

Virtual Bank Conference

Investor Presentation

March 13, 2025

FOCUSED ON OUR FUTURE



**POTOMAC
BANCSHARES**

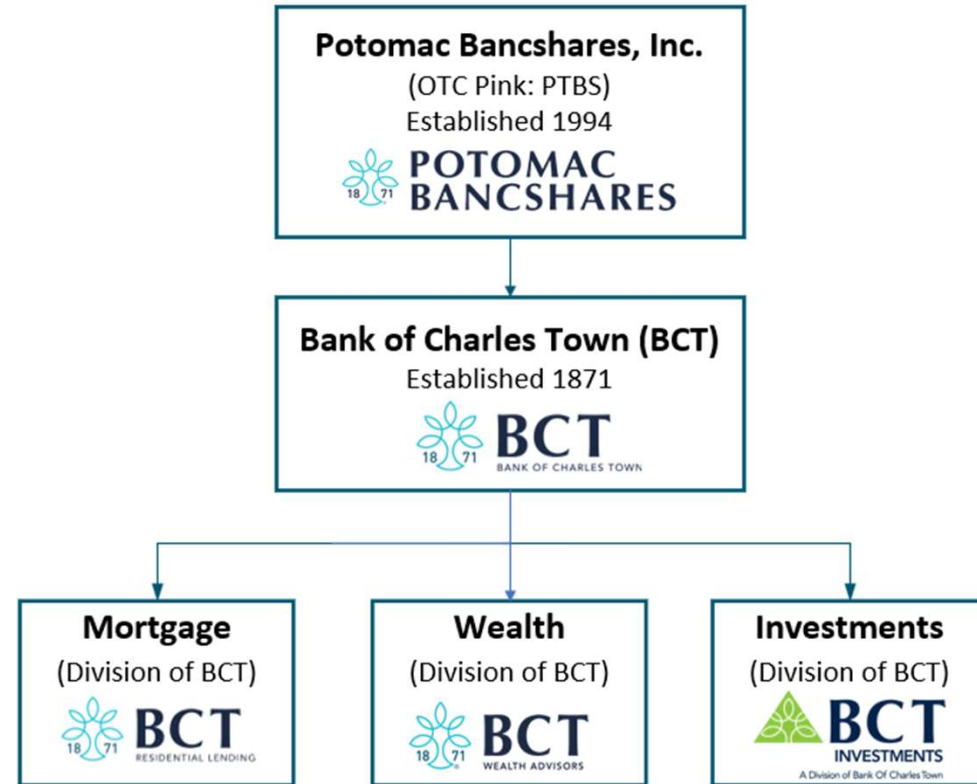
Forward Looking Statements

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.

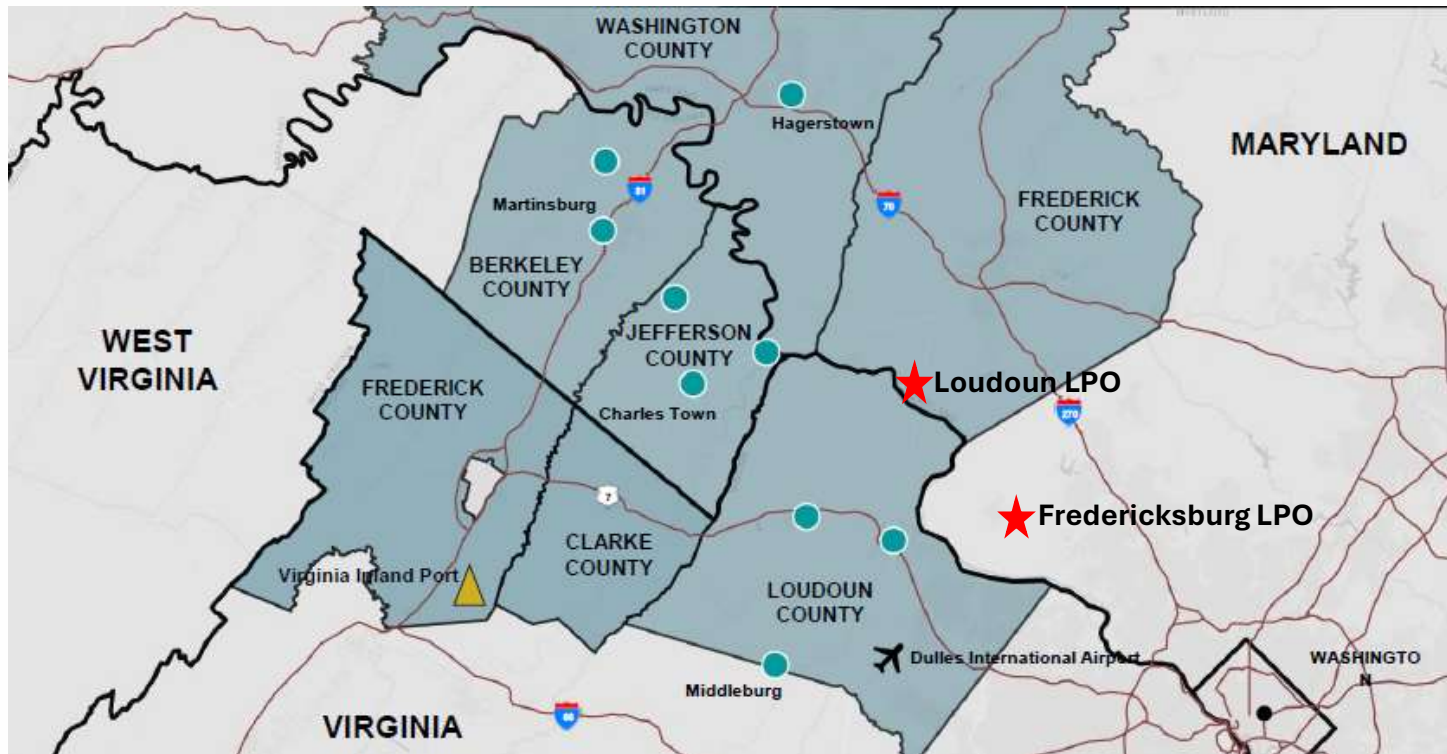
I. Overview of Potomac Bancshares

Overview of Potomac Bancshares

(\$ in thousands)	2023Y	2024Y
Balance Sheet		
Total Assets	\$830,714	\$877,349
Total Loans	\$651,360	\$704,109
Total Deposits	\$739,680	\$754,359
Shareholders' Equity	\$66,874	\$73,416
TCE/TA	8.05%	8.37%
Profitability Metrics		
ROAA	0.91%	0.80%
ROAE	11.59%	9.80%
Net Interest Margin	3.38%	3.27%
Non-Interest Income/Avg. Assets	0.78%	0.74%
Efficiency Ratio	69.27%	70.48%
Provision for Credit Losses	\$222	\$511
Asset Quality		
NPAs/Assets	0.32%	0.31%
Reserves/Loans	1.02%	0.99%
Other Metrics		
Wealth/Investments Division AUM	\$244,468	\$331,136



Well Positioned in Our Markets



Jefferson and Berkeley County

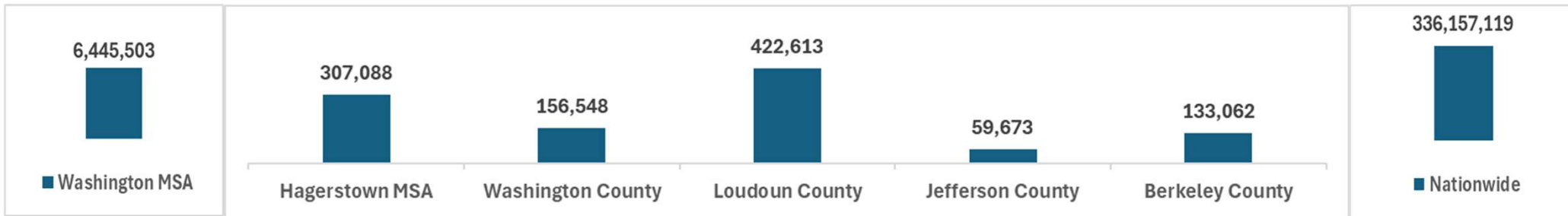
- Ideally located on Interstate 81 provides access to 75% of East Coast within 7 hours' drive.
- Recent business investments from three companies total \$559 million in investments with 1,020 jobs. Existing manufacturing companies continue to expand and invest such as Proctor & Gamble, Clorox, etc.

