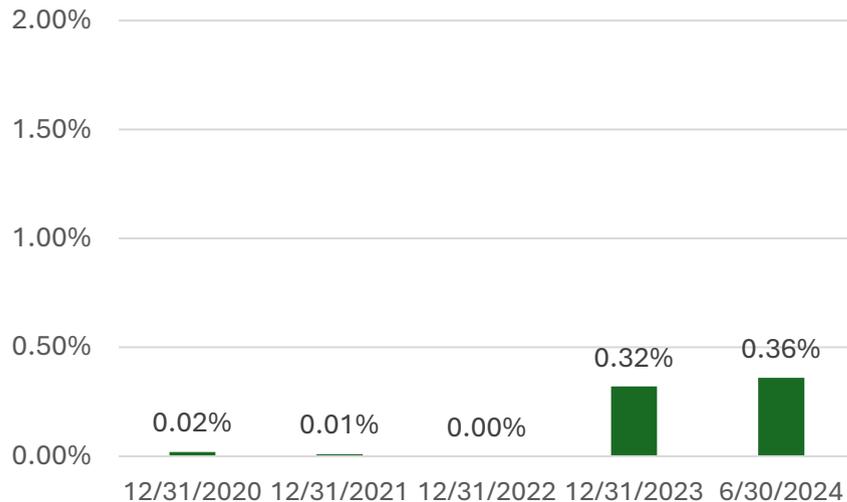
Non-Accrual Loans & Asset Quality Ratios

Non-Accrual Loans	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2024
Non-Accrual Loans	\$154	\$96	\$0	\$2,695	\$2,963
90+ Days Delinquent Accruing	\$0	\$0	\$0	\$0	\$0
OREO	\$0	\$0	\$0	\$0	\$0
Non-Performing Assets	\$154	\$96	\$0	\$2,695	\$2,963

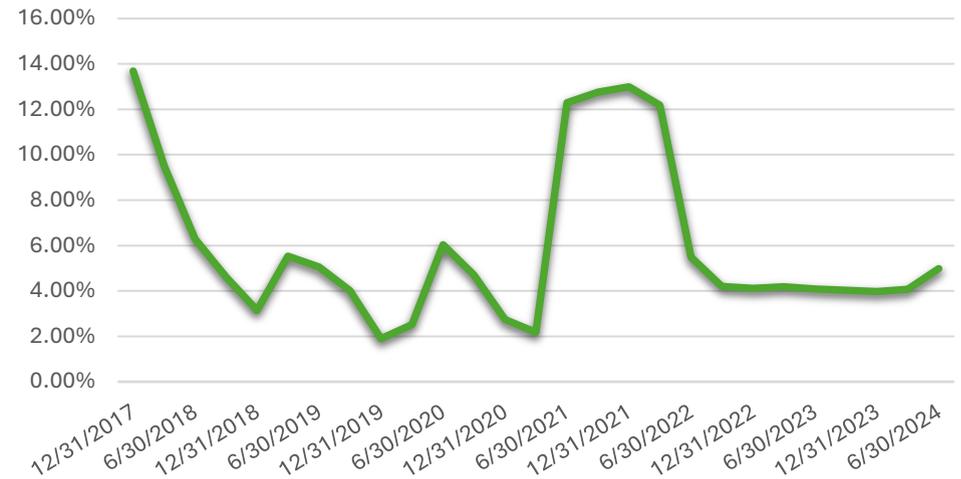
Asset Quality Ratios (%)	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2024
NPAs/Assets	0.02%	0.01%	0.00%	0.32%	0.36%
NCOs (Recoveries) / Average Loans	-0.05%	-0.12%	-0.01%	0.01%	0.02%

(\$ in thousands)

