



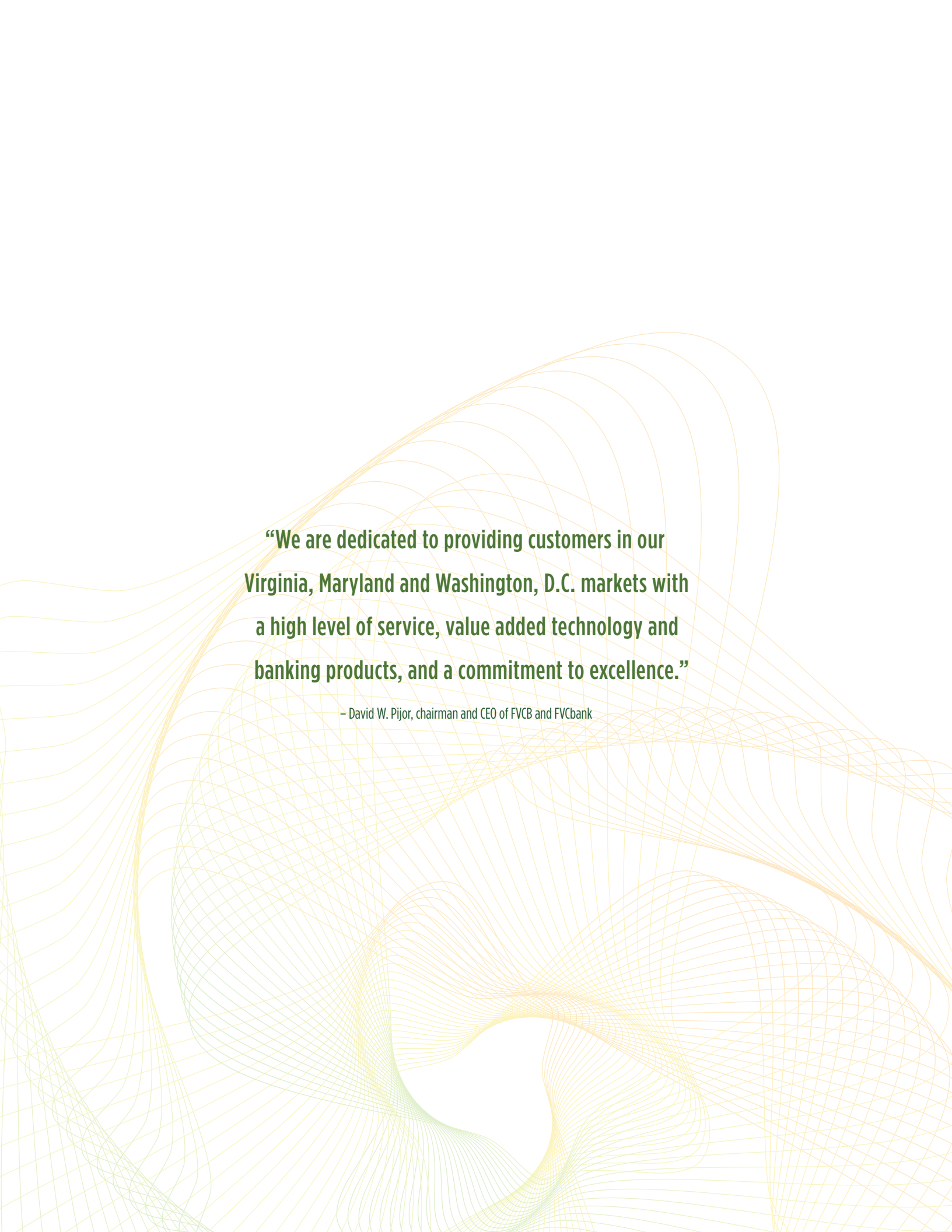
FVCBankcorp, Inc.

+ BETTER TOGETHER



2018 ANNUAL REPORT

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The background of the slide features a complex, abstract pattern of thin, flowing lines in shades of orange and light green. These lines create a sense of movement and depth, resembling a stylized, organic form that fills the lower half of the page. The lines are most concentrated in the bottom right, where they form a dense, swirling pattern, and become more sparse as they move towards the top left.

**“We are dedicated to providing customers in our
Virginia, Maryland and Washington, D.C. markets with
a high level of service, value added technology and
banking products, and a commitment to excellence.”**

– David W. Pijor, chairman and CEO of FVCB and FVCbank

TO OUR SHAREHOLDERS

2018 was a landmark year for FVCBankcorp, Inc. FVCB completed an over-subscribed Initial Public Offering and became a member of the Nasdaq Capital Market in September 2018, and shortly thereafter, completed an acquisition of Colombo Bank ("Colombo"), while diligently working to achieve record earnings. The acquisition of Colombo helped us to achieve a strategic goal to have a physical presence in Washington, D.C. and Maryland. Lastly, in December, FVCB was added to the Russell 2000® Index, which will enhance our trading liquidity and investor visibility.

