



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

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**POTOMAC BANCSHARES, INC. RELEASES 2015 FOURTH QUARTER AND FULL  
YEAR RESULTS**

Charles Town, WV., Jan 29, 2016/PRNewswire/ -- For the quarter ended December 31, 2015, Potomac Bancshares, Inc. (OTC-QB: PTBS) earned \$752 thousand or 22 cents per share compared to \$608 thousand or 18 cents a share in the quarter ended December 31, 2014. Overall, earnings for the year were \$2.580 million or 76 cents per share compared to earnings in 2014 of 64 cents per share. This is an improvement of about 19% in per share earnings over 2014. As previously communicated, given the bank's strong income performance and good capital position, the dividend was increased from 5.25 cents to 6 cents per share at the January 12, 2016 board meeting and represents a 14% improvement over the prior quarter dividend paid on November 2, 2015. This cash dividend is for all shareholders of record January 25, 2016 and will be paid on February 1, 2016.

In the fourth quarter, Potomac Bancshares, Inc. repurchased 7,403 shares bringing the total shares repurchased for the year to 45,177. President & CEO, Robert F. Baronner Jr. said, "We will continue to repurchase our stock from time to time."

There is an optimistic economic view for 2016 that includes the much talked about "Procter and Gamble" manufacturing plant that began construction last fall in Berkeley County. In addition, we anticipate that vendors who will support P & G will also begin construction in the coming years. The culmination of these factors should bring well paid long term jobs, the return to a robust home real estate market, and a stronger tax base that will help the infrastructure as our area continues to expand.

It's our belief that things look bright in the market we operate and, in turn, we feel strong about the future performance of our company. Based on the dividend we have been paying and the price our stock has been trading at, the taxable yield has been nearly 3%, which is above other comparable investments. Also, on the attached page you'll see that our growth, profitability, and Safety and Soundness ratings are very good compared to our peers. Given our turnaround from one of the worst recessions since 1929, PTBS continues to trade at a discount to book value.

Should you need information on PTBS feel free to contact our President & CEO, Robert F. Baronner, Jr., at 304-728-2431. As always, thank you for your support.

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.

( <i>Unaudited</i> - dollars in thousands, except share and per share data)	Three Months Ended		Twelve Months Ended	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<b>Earnings Performance</b>			
Interest Income	\$3,313	\$3,083	\$12,812	\$12,072
Interest Expense	419	370	1,511	1,275
Net Interest Income	2,894	2,713	11,301	10,797
(Recovery of) Provision For Loan Losses	(37)	61	60	814
Non-Interest Income	1,283	1,148	4,507	4,503
Non-Interest Expense	<u>3,050</u>	<u>2,870</u>	<u>11,821</u>	<u>11,268</u>
Income Before Income Tax Expense	1,164	930	3,927	3,218
Income Tax Expense	<u>412</u>	<u>322</u>	<u>1,347</u>	<u>1,059</u>
Net Income	<u>\$752</u>	<u>\$608</u>	<u>\$2,580</u>	<u>\$2,159</u>
Annualized Return On Average Equity	9.45%	7.75%	8.32%	7.06%
Annualized Return On Average Assets	0.86%	0.76%	0.78%	0.70%

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>Balance Sheet Highlights</b>		
Total Assets	\$351,757	\$320,919
Investment Securities	34,369	33,892
Loans, Net of allowance of \$2,548 in 2015 and \$2,665 in 2014	277,563	253,360
Deposits And Cash Management Accounts	308,674	279,196
Shareholders' Equity	\$31,833	\$30,050

	Three Months Ended		Twelve Months Ended	
	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<b>Shareholders' Value (per share)</b>			
Earnings Per Share, Basic	\$0.22	\$0.18	\$0.76	\$0.64
Earnings Per Share, Diluted	0.22	0.18	0.76	0.64
Cash Dividends Declared (per share)	0.0525	0.0425	0.21	0.17
Book Value At Period End (per share)			\$9.52	\$8.86
End of period number of shares outstanding			3,345,001	3,390,178

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>Safety and Soundness</b>		
Tier 1 Capital Ratio (Leverage Ratio)*	9.76%	10.07%
Non-Performing Assets As A Percentage Of		
Total Assets Including OREO	0.70%	2.00%
Allowance For Loan Losses As A Percentage Of		
Period End Loans	0.91%	1.04%
Ratio Of Net Charge-Offs Annualized During The Period To		
Average Loans Outstanding During The Period	0.07%	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.