NPAs / Total Assets



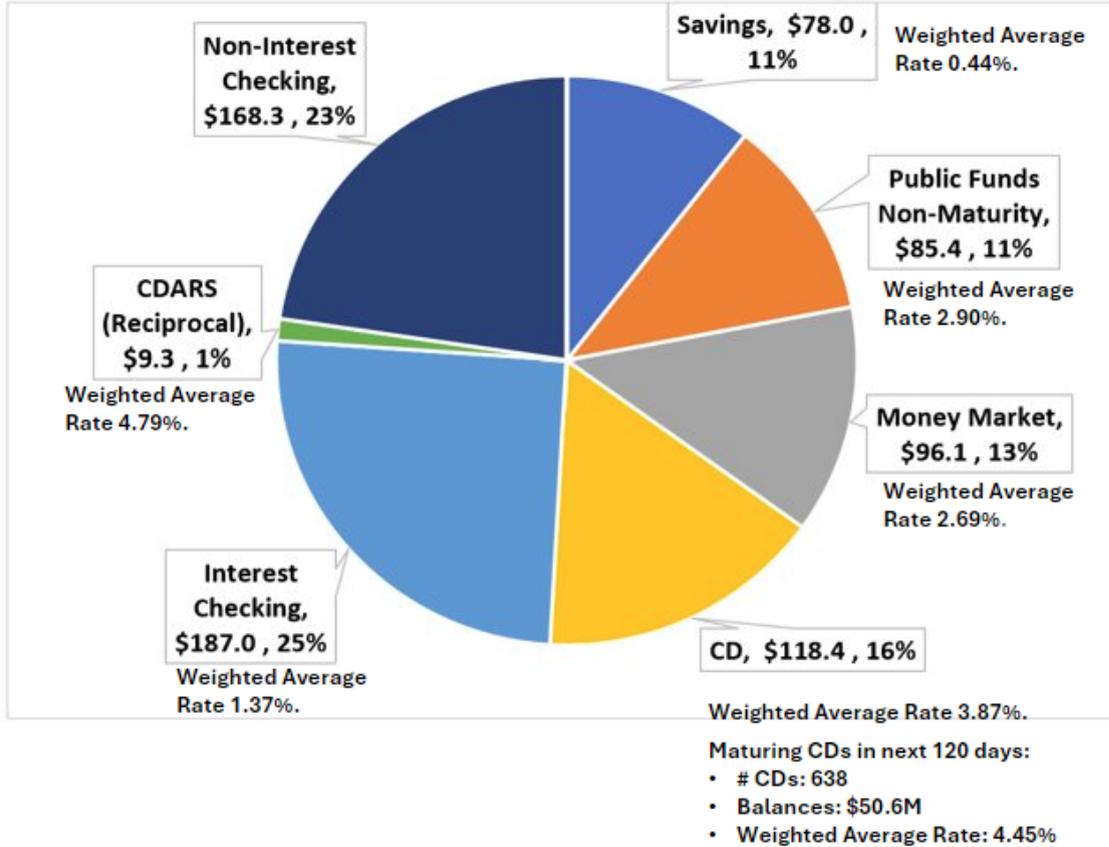
Classified Loans / Tier 1 Capital



Stable, Low-Cost Core Deposits

As of 6/30/2024

(\$ in millions)

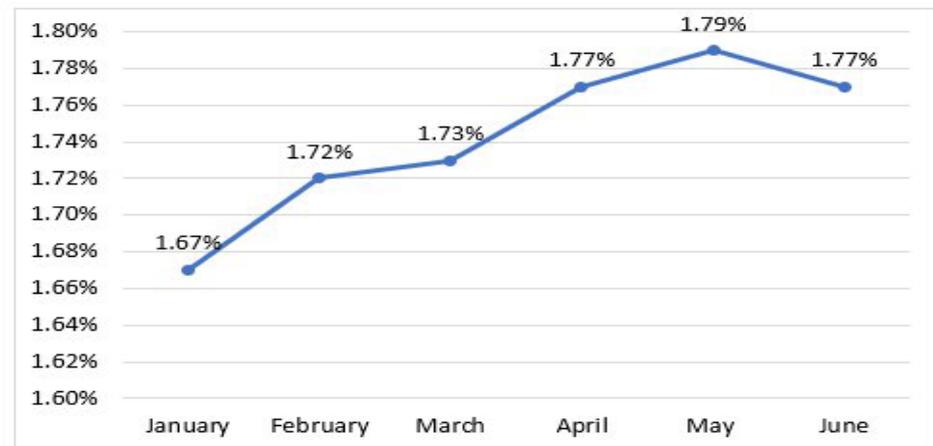


Non-Interest-Bearing Deposit Balances

(\$ in millions)



Relationship Pricing Drives Lower Cost of Deposits



Securities Portfolio and Liquidity

As of 6/30/2024, unless otherwise noted

Interest Rate Risk as of 4/30/2024

Net Interest Income Change %	Year 1	Year 2
Plus 200 bps	0.60%	11.80%
Base		9.50%
Minimum 200 bps	-0.90%	1.60%