In addition to all of these accomplishments, I'm pleased to report our 2018 performance.

We reported consolidated net income of \$10.9 million, or \$0.85 per diluted share, for the year ended December 31, 2018, compared to \$7.7 million, or \$0.67 per diluted share, for 2017. This represents a 41% increase in net income year-over-year. On an operating earnings basis, which excludes merger expenses net of tax of \$2.6 million in 2018 and the impact of a \$2.0 million write down in the deferred tax asset as a result of the enactment of the Tax Cuts and Jobs Act for 2017, we recorded \$13.4 million and \$9.7 million for the years ended December 31, 2018 and 2017, respectively, or \$1.05 and \$0.84 per diluted earnings per shares for those same periods.

On a GAAP basis, return on average assets was 0.94% and return on average equity was 9.29% for the year ended December 31, 2018. For the comparable December 31, 2017 period, return on average assets was 0.80% and return on average equity was 8.63%. On an operating earnings basis, return on average assets and return on average equity for the year ended December 31, 2018 was 1.16% and 11.47%, respectively. On an operating earnings basis, return on average assets and return on average equity for the year ended December 31, 2017 was 1.01% and 10.88%, respectively.

Selected Highlights

- **Record Earnings.** For the year ended December 31, 2018, earnings increased \$3.2 million, or 41%, compared to 2017.
- **Improved Tangible Book Value.** Tangible book value per share at December 31, 2018 was \$10.93, a 21% increase from \$9.03 at December 31, 2017.
- **Continued Loan Growth.** Total loans, net of deferred fees, totaled \$1.14 billion at December 31, 2018, an increase of \$248.1 million, or 28%, from December 31, 2017. Excluding loans acquired from Colombo Bank, net loans increased \$115.8, or 13%. Excluding acquired loans, average loan growth year-to-date 2018 was \$134.8 million, or 17% of average loans receivable for 2018, enhancing our loan yield by 30 basis points for the year.
- **Sound Asset Quality.** Asset quality remains strong with nonperforming loans and loans past due 90 days or more as a percentage of total assets being 0.34% at December 31, 2018, compared to 0.09% at December 31, 2017. Nonperforming loans and loans past due 90 days or more totaled \$3.2 million at December 31, 2018, of which \$870 thousand were related to the acquisition.
- **Strong Core Deposit Growth.** Total deposits increased \$234.3 million, or 25%, from December 31, 2017 to December 31, 2018. Total deposits, excluding acquired deposits and wholesale deposits, increased \$127.1 million year-over-year, or 16%.
- **Improved Efficiency Ratio.** Efficiency ratio for the year ended December 31, 2018 was 55.7% excluding merger-related expenses, an improvement from 57.2% for the year ended December 31, 2017.

Total assets increased to \$1.35 billion compared to \$1.05 billion as of December 31, 2018 and 2017, respectively, an increase of \$298.4 million, or 28%. Loans receivable, net of deferred fees, totaled \$1.14 billion as of December 31, 2018, compared to \$888.7 million as of December 31, 2017, a year-over-year increase of \$248.1 million, or 28%. Excluding the loans acquired from Colombo, loans grew \$115.8 million, or 13% year-over-year, and average loans grew \$134.8 million, or 17%. We consider average loan growth a better measure of the loan portfolio growth, as it directly correlates with interest income growth. This becomes increasingly important as the bank's portfolio reflects higher levels of C&I lending, including government contract lending, in which balances outstanding can fluctuate at period ends.

Total deposits increased to \$1.16 billion as of December 31, 2018 compared to \$928.2 million as of December 31, 2017, an increase of \$234.3 million, or 25%. Total deposits, excluding acquired deposits and wholesale deposits, increased \$127.1 million year-over-year, or 16%. Core deposits, which represent total deposits less wholesale deposits, increased \$265.4 million or 33% year-over-year. Wholesale deposits totaled \$84.4 million, or 7% of total deposits at December 31, 2018, a decrease of \$31.1 million from December 31, 2017. Noninterest-bearing deposits increased 33% to \$233.3 million

at December 31, 2018, or 20% of total deposits, compared to \$175.4 million at December 31, 2017. Excluding deposits recorded at acquisition, noninterest bearing deposits increased 18% year-over-year, or \$38.8 million.