Loudoun County

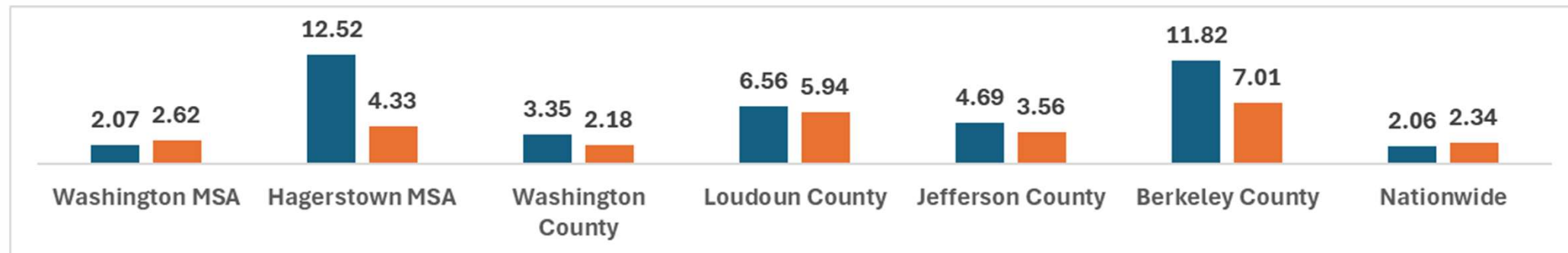
- Consistently in the Top 10 Fastest Growing Counties in the U.S.
- Home to 41 of the Inc. 5,000 Fastest Growing Companies in U.S.
- In 2024, over \$7.8 billion in business investments from 164 businesses with 5,108 new jobs in key industries to include technology, highly specialized manufacturing, agriculture, health, and more. And 1,275 businesses retained.

Market Opportunity – By Population Growth

2024 Total Population



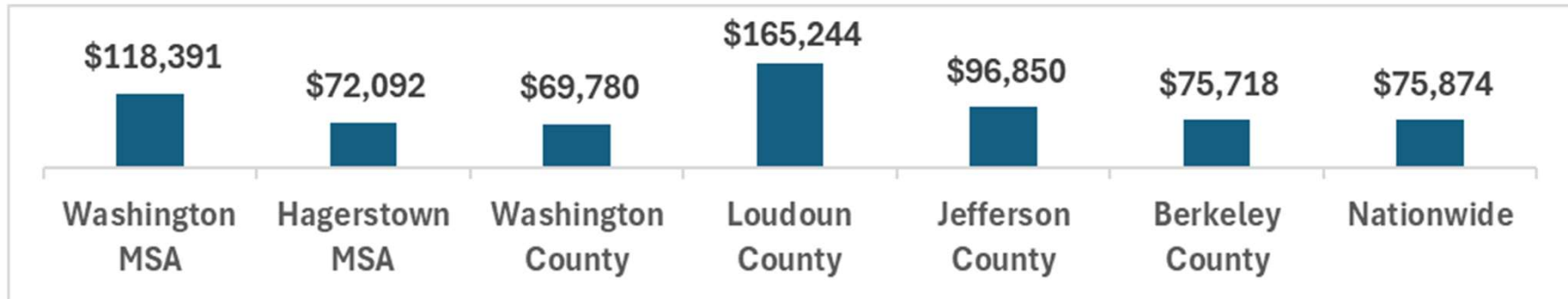
Population Change



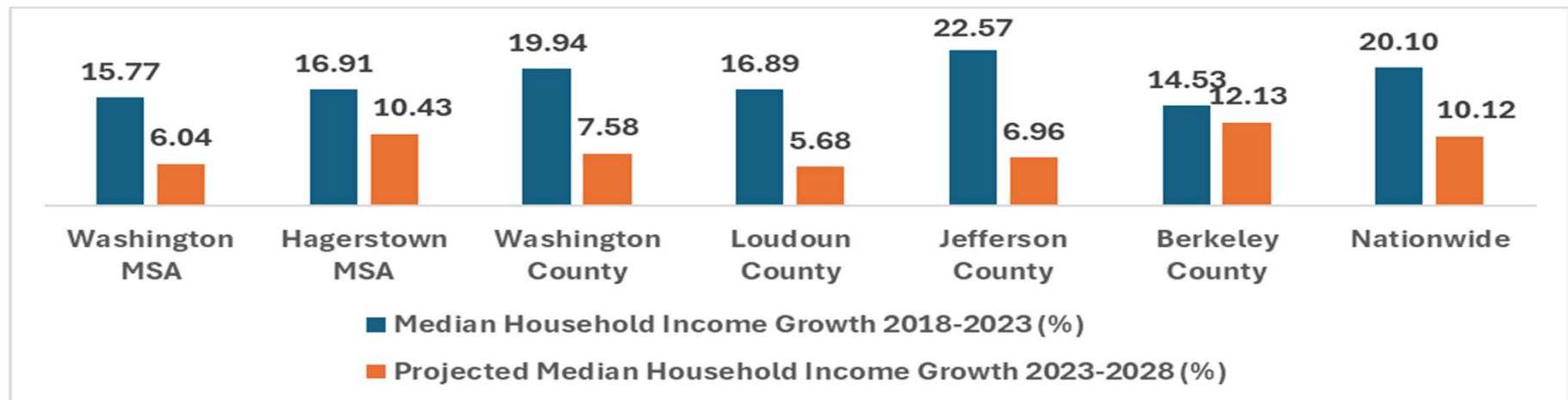
Source: S&P Capital IQ Pro

Market Opportunity – By Household Income

2024 Median Household Income



Median Household Income Growth



Source: S&P Capital IQ Pro

Potomac Bancshares Deposit Market Share

FDIC Report		June 2024					
Market	June 2023 Rank	June 2024 Rank	# Branches	# Banks	June 2024 Deposits (\$000)	Market Share	Total Market
Jefferson County, WV	1	1	3	6	\$383,997	30.69%	\$1,251,203
Loudoun County, VA	11	11	3	21	\$208,658	2.36%	\$8,838,311
Berkeley County, WV	8	8	2	9	\$117,288	6.10%	\$1,922,664
Washington County, MD	10	10	1	13	\$30,237	0.92%	\$3,275,562

- Rapid Virginia market share growth since 2018 with deposits fueled by commercial banking focus. FDIC deposit market share improvement 6/2024 Rank: 11th vs. 6/2018 Rank: 21st,

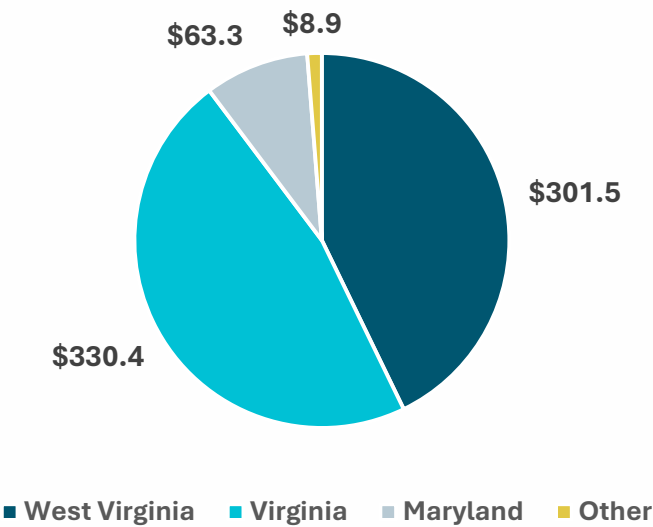


Diversified Markets

As of December 31, 2024

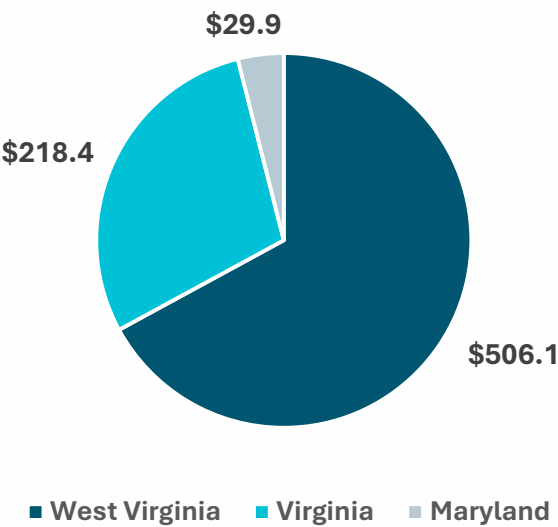
Loan Portfolio by Region

(in millions)



Deposit Portfolio by Region

(in millions)