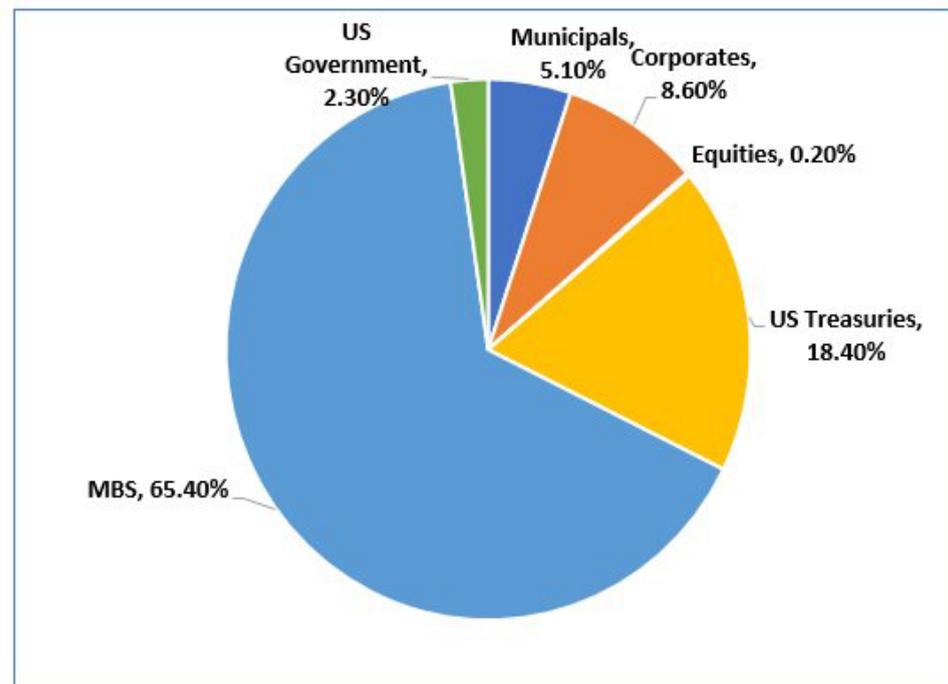
- Balanced Interest Rate Risk Position

Sources of Liquidity

- Wholesale funding capacity = \$255.2 million
- No brokered deposits

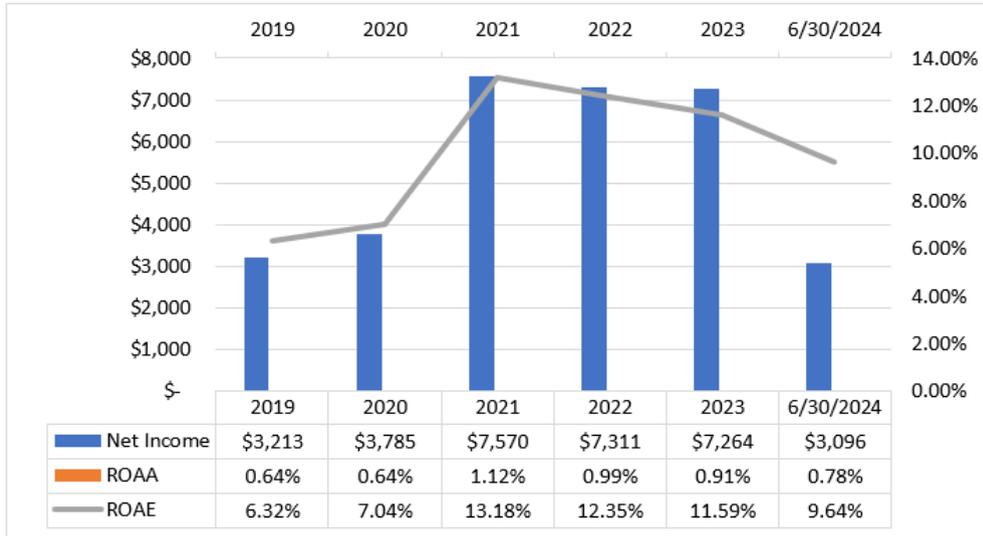
Investment Portfolio (Tax Equivalent)

Total portfolio \$92.15 million with market value loss of \$8.37 million
Overall portfolio tax equivalent yield of 3.20% and average duration of 4.27



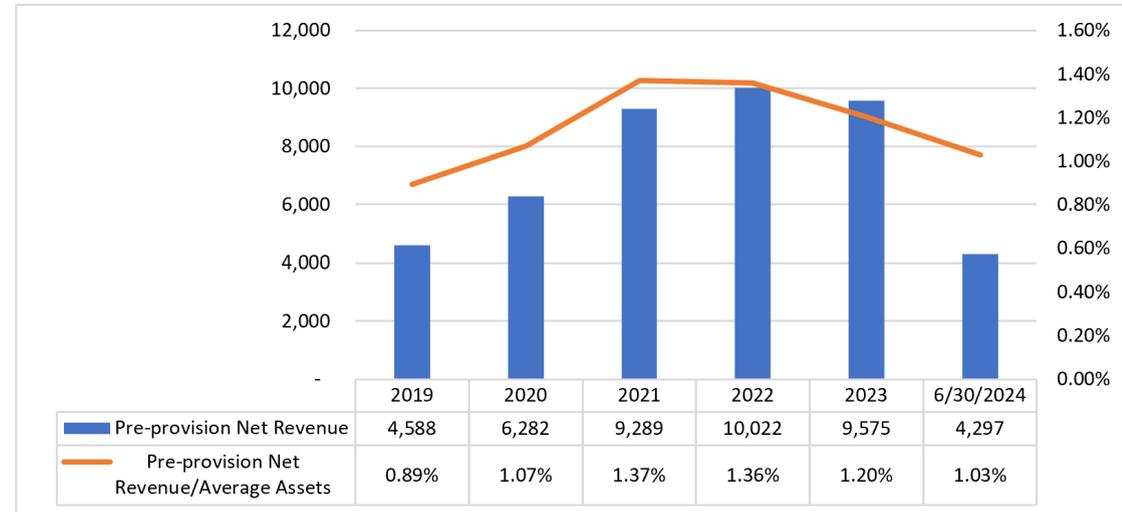
Stable Earnings

Net Income, ROAA and ROAE



(\$ in thousands)