Net interest income totaled \$39.8 million, an increase of \$7.7 million, or 24%, for the year ended December 31, 2018, compared to 2017. Our net interest margin was 3.51% and 3.43% for the years ended December 31, 2018 and 2017, respectively. The contribution of the assets and liabilities from Colombo added approximately \$1.3 million to net interest income and 0.02% to the margin for the fourth quarter of 2018.

Noninterest income totaled \$1.7 million and \$3.0 million for the years ended December 31, 2018 and 2017, respectively. Noninterest income excluding loss on sales of securities and gain on other real estate owned was \$2.1 million and \$1.9 million for the respective years, an increase of 12%. Fee income from fees on loans, service charges on deposits, and other fee income was \$1.7 million, an increase of 91% for the year ended December 31, 2018 compared to 2017. Included in loan income are fees from interest rate swaps totaling \$660 thousand for 2018. In addition, the Colombo transaction added approximately \$31 thousand to non-interest income for the fourth quarter of 2018. Losses on sales of securities available-for-sale totaled \$462 thousand during the fourth quarter of 2018 as a result of the aforementioned reinvestment strategy. During the fourth quarter of 2017, we recorded \$1.1 million related to a gain on other real estate owned.

Noninterest expense totaled \$26.4 million for the year ended December 31, 2018, compared to \$19.3 million for 2017. Approximately \$800 thousand of the increase in noninterest expense from 2017 is attributable to expenses associated with Colombo's former operations, in addition to merger-related expenses of \$3.3 million for the year ended December 31, 2018. During 2018, we strategically hired business development officers and back office staff to support our growth plans, and retained several employees from Colombo, including lending and branch personnel. As a result, salary and compensation related expenses increased \$2.3 million, or 20%, for the year ended December 31, 2018, compared to 2017. Occupancy and equipment expense increased \$265 thousand year-over-year primarily as a result of the branch locations acquired from Colombo. Professional fees increased slightly year-over-year as a result of implementation costs related to regulatory compliance over our internal control environment. Increases in data processing and network administration, franchise taxes and other operating expenses for the year ended December 31, 2018 compared to 2017 is primarily growth related.

Asset quality remains strong as nonperforming loans and loans ninety days or more past due totaled \$3.2 million, or 0.24% of total assets, of which \$870 thousand related to acquired loans. Performing troubled debt restructurings ("TDR") decreased to \$203,000 at December 31, 2018, compared to \$1.7 million at December 31, 2017. Nonperforming assets (including TDRs and other real estate owned) to total assets was 0.57% and 0.60% at December 31, 2018 and 2017, respectively. The allowance for loan losses to total loans was 0.81% at December 31, 2018, a decrease from 0.87% at December 31, 2017. This ratio decrease was primarily the result of the addition of \$142.6 million of acquired loans. The allowance for loan losses on our originated portfolio was 0.92% of loan outstanding at December 31, 2018. The increase in the allowance was primarily attributable to modest charge-offs and specific reserves added to the allowance during 2018.

The acquisition of Colombo Bank was a significant undertaking and our team has been hard at work leveraging the benefits of the combined organization. With our physical expansion into Maryland and the District of Columbia, we are attracting new clients and expanding existing relationships, introducing them to our products and technology which augments the customer experience. We are also focused on core organic growth in our legacy markets which will continue to enhance our market share and franchise value.

In closing, on behalf of your Board of Directors and employees, we thank you for your continued support. I also would like to take the opportunity to thank our employees who were integral to the Company's success in 2018. We are excited about our opportunities which will enhance financial performance and continue our strong growth for 2019.

Best regards,



David W. Pijor, Chairman and Chief Executive Officer



EXECUTIVE OFFICERS

Seated, from left to right: **David W. Pijor**, Chairman & Chief Executive Officer; **Patricia A. Ferrick**, President.

Standing, from left to right: **Jennifer L. Deacon**, Executive Vice President & Chief Financial Officer; **William G. Byers**, Executive Vice President & Chief Lending Officer; **Michael G. Nassy**, Executive Vice President & Chief Credit Officer; **Gilbert F. Kennedy**, Executive Vice President & Market President; **Sharon L. Jackson**, Executive Vice President & Chief Deposit Officer; and **B. Todd Dempsey**, Executive Vice President & Chief Operating Officer.

DIRECTORS

David W. Pijor
Chairman

L. Burwell Gunn
Vice Chairman

Morton A. Bender

Patricia A. Ferrick

Scott Laughlin

Thomas L. Patterson

Devin Satz

Lawrence W. Schwartz

Sidney G. Simmonds

Daniel M. Testa

Philip “Trey” R. Wills III

Steven M. Wiltse

REGIONAL LENDING OFFICERS

Alissa Curry Briggs
Director of Commercial Real Estate Lending

James C. Elliott
Market President, Prince William

Gerald A. Muccioli
Market President, Maryland & D.C.