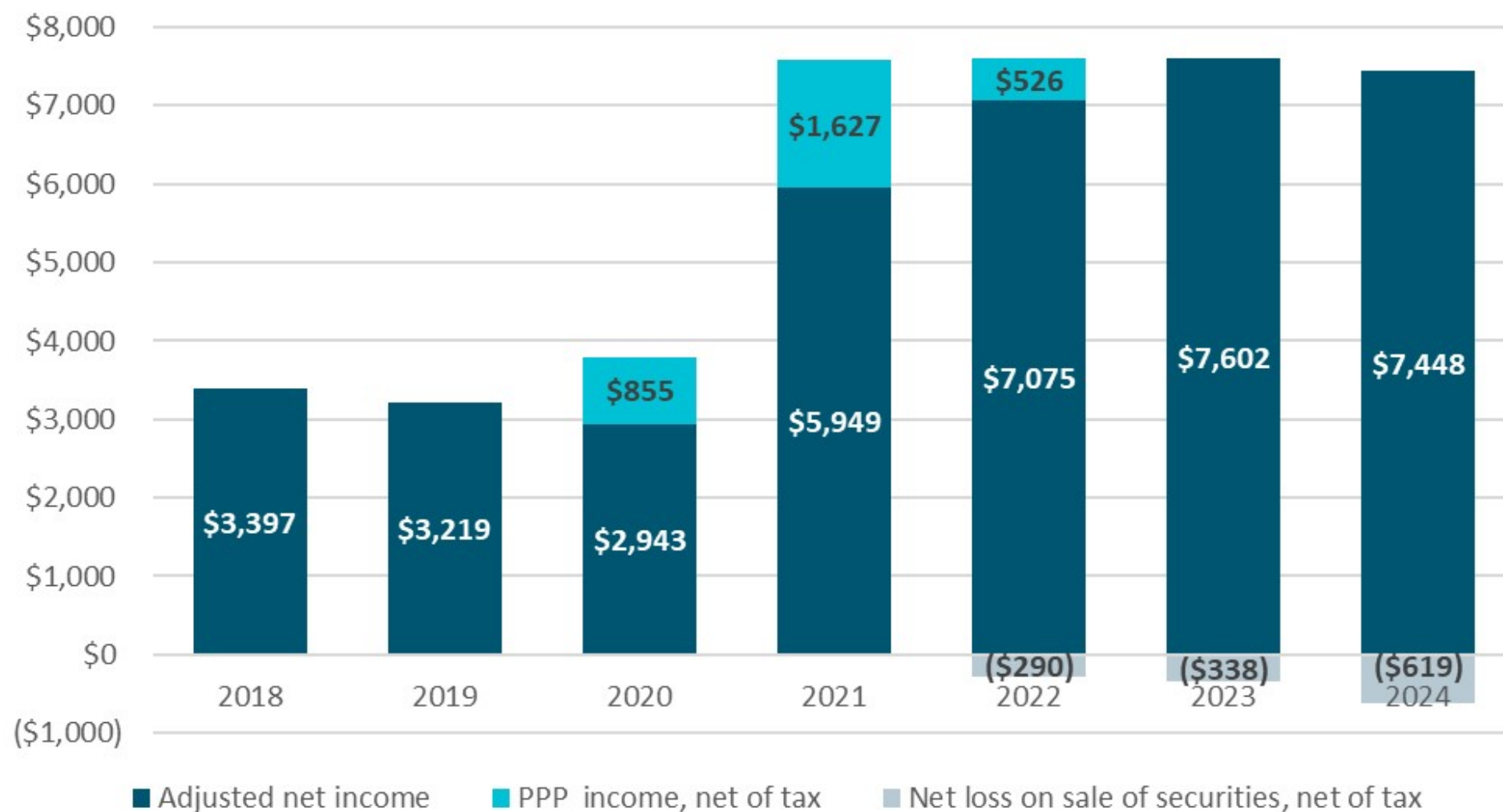


Strategic expansion initiatives began July 2018

Adjusted Net Income (Non-GAAP)

(in thousands)

Strategic expansion initiatives began July 2018

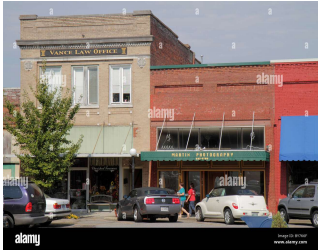


(Unaudited)

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.

Scalable Fee Income Based Business Lines



- Partnered with Clearstead Advisors for Investment Management
- Outsourced backoffice 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

Positioning PTBS for Future Success

Focused Growth Strategies

Leverage the SBA Team	Launch Government Contracting	Expand Wealth and Mortgage	Commercial Deposits / Treasury Management
Become a Known Leader for Small Business Banking by Leveraging our SBA Team	Launch Government Contracting Banking While Expanding Market Presence to Fairfax County	Wealth: Be Known as Trusted Advisors that Take Pride in our Clients' Successes Mortgage: Be Known as the Preferred Bank for Residential Mortgages	Expand Leadership of Commercial Deposit Focus and Treasury Services

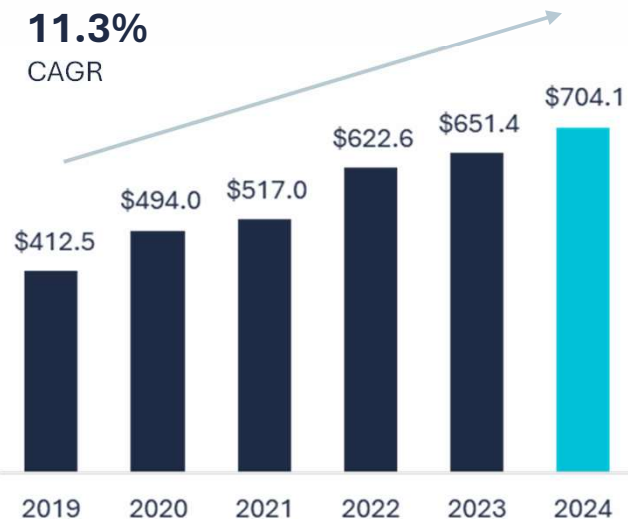
II. Financial Overview

Consistent Balance Sheet Growth

For the Years Ended December 31

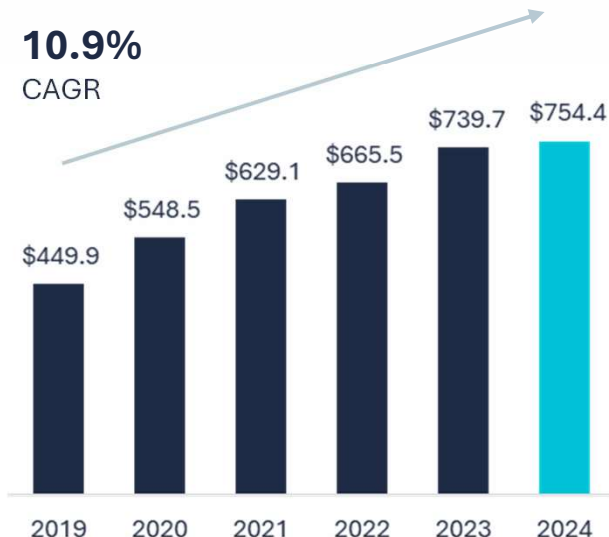
Loans (\$mm)

11.3%
CAGR



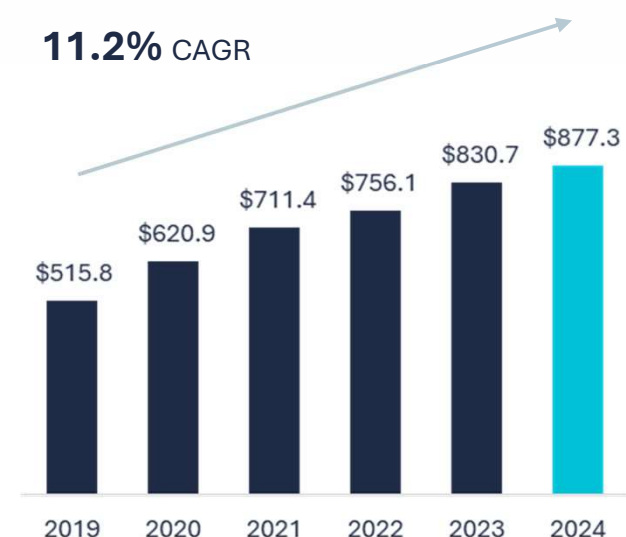
Deposits (\$mm)

