



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

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**POTOMAC BANCSHARES, INC. RELEASES 2015 SECOND QUARTER RESULTS, DECLARES  
DIVIDEND, AND ANNOUNCES STOCK REPURCHASE PLAN**

For the quarter ended June 30, 2015, Potomac Bancshares, Inc. (OTC-QB: PTBS) earned \$584 thousand or 17 cents per share compared to \$648 thousand or 19 cents per share for the quarter ended June 30, 2014. Overall earnings through June 30, 2015 were \$1.143 million compared to earnings for the same period last year of \$995 thousand, an improvement of \$148 thousand or 14.9%. Deposits and loans, respectively, for the quarter ended June 30, 2015 were \$279.6 million and \$262.7 million compared to deposits and loans as of December 31, 2014 of \$279.2 million and \$253.4 million, also respectively.

We are pleased to report the offices in Middleburg, Virginia, opened in 2013, and Hagerstown, Maryland, opened in 2014, are beginning to contribute profit to the bottom line of the company during the first six months of 2015. We are hopeful that both offices will continue to be a source for new loans and deposits in the coming years.

Based on the performance above, the Board of Directors at its July meeting declared a 5.25 cents dividend per share, payable on August 3, 2015 to all shareholders of record on July 24, 2015.

In an attempt to provide some liquidity in PTBS stock, the Board of Directors has re-approved the stock repurchase plan. With PTBS trading 81% of book value as of this date, we feel the repurchase of stock is a good utilization of internal capital. For those who want to “hold” their PTBS common stock for the long term, the benefit of a repurchase plan is that it will increase the percentage of ownership of each shareholder.

In addition, we recently implemented a stock purchase plan whereby board members may accumulate shares on a monthly basis. We believe consistent purchases by directors reflect positively about the company today and into the future.

To further demonstrate the Board of Directors’ commitment to stock ownership, we approved that all **current** members of the Board must own 5,000 shares of PTBS stock by the April 2018

shareholders meeting. **Newly** elected directors must own 5,000 shares of stock within three years of selection to the Board. Current or newly elected directors not owning 5,000 shares within the respective time lines will be automatically removed as a director.

If you wish to view purchases of the company's stock by directors and executive officers, feel free to visit our website at [www.mybct.com](http://www.mybct.com) and click on the "Investor Relations" page, under the "About Us" tab. This table is updated on a monthly basis.

Bank of Charles Town, a wholly owned subsidiary of Potomac Bancshares, Inc., is a locally owned community bank with seven offices serving the Eastern Panhandle of West Virginia, Washington County, Maryland and Middleburg, Virginia. For more information, visit us online at [www.mybct.com](http://www.mybct.com) or speak to our staff by calling 304-725-8431.

## FINANCIAL HIGHLIGHTS POTOMAC BANCSHARES, INC.

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
<i>(Unaudited - dollars in thousands, except per share data)</i>	<u><b>June 30, 2015</b></u>	<u><b>June 30, 2014</b></u>	<u><b>June 30, 2015</b></u>	<u><b>June 30, 2014</b></u>
<b>Earnings Performance</b>				
Interest Income	\$3,168	\$3,016	\$6,269	\$5,965
Interest Expense	<u>357</u>	<u>293</u>	<u>728</u>	<u>575</u>
Net Interest Income	2,811	2,723	5,541	5,390
Provision For Loan Losses	65	139	97	530
Non-Interest Income	1,106	1,172	2,155	2,201
Non-Interest Expense	<u>2,963</u>	<u>2,803</u>	<u>5,849</u>	<u>5,602</u>
Income Before Income Tax Expense	889	953	1,750	1,459
Income Tax Expense	<u>305</u>	<u>305</u>	<u>607</u>	<u>464</u>
Net Income	<u><b>\$584</b></u>	<u><b>\$648</b></u>	<u><b>\$1,143</b></u>	<u><b>\$995</b></u>
Annualized Return On Average Equity	7.59%	8.57%	7.52%	6.63%
Annualized Return On Average Assets	0.72%	0.86%	0.71%	0.67%
			<u><b>June 30, 2015</b></u>	<u><b>December 31, 2014</b></u>
<b>Balance Sheet Highlights</b>				
Total Assets			\$323,888	\$320,919
Investment Securities			35,108	33,892
Loans, Net			262,698	253,360
Deposits And Cash Management Accounts			279,645	279,196
Shareholders' Equity			\$30,871	\$30,050
			<u><b>June 30, 2015</b></u>	<u><b>June 30, 2014</b></u>
<b>Shareholders' Value (per share)</b>				
Earnings Per Share, Basic	\$0.17	\$0.19	\$0.33	\$0.29
Earnings Per Share, Diluted	0.17	0.19	0.33	0.29
Cash Dividends Declared (per share)	0.0525	0.0425	0.105	0.085
Book Value At Period End (per share)	\$9.11	\$8.97	\$9.11	\$8.97
			<u><b>June 30, 2015</b></u>	<u><b>December 31, 2014</b></u>
<b>Safety and Soundness</b>				
Tier 1 Capital Ratio (Leverage Ratio)*			10.05%	10.07%
Non-Performing Assets As A Percentage Of Total Assets Including OREO			1.87%	2.00%
Allowance For Loan Losses As A Percentage Of Period End Loans			1.00%	1.04%
Ratio Of Net Charge-Offs Annualized During The Period To Average Loans Outstanding During The Period			0.09%	0.52%

\* When computing capital ratios, the net of unrealized holding gains (losses) on securities available for sale and the unfunded liability for pension and other post-retirement benefits, all computed net of tax, are added back to these shareholders' equity figures. Capital ratios are preliminary.