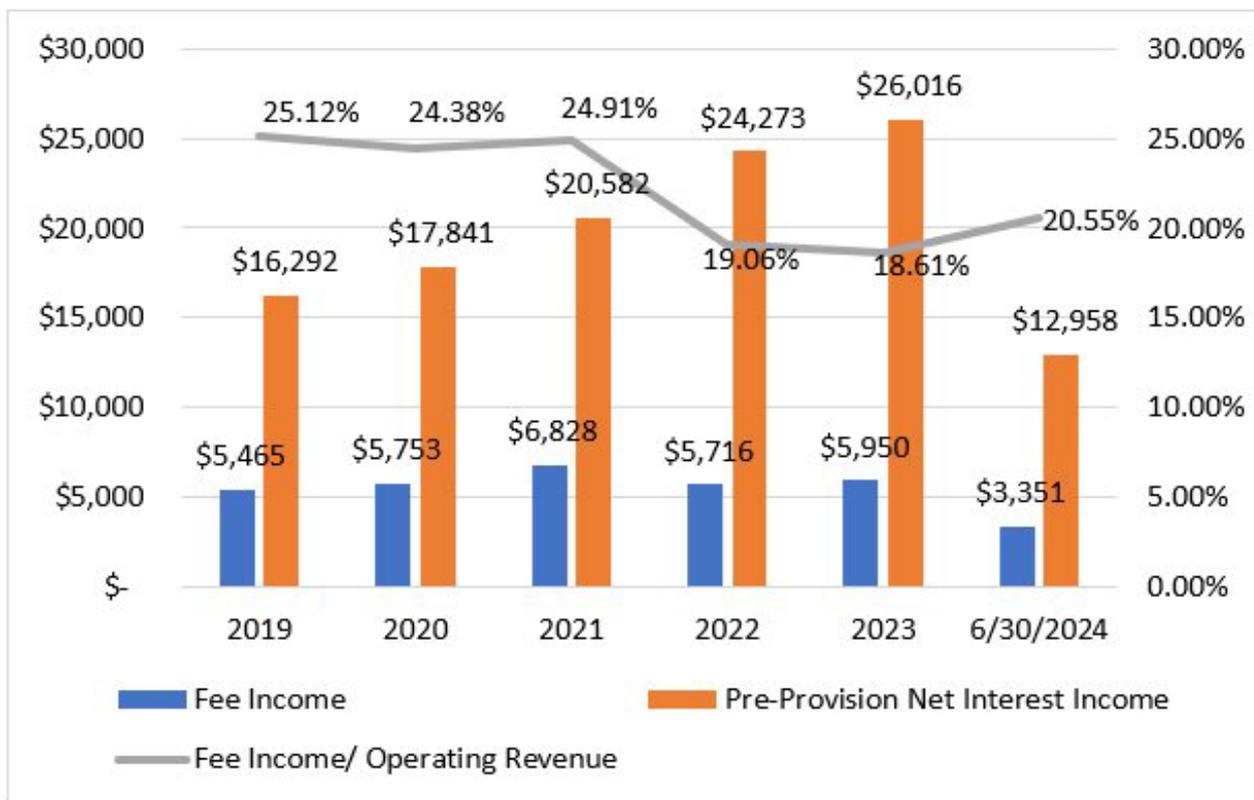
Pre-Provision Net Revenue / Average Assets



(\$ in thousands)

Strong Fee Income

Fee Income / Operating Revenue

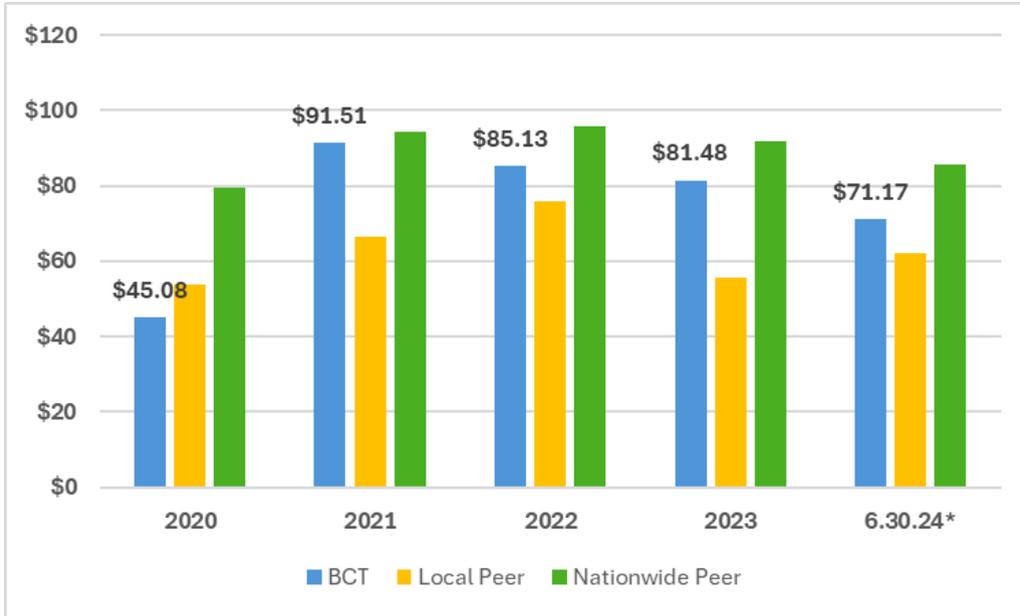


(\$ in thousands)

- Significant consumer deposit base drives interchange income
- BCT Wealth and BCT Investments fee income growth driven by increase in Assets Under Management
- BCT Residential Lending is experiencing a 50% increase in production in 2024 over 2023 as well as 75 basis point increase in gross margin

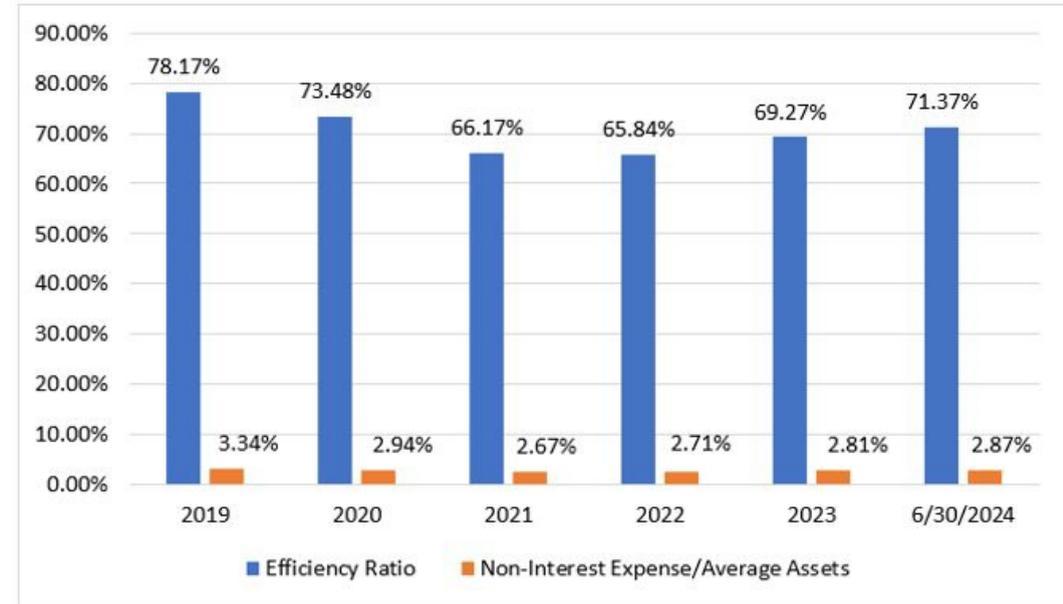
Operating Productivity

Pre-Tax Net Income Per Employee (Bank Only)