10.9%
CAGR



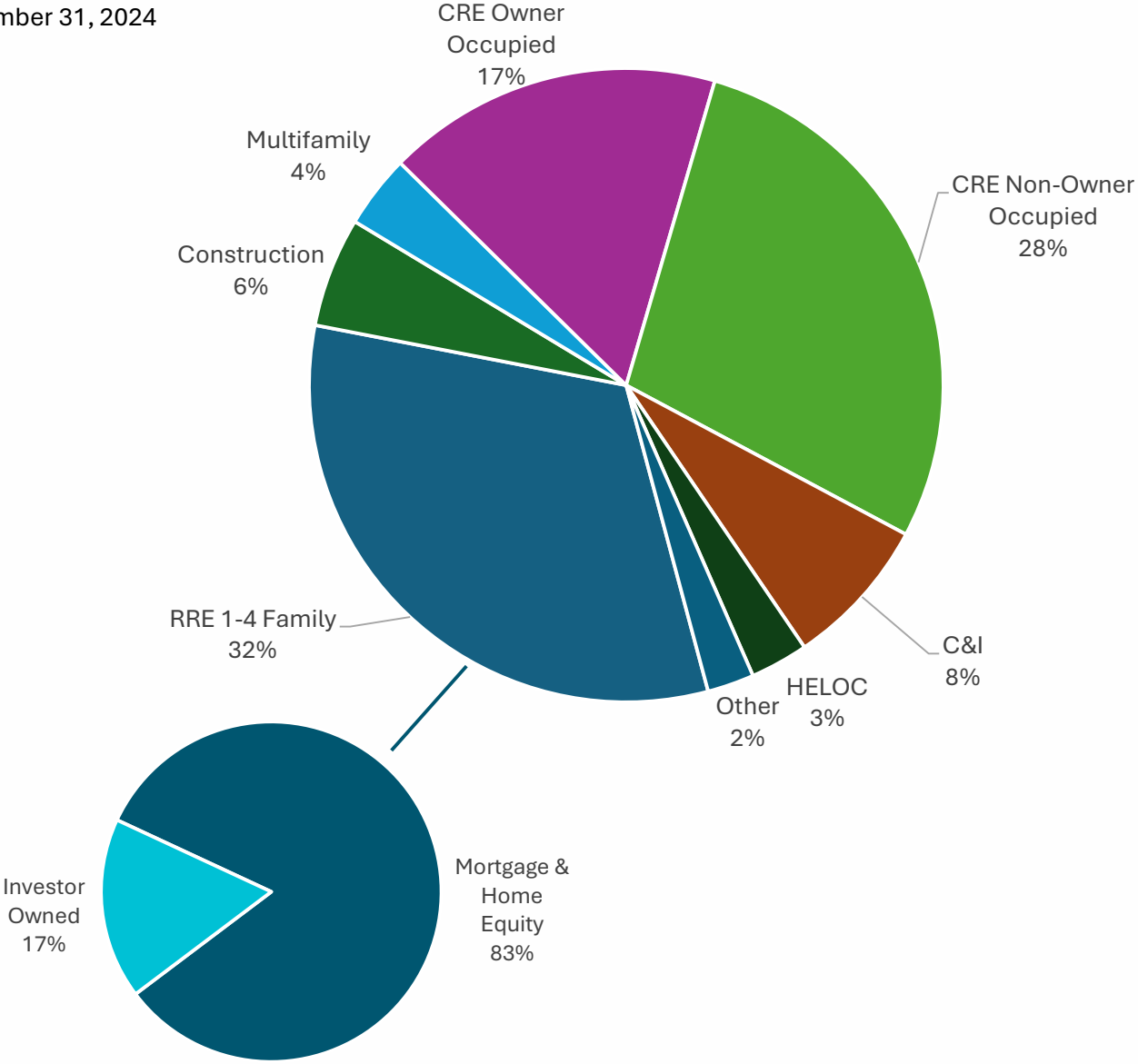
Assets (\$mm)

11.2% CAGR



Diversified Loan Portfolio

As of December 31, 2024



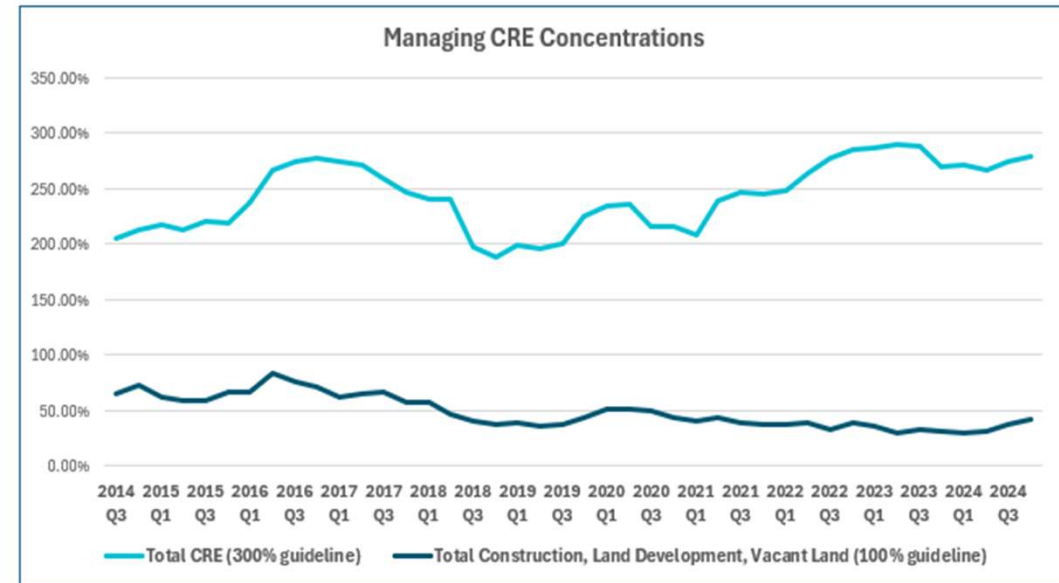
- Consistent monitoring of portfolio maintenance balance
- Commercial portfolio accounts for 60% of the loan portfolio

Proactive Credit Risk Management Practices

Proactive Underwriting Culture

- 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



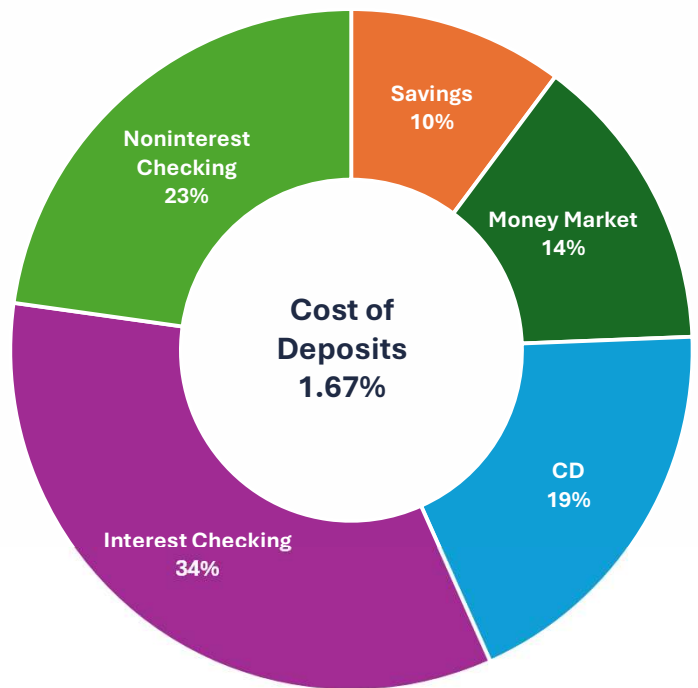
Non-Accrual Loans & Asset Quality Ratios

Non-Accrual Loans		12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Non-Accrual Loans		\$154	\$96	\$0	\$2,695	\$2,738
90+ Days Delinquent Accruing		\$0	\$0	\$0	\$0	\$0
OREO		\$0	\$0	\$0	\$0	\$0
Non-Performing Assets		\$154	\$96	\$0	\$2,695	\$2,738
Asset Quality Ratios (%)		12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
NPAs/Assets		0.02%	0.01%	0.00%	0.32%	0.31%
NCOs (Recoveries) / Average Loans		-0.05%	-0.12%	-0.01%	0.01%	0.02%