Christopher O. Turley
Director of C&I Lending & Government Contractor Lending

OFFICERS

Jason Brooks, Senior Vice President, Commercial Lender

Michelle L. Buckles, Senior Vice President, Director of Compliance

Lisa M. Craze
Senior Vice President, Loan Documentation & Administration

Terry L. Elliott, Senior Vice President, Commercial Loan Officer

Terry F. Frey, Senior Vice President, Loan Operations

Alberta A. Gibson
Senior Vice President, Director of Human Resources

Thomas Grantham
Senior Vice President, Commercial Loan Officer

Oliver James, Senior Vice President, Commercial Lender

Craig Laudeman, Senior Vice President, Senior Credit Officer

Linda Long, Senior Vice President, Commercial Loan Officer

Jacqueline S. Marbell-Edson
Senior Vice President, Credit Administration

Farideh Mullaforoze
Senior Vice President, Business Development Officer

Mark Palmer, Senior Vice President, Commercial Lender

Cynthia L. Piccione, Senior Vice President, Deposit Operations

Altat Shadick
Senior Vice President, Regional Retail Officer

Joshua F. Steele, Senior Vice President, Commercial Lender

Huong V. Song, Senior Vice President, Commercial Lender

Steffany R. Watson
Senior Vice President, Director of Treasury Management

SELECTED FINANCIAL DATA

For the year ended December 31, 2018 (dollars in thousands, except per share data)

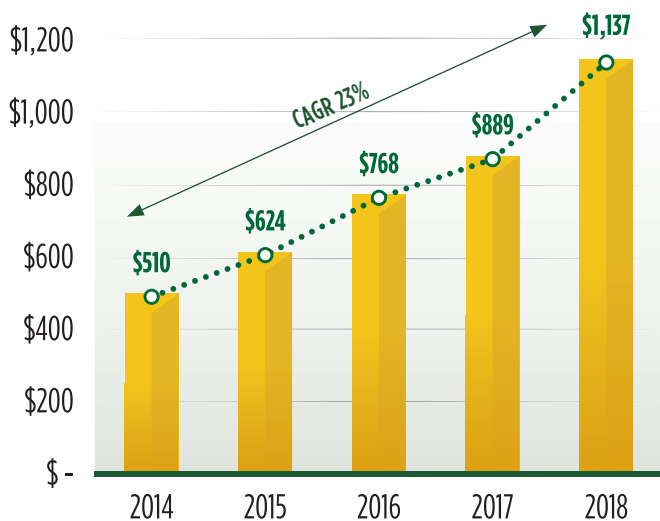
	2018	2017	2016	2015	2014
INCOME STATEMENT DATA:					
Interest income	\$ 51,924	\$ 40,302	\$ 32,587	\$ 26,557	\$ 22,473
Interest expense	12,110	8,195	5,387	3,665	3,288
Net interest income	39,814	32,107	27,200	22,892	19,185
Provision for loan losses	1,920	1,200	1,471	1,073	886
Net interest income after provision for loan losses	37,894	30,907	25,729	21,819	18,299
Non-interest income	1,661	2,975	1,220	1,161	1,313
Non-interest expense	26,448	19,346	16,446	14,701	13,316
Net income before income taxes	13,107	14,536	10,503	8,279	6,296
Provision for income taxes	2,238	6,846	3,571	2,860	2,162
Net income	\$ 10,869	\$ 7,690	\$ 6,932	\$ 5,419	\$ 4,134
BALANCE SHEET DATA:					
Total assets	\$ 1,351,576	\$ 1,053,224	\$ 909,305	\$ 736,807	\$ 604,756
Loans receivable, net of fees	1,136,743	888,677	768,102	623,559	509,938
Allowance for loan losses	(9,159)	(7,725)	(6,452)	(6,239)	(5,565)
Total investment securities	125,298	117,712	113,988	67,795	62,697
Total deposits	1,162,440	928,163	775,991	626,640	504,220
Other borrowed funds	24,407	24,327	51,247	35,650	32,500
Total shareholders' equity	158,336	98,283	79,811	72,752	66,815
Common shares outstanding	13,713	10,869	10,179	10,141	10,138
PER COMMON SHARE DATA:					
Basic net income	\$ 0.93	\$ 0.74	\$ 0.68	\$ 0.54	\$ 0.41
Fully diluted net income	0.85	0.67	0.63	0.51	0.41
Book value	11.55	9.04	7.84	7.18	6.59
Tangible book value ⁽¹⁾	10.93	9.03	7.83	7.16	6.58
PERFORMANCE RATIOS:					
Return on average assets	0.94%	0.80%	0.88%	0.85%	0.76%
Return on average equity	9.29%	8.63%	8.91%	7.70%	6.45%
Net interest margin ⁽²⁾	3.51%	3.43%	3.51%	3.66%	3.63%
Efficiency ratio ⁽³⁾	63.07%	57.16%	58.02%	61.29%	65.21%
Non-interest income to average assets	0.14%	0.31%	0.15%	0.18%	0.24%
Non-interest expense to average assets	2.28%	2.02%	2.08%	2.30%	2.44%
Loans receivable, net of fees to total deposits	97.79%	95.75%	98.98%	99.51%	101.13%
ASSET QUALITY RATIOS:					
Net charge-offs (recoveries) to average loans receivable, net of fees	0.05%	(0.01)%	0.19%	0.07%	0.03%
Nonperforming loans to loans receivable, net of fees	0.34%	0.09%	0.03%	0.41%	0.31%
Nonperforming assets to total assets	0.57%	0.44%	0.03%	0.35%	(28.77)%
Allowance for loan losses to nonperforming loans	285.24%	979.09%	2,591.16%	243.81%	347.60%
Allowance for loan losses to loans receivable, net of fees	0.81%	0.87%	0.84%	1.00%	1.09%
CAPITAL RATIOS (Bank Only):					
Tier 1 risk-based capital	13.27%	12.05%	12.37%	11.25%	12.53%
Total risk-based capital	14.02%	12.83%	13.16%	12.20%	13.62%
Common Equity Tier 1 capital	13.27%	12.05%	12.37%	11.25%	N/A
Leverage capital ratio	12.41%	11.79%	11.89%	10.82%	10.96%
OTHER:					
Average shareholders' equity to average total assets	10.09%	9.32%	9.85%	11.03%	11.78%
Average loans receivable, net of fees to average total deposits	96.56%	97.74%	96.05%	97.83%	95.70%
Average common shares outstanding:					
Basic	11,715	10,435	10,170	10,138	10,125
Diluted	12,822	11,545	10,922	10,591	10,283