(\$ in thousands)

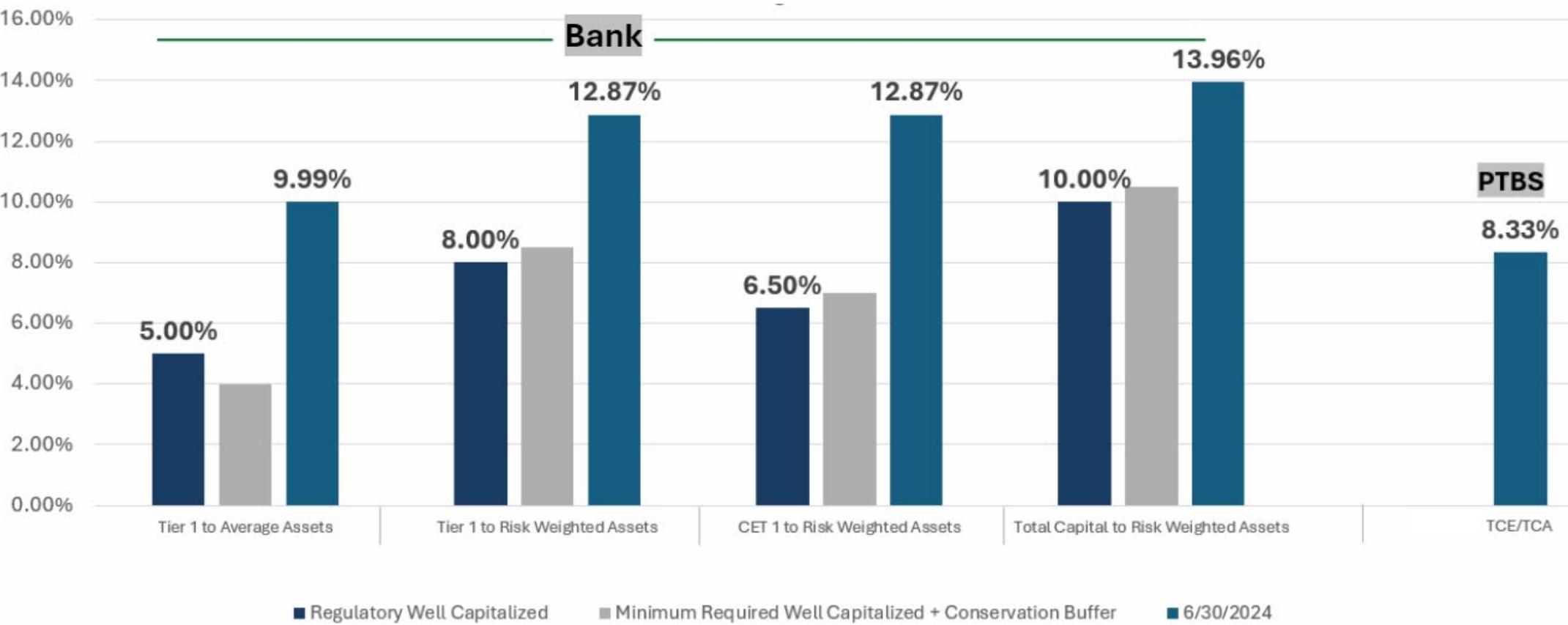
Efficiency Ratio and NIE / Average Assets