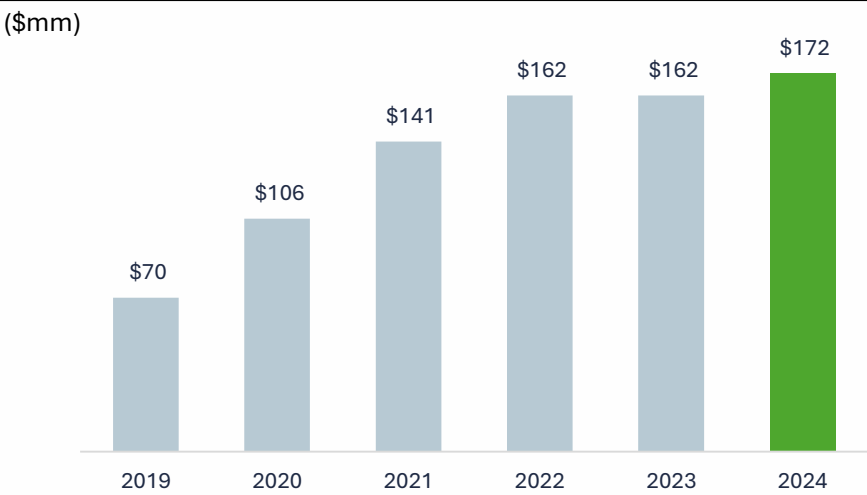
Low-Cost Deposit Portfolio

As of 12/31/2024, unless otherwise noted

Portfolio Composition



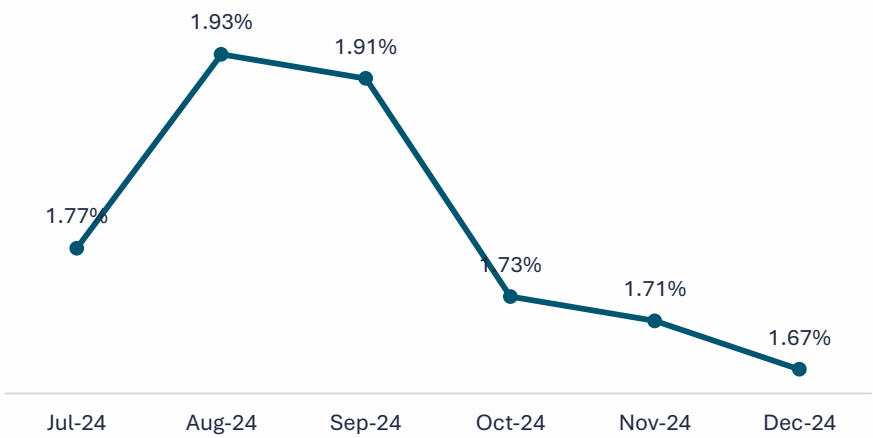
Noninterest-Bearing Checking



CD Maturity Schedule



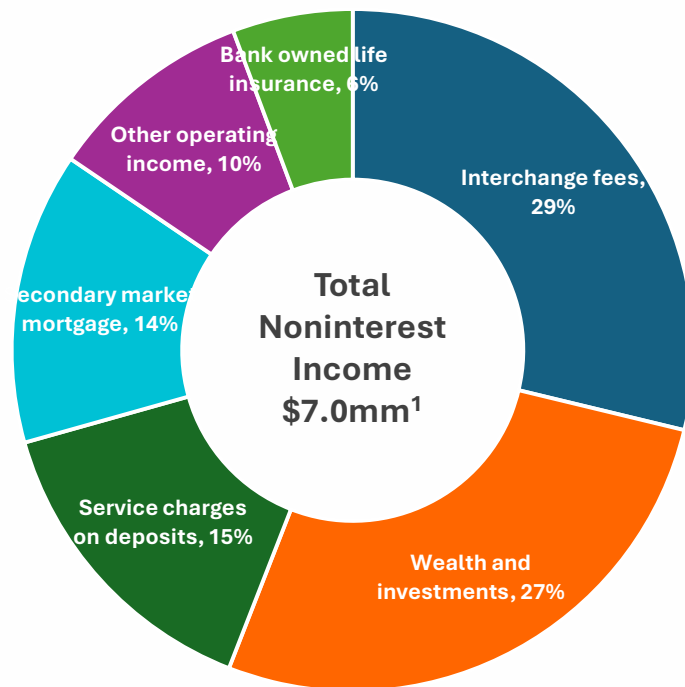
Relationship Pricing Drives Lower Cost of Deposits



Diversified Revenue

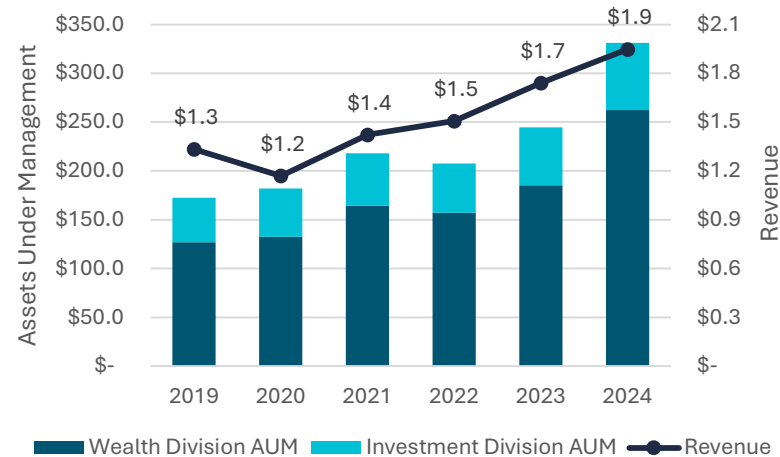
As of 12/31/2024, unless otherwise noted

Adjusted noninterest Income¹



2024Y Noninterest Income to Total Revenue = 21%¹

Wealth Management Assets Under Management (\$mm)



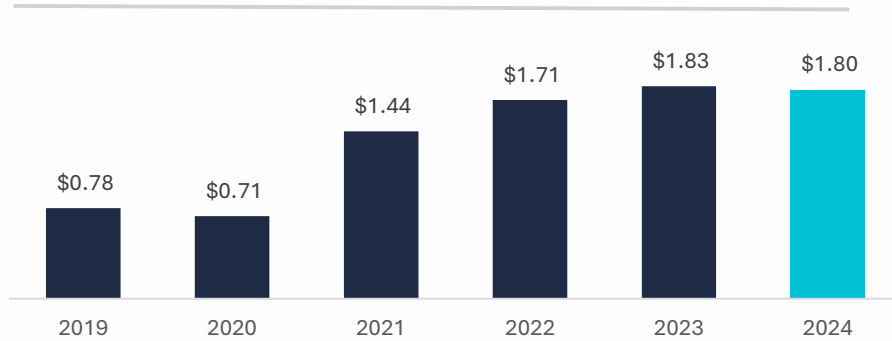
2024 Noninterest Income Highlights

- BCT Wealth and BCT Investments income increased 12% over the prior year
- BCT Residential Lending experienced a 47% increase in secondary market mortgage revenue from increased production and higher margins
- Significant consumer deposit base drives interchange income

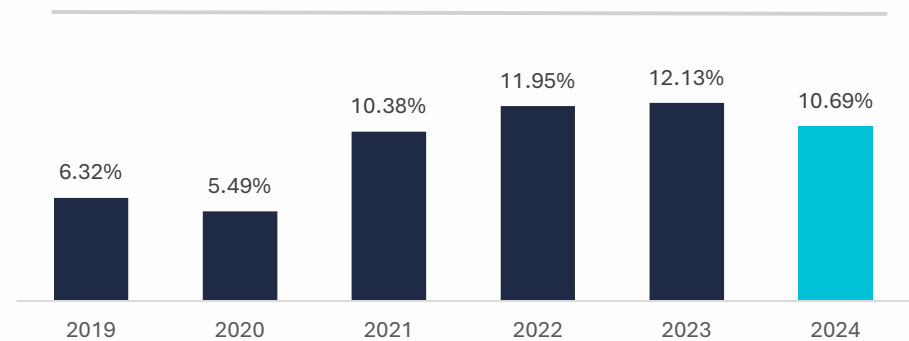
¹ Unaudited non-GAAP measures excludes net gain on sale of equipment and net loss on securities available for sale.

Earnings and Profitability (Adjusted / Non-GAAP)

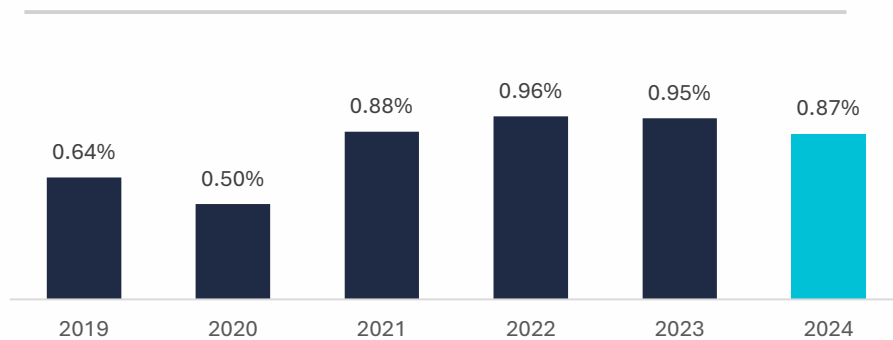
Adjusted Earnings Per Share^{1,2}



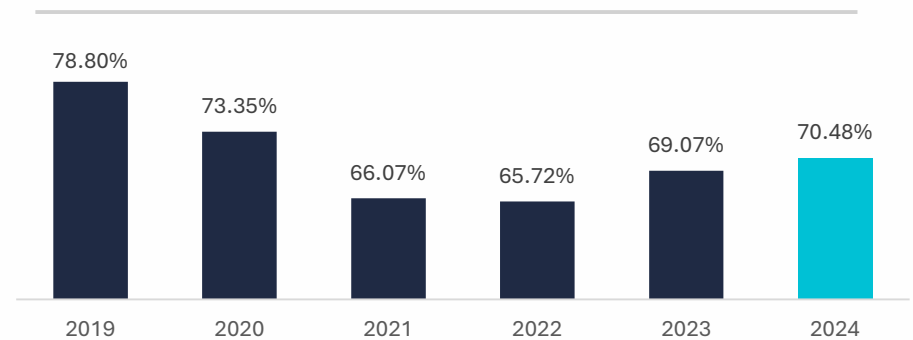
Adjusted Return on Equity (ROE)^{1,2}



Adjusted Return on Assets (ROA)^{1,2}



Efficiency Ratio¹



¹ Unaudited non-GAAP financial measure.