(1) Tangible book value is calculated as total shareholders' equity, less goodwill and other intangible assets, divided by common shares outstanding.

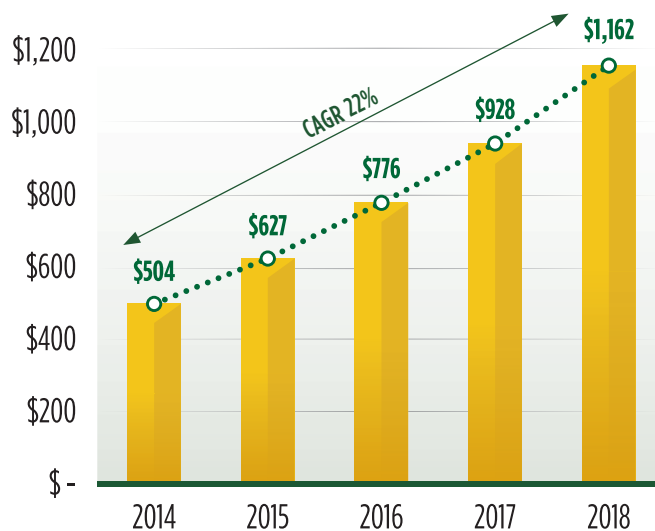
(2) Net interest margin is calculated as net interest income divided by total average earning assets.

(3) Efficiency ratio is calculated as total non-interest expense divided by the total of net interest income and non-interest income.

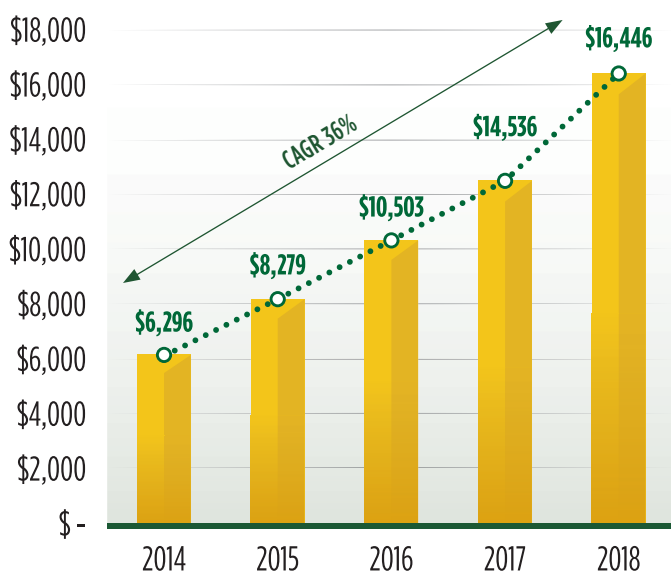
LOANS RECEIVABLE, Net of Fees (mm)