* Annualized – Peer Group Defined in Appendix

Strong Capital Position

As of 6/30/2024

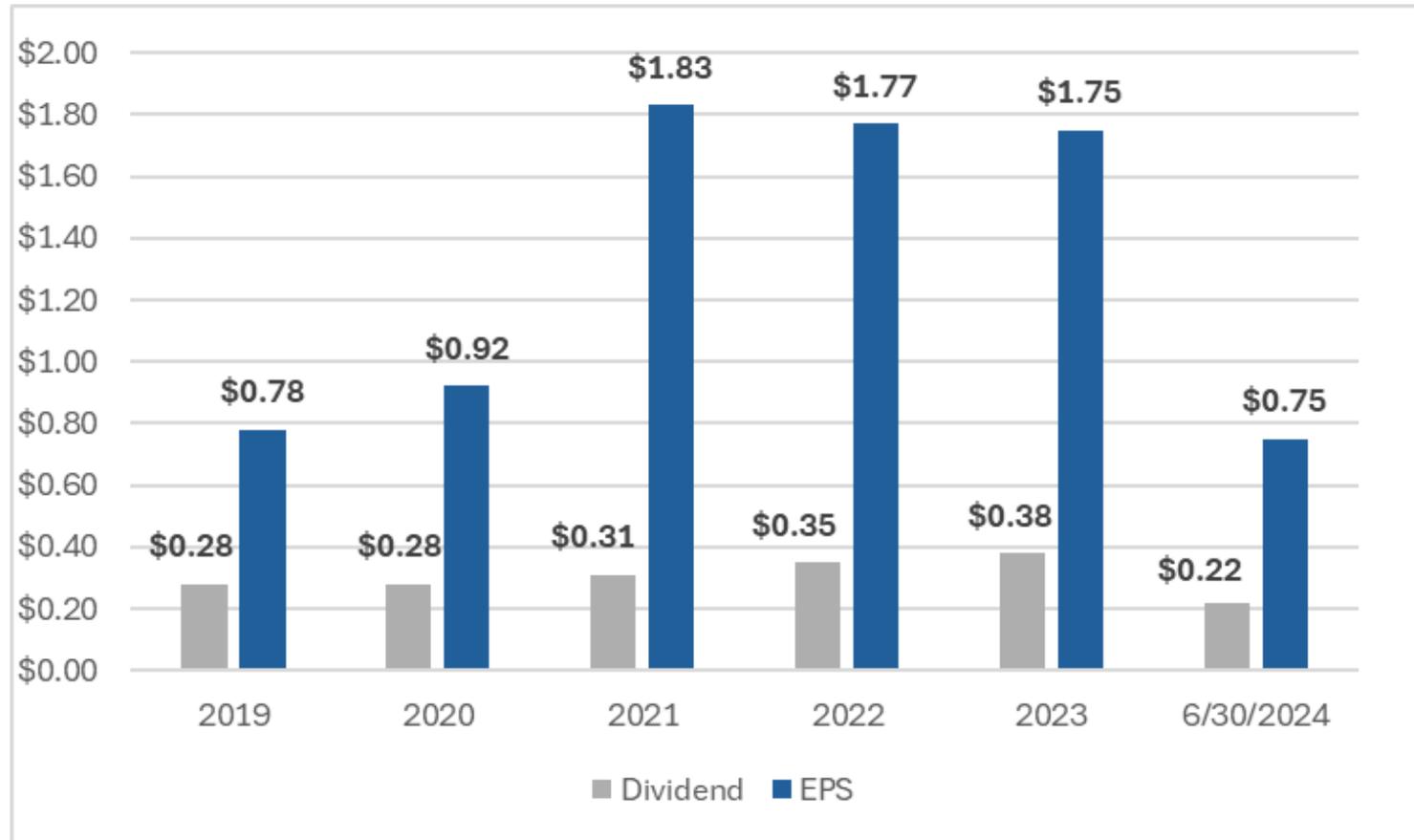


Rewarding Shareholders

Announced 20% increase
on April 16, 2024

\$0.12 per share

Target Dividend Payout
Range of 25% - 35%



Appendix

Experienced Leadership Team/Proven Leadership



Alice P. Frazier joined Potomac Bancshares, Inc. in 2017 as President & Chief Executive Officer. She has over 33 years of banking experience. Prior to Potomac Bancshares Inc., she served as Executive Vice President and Chief Operating Officer of Cardinal Financial Corporations, which had 30 banking offices servicing the Washington, DC Metro area. During her tenure, Cardinal grew from \$1.8 billion to over \$4.0 billion in assets and originated \$4 billion in mortgages annually. Before Cardinal, Ms. Frazier began her banking career with Middleburg Financial Corporation in 1991, first serving as Chief Financial Officer and culminating as Chief Operating Officer as the bank grew from \$110 million to \$841 million in assets when she left in 2007. Prior to that, she worked four years in public accounting with both a national and regional firm. Ms. Frazier currently services as Vice Chairman of the Independent Community Bankers Association. Ms. Frazier was appointed to the Federal Reserve Bank of Richmond's Board of Directors in 2023. She is a past Chairperson of the Virginia Association of Community Banks and past Secretary of the Independent Community Bankers Association.



Dean Cognetti is the Executive Vice President & Chief Financial Officer at Potomac Bancshares Inc. and Bank of Charles Town, having joined the company in 2011. Mr. Cognetti also serves as Secretary and Treasurer at Potomac Bancshares, Inc. He has over 29 years of financial services experience including Senior Vice President/Mergers and Acquisitions Manager with BB&T in Winston-Salem, North Carolina, Manager of Financial Analysis with One Vally Bank (acquired by BB&T) in Charleston, West Virginia and Comptroller with One Valley Bank of Clarksburg, Clarksburg, West Virginia. Mr. Cognetti is a graduate of Marquette University and is a Certified Public Accountant.



Leslie Crabill joined Potomac Bancshares, Inc. in 2007 and is currently Executive Vice President, Director of BCT Wealth Advisors and BCT Investments. With over 25 years of investment and comprehensive financial planning experience, Leslie provides substantial industry knowledge in a personalized client experience. Prior to joining BCT, Leslie served as a Wealth Management Advisor with BB&T. Leslie graduated from West Virginia University. Leslie serves on several civic and community Boards and organizations, including Technical Advisor for the Eastern West Virginia Community Foundation, Past Chairman of the Board of the WVU Healthcare Foundation Board, Past President of CASA of the Eastern Panhandle, and member of the Martinsburg Rotary. Leslie also volunteers for numerous local non-profit agencies.



Raymond F. Goodrich joined Bank of Charles Town as Executive Vice President and Chief Lending Officer in 2018. Goodrich, formerly Executive Vice President and Chief Lending Officer with Chain Bridge Bank, N.A. in McLean, Virginia, and Senior Vice President at M&T Bank (formerly Provident Bank), brings over 37 years of financial services experience. He began his banking career in First Virginia Bank's management training program. Raymond has expertise in lending at all levels with a solid foundation in commercial lending.