² Excludes the impact of net losses on sales of securities and PPP income, net of taxes.

Liquidity and Interest Rate Risk

As of 12/31/2024, unless otherwise noted

Interest Rate Risk (10/31/2024)

Net Interest Income Change %	Year 1	Year 2
Up 200 bps	-0.4%	12.3%
Base	0.0%	9.0%
Down 200 bps	-1.0%	0.1%

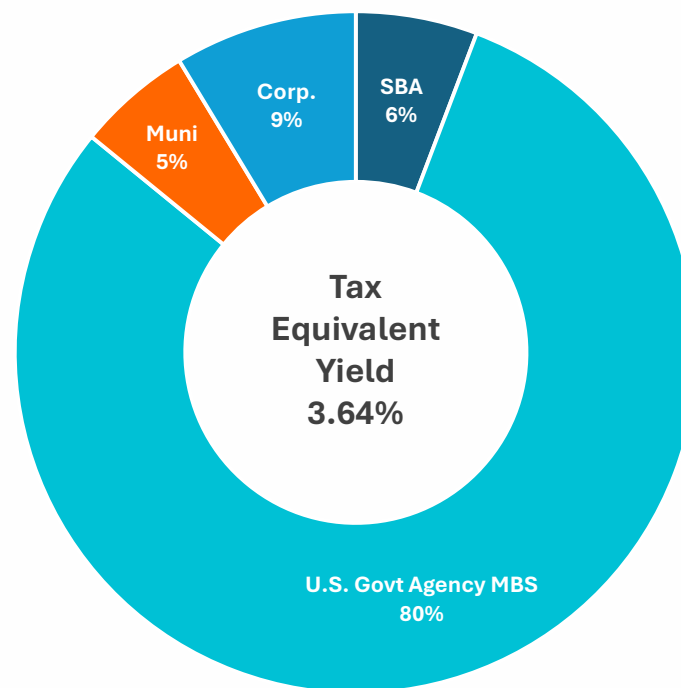
Interest Rate Risk is Low from Well-Matched Balance Sheet

Other Sources of Liquidity

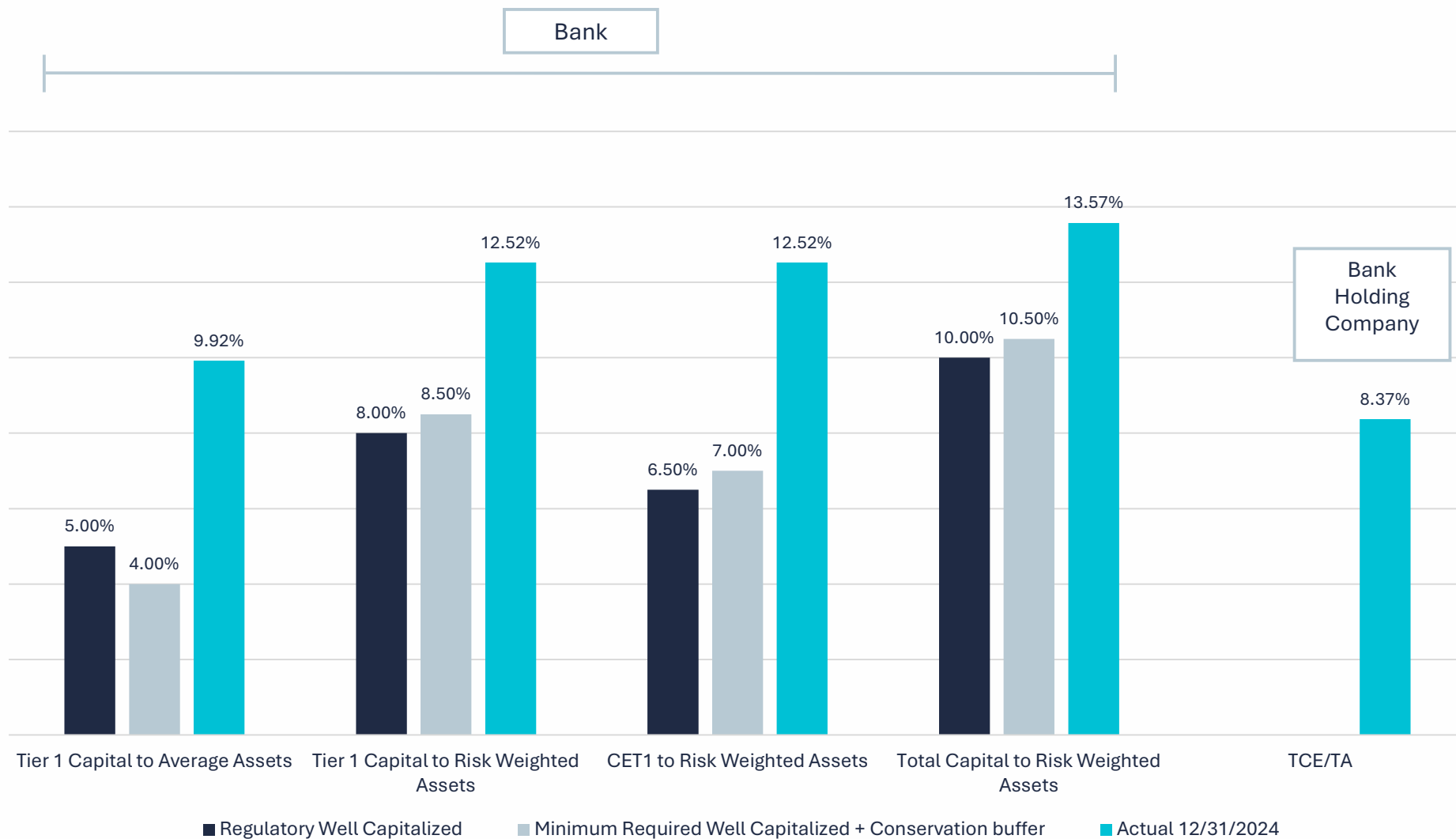
- \$59.6 million of interest-bearing deposits in banks in other financial institutions
- \$259.7 million available at FHLB of Pittsburgh
- \$43.7 million available at Federal Reserve Bank Discount Window
- \$20.0 million available from Fed funds lines

Securities Portfolio

- \$77.4 million of securities, AFS
- No HTM securities
- 3.64% tax equivalent yield
- 3.7 years duration