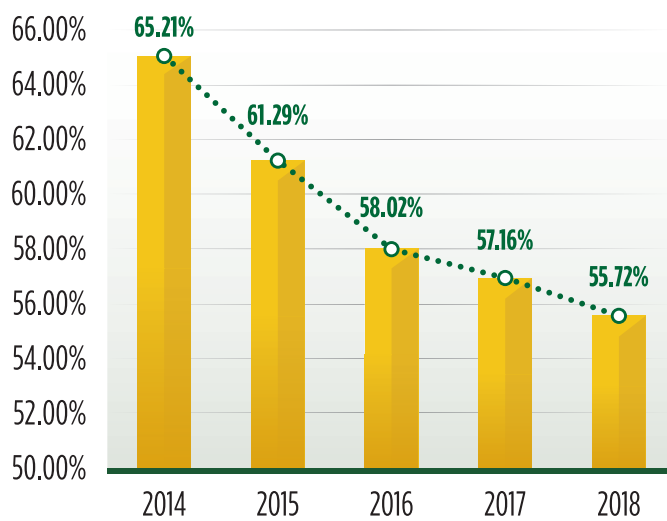
TOTAL DEPOSITS (mm)



INCOME BEFORE NONRECURRING EXPENSES AND TAXES (thousands)



EFFICIENCY RATIO



+ OUR TEAM CAME TOGETHER

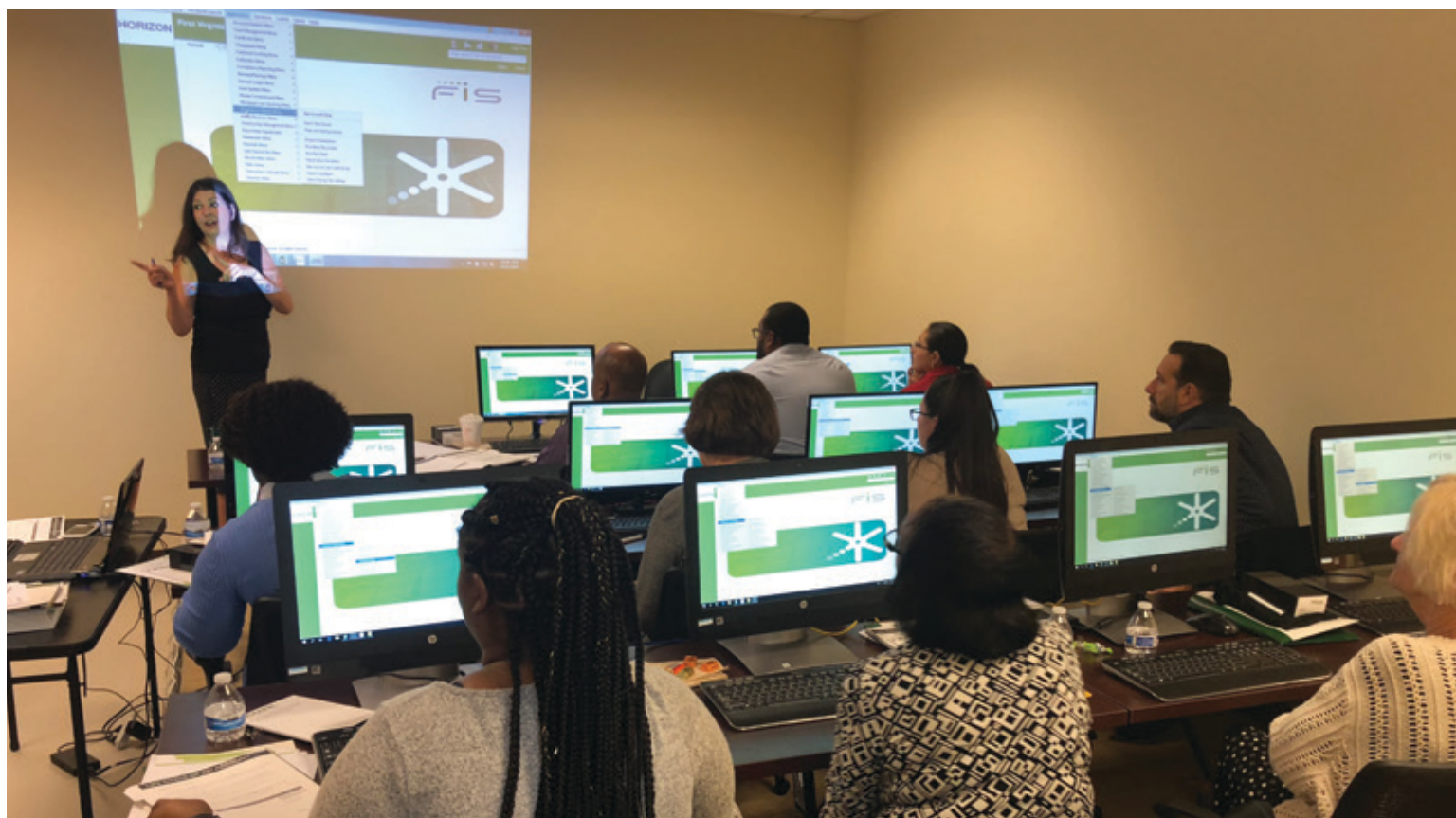
Over the last year, FVCbank embarked on one of its most significant milestones to date.