Tim Lewis joined Bank of Charles Town in 2002 and is currently Executive Vice President – Chief Retail Banking Officer. Tim began his banking career in 1978 as a teller working his way up to Branch Manager, Retail Lender, City Executive and Branch Area Operations Manager for South Berkeley. One Vally Bank and then BB&T following the purchase of One Valley Bank. During his career, Tim has led multiple merger conversation teams for One Valley Bank. Tim currently serves on the Berkeley County Planning Commission.

Diversified Board of Directors

In addition to its top-notch management team, the Company is proud of its board of directors and believes that it serves a critical role in formulating strategy while exemplifying sound corporate governance. The board is very diverse in terms of backgrounds, perspectives, and tenures, which both enhances the quality of decision making and signifies a collective that is truly representative of the communities and clients that the Company serves. The board features an independent chair and lead director, both elected annually. The Company also employs director age limits to ensure an appropriate amount of turnover and vitality among the board.

Name	Role	Age	Begin Year	Biography
Dr. Keith B. Berkeley	Chairman of the Board	65	2008	President and owner of Valley Equine Associates PLLC
J. Scott Boyd	Board Director/Lead Director	67	1999	Pharmacist and President/owner of Jefferson Pharmacy, Inc.
Kristina Bouweiri	Board Director	61	2019	Owner, President, and CEO of Reston Limousine
Norman M. Casagrande	Board Director	64	2013	Retired, former owner Code Plus Components, LLC
Margaret M. Cogswell	Board Director	65	2003	CEO of Hospice of the Panhandle
Michael (Mike) Huber	Board Director	66	2023	Founder & CEO of Belfort Furniture, Inc.; Founder Stone Tower Winery
Alice P. Frazier	President/CEO/Director	59	2017	President and CEO, PTBS and BCT
Dr. Mitesh Kothari	Board Director	55	2019	Physician, Partner Capital Women's Care
Andrew C. Skinner	Board Director	55	2017	Attorney/Owner at Skinner Law Firm
William White	Board Director	67	2020	Retired CFO & Corporate Secretary, First Bauxite Corp.
Anthony (Tony) Zelenka	Board Director	71	2015	Retired President and CEO of WVU Medicine-East

Local Peer Group

Financials as of 6/30/2024

Select Banks Headquartered Within 35 Miles of Charles Town

Local Peer Group as of 6/30/2024

Rank	Ticker	Name	HQ	Operating Information								Market Information					
				Assets (\$MM)	TCE/TA (%)	LTM Core ROAA (%)	LTM Core ROAE (%)	LTM Core ROATCE (%)	LTM Efficiency Ratio (%)	Loans/Deposits (%)	NPAs/Assets (%)	LTM NCOs/Loans (%)	9/9/24 Price (\$)	Market Cap (\$MM)	Div. Yield (%)	P/TBV (%)	P/LM T EPS (x)
1	EFSI	Eagle Financial Services, Inc.	Berryville, VA	1,790.4	6.21	0.56	9.42	9.42	80.6	97.3	0.17	0.06	\$ 33.00	117.2	3.64	105.4	11.8
2	FXNC	First National Corporation	Strasburg, VA	1,457.5	8.03	0.59	7.14	7.34	68.3	78.2	0.59	0.37	\$ 17.53	110.1	3.42	94.3	13.4
3	CMHF	Community Heritage Financial, Inc.	Middleton, MD	1,091.1	6.66	0.53	7.73	7.91	77.1	90.7	0.28	0.00	\$ 20.35	59.3	1.18	81.8	10.8
4	CBFC	CNB Financial Service, Inc.	Berkeley Springs, WV	625.3	6.21	0.63	10.75	10.75	77.4	87.6	0.03	0.03	\$ 30.02	11.7	4.00	30.2	3.0
5	JFWV	JSB Financial Inc.	Shepherdstown, WV	542.1	4.78	0.55	11.82	11.82	73.8	80.7	0.01	0.00	\$ 90.00	223.2	2.67	89.5	8.4
		Average		1,101.3	6.38	0.57	9.37	9.45	75.4	86.9	0.22	0.09		64.3	2.98	80.2	9.5
		Median		1,091.1	6.21	0.56	9.42	9.42	77.1	87.6	0.17	0.03		59.3	3.42	89.5	10.8
	PTBS	Potomac Bancshares, Inc.	Charles Town, WV	832.5	8.33	0.87	10.95	10.95	71.4	89.7	0.38	0.02	\$ 14.15	58.6	3.39	84.6	8.2

Source: S&P Capital IQ Pro

Note(s): Where current operating information was unavailable, bank-level or most recent available reporting period was used. NA = not available; NM = not meaningful
Excludes mutuals and merger targets

National Peer Group

Nationwide Banks with Assets \$500 Million - \$1 Billion, TCE / TA 7% - 10% and LTM Core ROATCE 9% - 13%