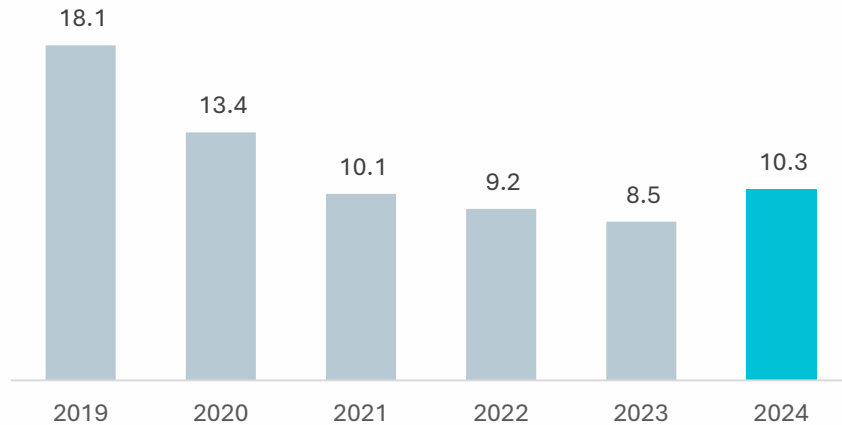
Strong Capital Position



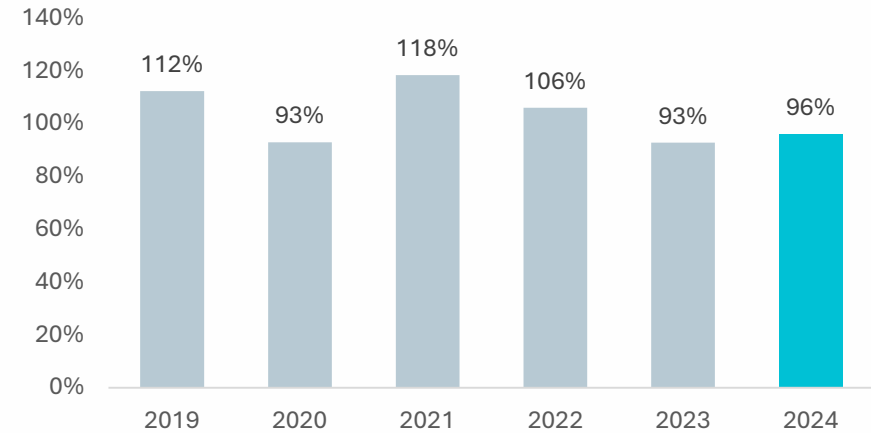
Note: ratios are unaudited

Delivering Shareholder Value

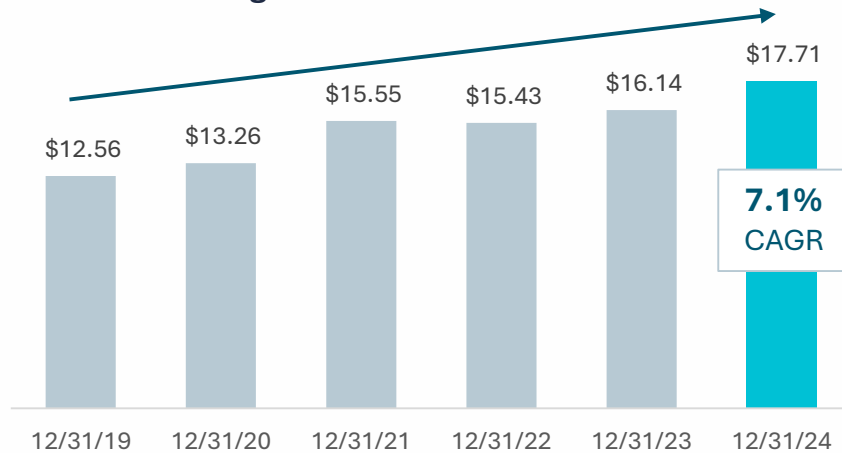
Price to Earnings Per Share



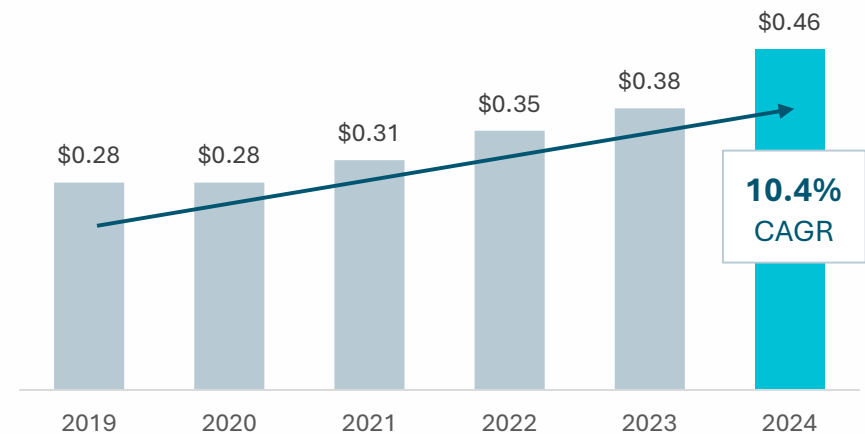
Price to Tangible Book Value Per Share



Tangible Book Value Per Share¹



Cash Dividends Per Share²



¹ Unaudited non-GAAP financial measure.

² 2024 amounts are unaudited

Questions?

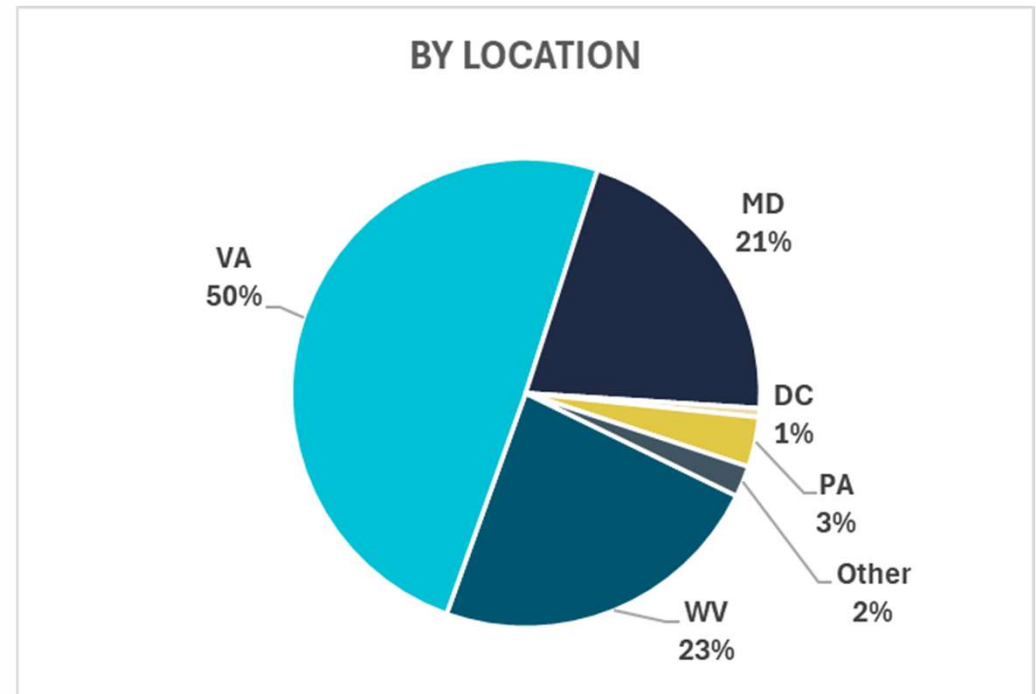
Appendix

Commercial Real Estate – Non-Owner Occupied

As of 12/31/2024

Exposure by Asset Class

Asset Class	Balances (in \$100s)	% of Total Pool
Retail	\$58,587	29.4%
Office	\$32,726	16.4%
Medical Practice	\$11,430	5.7%
Hotel	\$33,292	16.7%
Industrial	\$27,468	13.8%
Mixed Use	\$12,112	6.1%
Self-Storage	\$14,880	7.5%
Other	\$8,830	4.4%
Total	\$199,312	100%

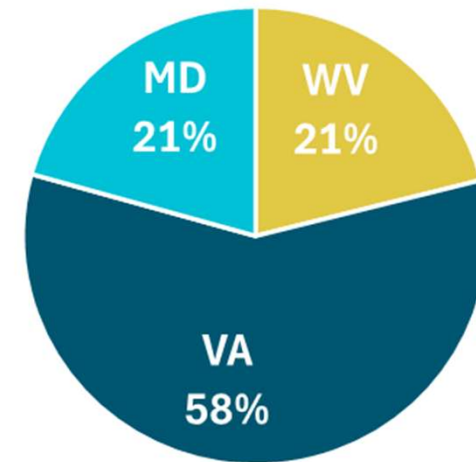


Commercial Real Estate – Office Buildings *(not including medical)*

As of 12/31/2024

- Office real estate is primarily “Main Street” and not major city centers; tenants are commonly local real estate agents, accountants, and attorneys
- Total exposure \$28.1 million across 22 assets/ facilities
- Largest single facility exposure is in Frederick, MD (\$5.9 million); the building is nearly 50% owner occupied
- \$24.5 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