On May 3, 2018, FVCbankcorp, Inc. announced the beginning of the process to merge FVCbank and Colombo Bank. Serving customers and communities through five full-service locations in Bethesda, Rockville, Silver Spring, Washington, D.C., and Baltimore, Maryland, Colombo Bank merged into FVCBank, expanding the Bank's footprint and increasing its offerings.

As part of a strategic growth plan, on August 20, 2018, FVCBankcorp, Inc. announced its initial public offering (IPO). The IPO closed on September 18, 2018, with FVCbank **raising \$33.5 million net of expenses.**



BETTER TOGETHER



+ TOGETHER OUR FUTURE BEGINS

After successfully completing the systems integration process within five months, on October 12, FVCBankcorp, Inc. finalized its strategic bank acquisition of Colombo Bank.

The physical footprint of the Bank went from six locations in Virginia to 11 branch locations and one loan production office, expanding into the Baltimore and the District of Columbia markets. Immediately, the expanded presence allowed FVCbank to attract new clients, enhance existing relationships and introduce a new market to our products and innovative technology.

With our focus on providing industry-specific expertise within the government contracting, commercial real estate, nonprofit and professional services arenas, each customer has a team of bankers dedicated to support their financial needs. Even with the growth and change, some things always remain the same. FVCbank continues to provide a personalized customer experience with a broad array of products for its expanded market.

The historic year culminated on the world's stage as the collective FVCbank team rang the NASDAQ Market Bell in New York City. With the FVCBankcorp, Inc. logo proudly showcased behind them, the FVCbank Board of Directors looks to the future and plans on building upon this momentum.



Front row (L to R): Devin Satz, Patricia A. Ferrick, David W. Pijor, Scott Laughlin. **Back row (L to R):** Sidney G. Simmonds, Lawrence W. Schwartz, Daniel M. Testa, Steven M. Wiltse, Philip “Trey” R. Wills III. **Not pictured:** Morton A. Bender, L. Burwell Gunn and Thomas L. Patterson.



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some things always remain the same.

FVCbank continues to provide a
personalized customer experience
with a broad array of products
for its expanded market.



COMMUNITY FOCUS

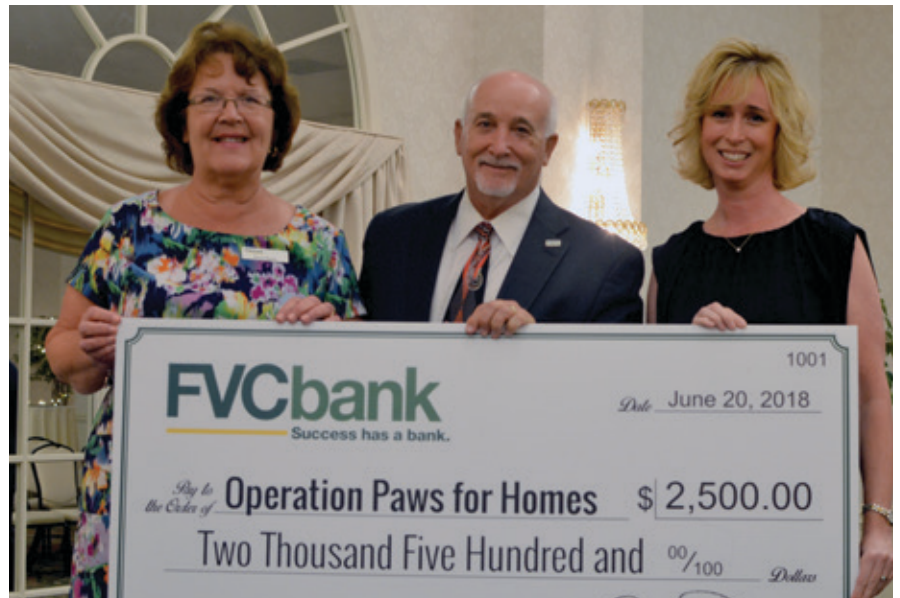
Since its inception, FVCbank has placed a strong focus and emphasis on giving back to the community in which it serves through sharing time, talents and resources.