Financials as of 6/30/2024

Rank	Ticker	Name	HQ	Operating Information									Market Information				
				Assets (\$MM)	TCE/TA (%)	LTM Core ROAA (\$)	LTM Core ROAE (%)	LTM Core ROATCE (%)	LTM Efficiency Ratio (%)	Loans/Deposits (%)	NPAs/Assets (%)	LTM NCOs/Loans (%)	9/9/24 Price (\$)	Market Cap (\$MM)	Div. Yield (%)	P/TBV (%)	P/LMT EPS (x)
1	UNIB	University Bankcorp, Inc.	Ann Arbor, MI	996.1	8.91	0.92	9.78	10.06	83.9	96.6	0.64	0.00	15.60	80.1	0.00	90.3	9.7
2	JBTC	JBT Bancorp, Inc.	Jonestown, PA	917.8	8.48	0.86	10.50	10.50	70.3	101.5	0.05	0.20	25.00	60.8	4.00	78.1	7.7
3	PMHG	Prime Meridian Holding Company	Tallahessee, FL	893.4	9.35	0.90	9.84	9.84	62.6	87.3	0.34	0.13	24.00	79.1	1.04	94.7	10.3
4	HARL	Harleysville Financial Corp.	Harleysville, PA	863.9	9.93	1.16	11.51	11.51	57.5	102.3	0.22	0.00	22.00	80.1	5.64	93.0	8.2
5	NWPP	New Peoples Bankshares, Inc.	Honaker, VA	854.7	7.75	0.82	10.81	10.81	73.5	86.1	0.65	0.00	2.67	63.2	2.62	95.4	9.1
6	PFBX	Peoples Financial Corporation	Biloxi, MS	846.7	8.71	0.98	12.47	12.57	68.9	35.4	0.05	0.02	17.65	82.3	2.04	111.7	9.8
7	IBTN	InsCorp, Inc.	Nashville, TN	834.3	8.61	0.99	11.67	11.86	58.4	101.1	0.88	0.00	23.00	68.9	1.74	96.0	8.4
8	WBBW	Westbury Bancorp, Inc.	Waukesha, WI	820.0	7.35	0.71	10.05	10.05	66.4	87.5	0.42	0.01	27.50	48.9	0.00	81.2	8.0
9	FCOB	1st Colonial Bancorp, Inc.	Mount Laurel, NJ	811.2	8.88	0.95	11.18	11.18	66.0	95.5	0.48	0.01	15.00	71.8	0.00	99.4	9.7
10	GSBX	Golden State Bancorp	Glendale, CA	802.3	8.32	0.99	11.67	11.67	57.0	96.7	0.06	0.00	25.50	56.4	0.00	84.6	7.7
11	BORT	Bank of Botetourt	Buchanan, VA	794.3	9.02	1.01	10.67	11.02	65.3	92.6	0.05	0.06	31.12	61.0	2.57	85.0	8.2
12	PBCO	PBCO Financial Corporation	Medford, OR	788.0	9.85	0.85	8.91	9.37	69.8	85.1	0.23	0.02	13.60	72.1	0.00	93.4	10.8
13	MNMB	Merchants & Marine Bancorp, Inc.	Pascagoula, MS	777.4	8.91	0.93	5.32	9.94	81.7	76.2	0.28	0.03	44.00	58.5	2.73	85.0	9.0
14	VBFC	Village Bank and Trust Financial Corp.	Midlothian, VA	747.7	9.38	0.88	9.76	9.76	73.6	96.4	0.05	-0.05	48.50	72.5	1.48	103.4	11.1
15	NACB	National Capital Bancorp, Inc.	Washington, DC	716.0	7.71	0.71	9.37	9.37	70.7	83.0	0.00	0.00	191.00	55.0	1.38	99.6	11.2
16	MPCB	Mountain Pacific Bancorp, Inc.	Everett, WA	703.9	9.94	1.27	12.82	12.82	61.4	114.4	1.02	-0.03	10.15	68.9	0.00	98.5	8.2
17	HFBK	Harford Bank	Aberdeen, MD	700.1	8.77	0.84	9.54	9.54	64.1	86.4	0.88	0.00	34.75	51.8	2.65	84.0	9.2
18	GLNV	Glenville Bank Holding Company, Inc.	Scotia, NY	666.6	8.23	0.67	8.87	9.08	76.4	82.3	1.06	0.21	90.00	18.1	2.22	32.9	4.0
19	BKOR	Oak Ridge Financial Services, Inc.	Oak Ridge, NC	648.8	9.34	0.9	9.68	9.68	64.9	95.8	0.27	0.10	18.15	50.1	2.64	84.2	8.5
20	MVLY	Mission Valley Bancorp	Sun Valley, CA	645.3	8.76	0.78	9.26	9.26	75.6	102.8	0.18	0.01	15.25	51.0	0.00	90.3	10.4
21	FRSB	First Resource Bancorp, Inc.	Exton, PA	640.7	7.63	1.01	12.83	12.83	63.0	106.9	0.00	0.03	13.90	43.1	0.00	88.1	7.3
22	SVBT	SVB & T Corporation	French Lick, IN	622.3	9.98	0.97	9.85	9.77	73.5	90.9	0.20	0.13	40.20	44.1	1.99	71.0	7.6
23	RVCB	River Valley Community Bancorp	Yuba City, CA	613.5	7.87	0.76	10.21	10.21	65.5	57.3	0.00	0.00	22.00	68.8	0.00	142.5	15.4
24	BKSC	Bank of South Carolina Corporation	Charleston, SC	582.8	7.60	0.94	12.92	12.92	64.1	70.5	0.11	-0.01	11.86	64.6	5.74	146.1	11.4
25	NIDB	Northeast Indiana Bancorp, Inc.	Huntington, IN	511.4	9.21	0.88	9.44	9.43	66.3	93.3	1.02	0.04	16.75	40.4	4.06	85.7	9.4
			Average	752.0	8.74	0.91	10.36	10.60	68.0	89.0	0.37	0.04		60.5	1.78	92.6	9.2
			Median	777.4	8.77	0.9	10.05	10.06	66.3	92.6	0.23	0.01		61.0	1.74	90.3	9.1
	PTBS	Potomac Bancshares, Inc.	Charles Town, WV	832.5	8.33	0.87	10.95	10.95	71.4	89.7	0.38	0.02	14.15	58.6	3.39	84.6	8.2

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