Exposure by State

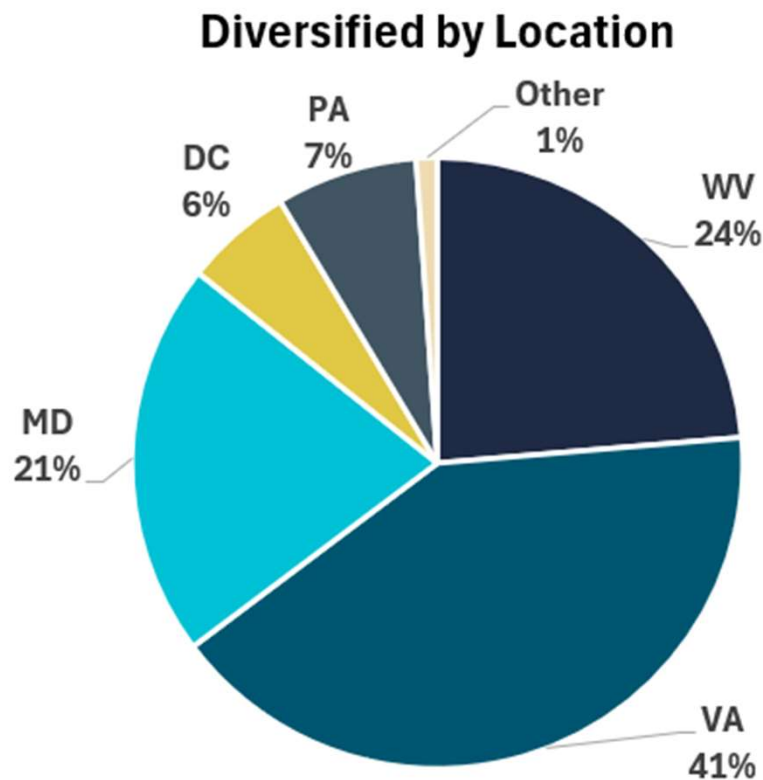


Commercial Real Estate – Owner Occupied

As of 12/31/2024

\$ in thousands

Diverse Across Multiple Industries



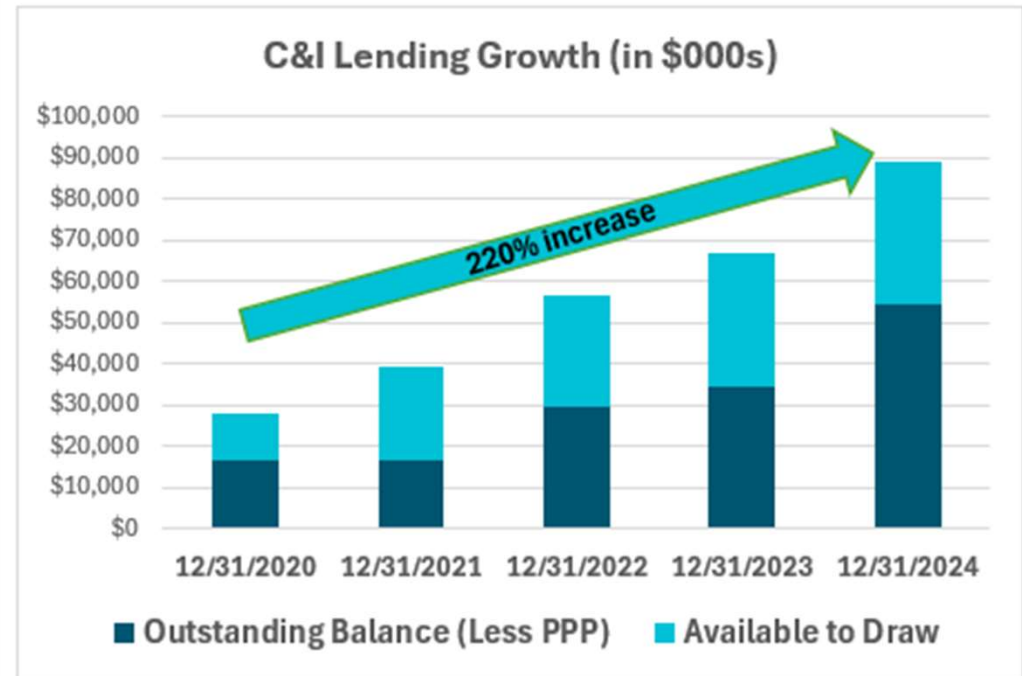
Industry	Balances	% of Total
Construction	\$5,422	4.49%
Manufacturing	\$7,579	6.28%
Retail Trade	\$9,098	7.53%
Professional, Scientific, and Technical Services	\$15,684	12.99%
Administrative and Support Services	\$6,257	5.18%
Health Care and Social Assistance	\$23,335	19.32%
Restaurants	\$9,265	7.67%
Car Washes	\$8,852	7.33%
Churches	\$7,078	5.86%
Other	\$28,201	23.35%
Total	\$120,771	100%

Diversified Loan Portfolio

As of 12/31/2024

C&Is 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 220% since 2021



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.



Mr. Bell joined PTBS in 2024 as Executive Vice President and CFO. Bringing with him over two decades of banking experience, Mr. Bell joined from First National Corporation where he was the bank's CFO. Prior to becoming a banker, he served as a Manager with Yount, Hyde & Barbour. Mr. Bell is a CPA license holder and graduated from Frostburg State University.



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.



Mr. Burley joined Bank of Charles Town as Executive Vice President, Retail Banking Officer in 2024. Mr. Burley brings more than 23 years of extensive banking experience to BCT, much of it overseeing retail branch networks. Most recently, he served as Branch Operations Manager where he managed operations for over 200 branches in the Mid-Atlantic markets. Previous experience includes Regional Sales Manager for retail banking offices in the Maryland, West Virginia, and Virginia markets.

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 leads director, both elected annually. The Company also employs director age limits to ensure an appropriate amount of turnover and virality 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

Non-GAAP Reconciliations

Unaudited

	For the Years Ended December 31,					
	2019	2020	2021	2022	2023	2024
Adjusted Net Income:						
Net income (GAAP)	\$ 3,219	\$ 3,798	\$ 7,576	\$ 7,311	\$ 7,264	\$ 6,829
Add: Net losses on sale of securities	7	(17)	(8)	367	428	783
Subtract: PPP income	-	(1,082)	(2,059)	(667)	-	-
Subtract: Tax effect of adjustment	(1)	231	434	64	(90)	(164)
Adjusted net income (non-GAAP)	<u>\$ 3,225</u>	<u>\$ 2,930</u>	<u>\$ 5,943</u>	<u>\$ 7,075</u>	<u>\$ 7,602</u>	<u>\$ 7,448</u>
Adjusted Noninterest Income:						
Total noninterest income (GAAP)	\$ 5,465	\$ 5,753	\$ 6,828	\$ 5,716	\$ 5,950	\$ 6,397
Add: Net losses on sale of securities	7	(17)	(8)	367	428	783
Subtract: Tax effect of adjustment	(1)	4	2	(77)	(90)	(164)
Total noninterest income (non-GAAP)	<u>\$ 5,471</u>	<u>\$ 5,740</u>	<u>\$ 6,822</u>	<u>\$ 6,006</u>	<u>\$ 6,288</u>	<u>\$ 7,016</u>
Adjusted Earnings Per Share, Basic and Diluted:						
Weighted average shares, basic and diluted	4,134	4,134	4,134	4,140	4,145	4,145
Earnings per share (GAAP)	\$ 0.78	\$ 0.92	\$ 1.83	\$ 1.77	\$ 1.75	\$ 1.65
Adjusted earnings per share (non-GAAP)	\$ 0.78	\$ 0.71	\$ 1.44	\$ 1.71	\$ 1.83	\$ 1.80

Non-GAAP Reconciliations

Unaudited

	For the Years Ended December 31,					
	2019	2020	2021	2022	2023	2024
Adjusted Performance Ratios:						
Average assets	\$ 502,969	\$ 584,308	\$ 676,429	\$ 738,485	\$ 796,673	\$ 858,988
Return on average assets (GAAP)	0.64%	0.65%	1.12%	0.99%	0.91%	0.80%
Adjusted return on average assets (GAAP)	0.64%	0.50%	0.88%	0.96%	0.95%	0.87%
Average shareholders' equity	\$ 50,934	\$ 53,568	\$ 57,307	\$ 59,198	\$ 62,690	\$ 69,659
Return on average equity (GAAP)	6.32%	7.09%	13.22%	12.35%	11.59%	9.80%
Adjusted return on average equity (GAAP)	6.33%	5.47%	10.37%	11.95%	12.13%	10.69%
Efficiency Ratio:						
Total noninterest expense	\$ 17,169	\$ 17,312	\$ 18,121	\$ 19,967	\$ 22,391	\$ 24,161
Tax-equivalent net interest income	\$ 16,316	\$ 17,865	\$ 20,606	\$ 24,297	\$ 26,040	\$ 27,099
Total noninterest income	5,465	5,753	6,828	5,716	5,950	6,397
Add: Loss on disposal of premises and equipment	-	-	-	-	-	2
Add: Loss on sale of investment securities, AFS	7	(17)	(8)	367	428	783
Total noninterest income, subtotal	\$ 5,472	\$ 5,736	\$ 6,820	\$ 6,083	\$ 6,378	\$ 7,182
Subtotal	\$ 21,788	\$ 23,601	\$ 27,426	\$ 30,380	\$ 32,418	\$ 34,281
Efficiency ratio	78.80%	73.35%	66.07%	65.72%	69.07%	70.48%
Tangible Book Value Per Share						
Tangible common equity	\$ 51,922	\$ 54,812	\$ 64,264	\$ 63,954	\$ 66,874	\$ 73,417
Common shares outstanding, ending	4,134	4,134	4,134	4,145	4,145	4,145
Tangible book value per share	\$ 12.56	\$ 13.26	\$ 15.55	\$ 15.43	\$ 16.14	\$ 17.71