In 2018, **66 FVCbank employees** volunteered their time to support charity events, while **the Bank sponsored over \$78,000** for community philanthropic initiatives. Also, FVCbank thought leaders participated in co-hosting radio shows for iHeart radio, participated in interviews for the media and offered expertise, serving as industry experts and sharing best practices.

Building upon the relationships Colombo Bank established having served the community since 1914, FVCbank commits to continuing its long-standing tradition of giving back in Virginia and extending that support to the Baltimore and Washington, D.C. communities. FVCbank maintains that the feeling of belonging extends beyond the walls of the bank out into the community.

“Both banks share a similar culture of providing outstanding service and are committed to the community.”

— Morton A. Bender, former chairman of Colombo Bank and current member of the FVCbank board of directors



OUR LOCATIONS

Headquarters

11325 Random Hills Road, Suite 240
Fairfax, VA 22030
Phone: 703.436.3800

Arlington Branch (VA)

2500 Wilson Boulevard, Suite 100
Arlington, VA 22201
Phone: 703.387.5050

Ashburn Branch (VA)

43800 Central Station Drive, Suite 150
Ashburn, VA 20147
Phone: 571.919.6780

Baltimore Branch (MD)

224 Albemarle Street
Baltimore, MD 21202
Phone: 410.685.4611

Bethesda Branch (MD)

6929 Arlington Road
Bethesda, MD 20814
Phone: 301.652.2265

Fairfax Branch (VA)

11325 Random Hills Road, Suite 140
Fairfax, VA 22030
Phone: 703.672.2580

Manassas Branch (VA)

7900 Sudley Road, Suite 200
Manassas, VA 20109
Phone: 703.656.7300

Lutherville Loan Office (MD)

22 West Padonia Road,
Suite A-200
Lutherville, MD 21093
Phone: 410.387.2620

Reston Branch (VA)

11260 Roger Bacon Drive, Suite 101
Reston, VA 20190
Phone: 703.436.3880

Rockville Branch (MD)

1600 E. Gude Drive
Rockville, MD 20850
Phone: 240.268.2265

Silver Spring Branch (MD)

7901 Eastern Avenue
Silver Spring, MD 20910
Phone: 301.562.8443

Springfield Branch (VA)

6975 Springfield Boulevard
Springfield, VA 22150
Phone: 703.672.2590

Washington, D.C. Branch

1301 9th Street NW
Washington, D.C. 20001
Phone: 202.628.5500



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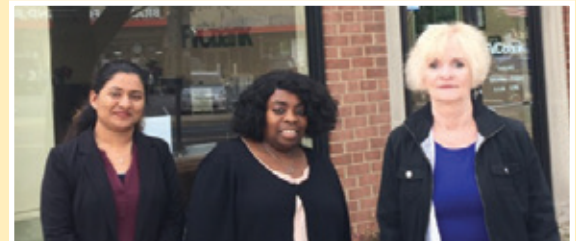
www.fvcbank.com

MEET OUR NEW LOCATION BRANCH TEAMS

This year, FVCbank welcomed the Maryland and D.C. branch locations that provided service for Colombo Bank, which served the community for more than a century. The teams from the Baltimore, Bethesda, Rockville, Silver Spring and Washington, D.C. branches pictured below stand ready to provide you the exceptional banking products and customer service on which both banks built their foundation. **Stop in and meet the teams at one of our newest branch locations today!**



Baltimore, MD Branch



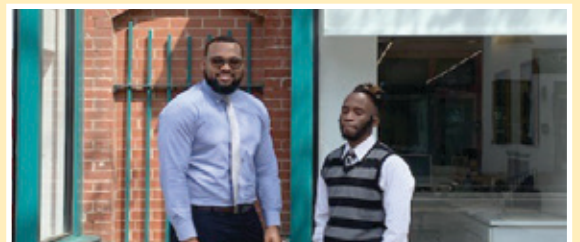
Bethesda, MD Branch



Rockville, MD Branch



Silver Spring, MD Branch



Washington, D.C. Branch