



FOR IMMEDIATE RELEASE

Potomac Bancshares, Inc. Issues Private Placement of \$10 Million Subordinated Notes

Charles Town, WV., September 16, 2020 /PR Newswire/ - Potomac Bancshares, Inc. (the "Company") (OTC: PTBS), the one bank holding company for Bank of Charles Town announced today the closing of its private placement of \$10 million of subordinated notes due 2030 (the "Notes").

"We are proud to have successfully completed the Company's first subordinated debt offering. In addition, we were very pleased with the positive response from the investment community which affirms our business plans," said Alice P. Frazier, President and CEO. "The additional capital provides for continued growth as a result of our strategic initiatives into new markets and expanded business lines."

About the Notes

The Notes have a maturity date of September 15, 2030 and carry a coupon of 5.00% for the first five years. Thereafter, the Notes will pay interest at 3-month SOFR plus 487.4 basis points, resetting quarterly. The Company is entitled to redeem the Notes without penalty, in whole or in part, on any interest payment date on or after September 15, 2025, or at any time, in whole or in part, upon certain other specified events. The Notes have been structured to qualify as Tier 2 capital for regulatory purposes at the holding company.

The Company plans to use the proceeds from the placement of the Notes for general corporate purposes.

Piper Sandler & Co. served as the sole placement agent for the offering. Williams Mullen served as legal counsel to the Company and Troutman Pepper Hamilton Sanders LLP served as legal counsel to the placement agent.

About Potomac Bancshares, Inc.

Founded in 1871, BCT - Bank of Charles Town ("BCT" or the "Bank"), also known as The Community's Bank, is a wholly owned subsidiary of Potomac Bancshares, Inc. (OTC:PTBS). With approximately \$607 million in assets as of June 30, 2020, the Company conducts operations through its main office, an additional eight branch offices, and one loan production office. BCT's offices are located in Jefferson and Berkeley Counties (WV), Washington County (MD), and Loudoun County (VA). The Bank provides various banking products and services including free access to over 55,000 ATMs through the Allpoint® network plus online and mobile banking for individuals, businesses, and local governments. The Bank also offers commercial lines and term loans, residential and commercial construction, commercial real estate loans and agricultural loans. The Residential Lending division offers secondary market and portfolio mortgage loans, one-time close construction to perm loans, as well as home equity loans and lines of credit. For over 60 years, BCT Wealth Advisors has provided financial management, investment, trust, and estate services to its clients. In 2019, the Bank was named a "Best Bank To Work For" by *American Banker*. In 2018, *Forbes* named BCT a "Best In State Bank" for Maryland.



Forward Looking Statements

Certain statements made in this press release 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. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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