

2014 ANNUAL REPORT



To Our Shareholders

I am pleased to announce record financial results for 2014 at John Marshall Bank. Earnings, growth and asset quality were all strong compared to our peers, and I am very proud of our team of bankers whose commitment and hard work made 2014 our best year to date.

The financial results for 2014 include a number of significant achievements:

- An 18.8% increase in assets. Assets at December 31, 2014 were \$786.8 million compared to 2013 assets of \$662.5 million.
- A 19.9% increase in deposits. Deposits at December 31, 2014 were \$617.6 million compared to 2013 deposits of \$514.9 million.
- A 19.4% increase in loans. Gross loans at December 31, 2014 were \$684.6 million compared to 2013 loans of \$573.4 million.
- A 13.1% increase in our earnings. Net income for 2014 was \$8.0 million compared to net income of \$7.1 million for 2013.
- A 9.7% increase in tangible book value per share, from \$10.94 at the end of 2013, to \$12.00 at December 31, 2014.
- Our 2014 return on average assets of 1.11%, return on average equity of 8.38%, and earnings per diluted share of \$0.92 are solid numbers in consideration of the \$32 million capital raise completed in late 2013 through the sale of 2.4 million shares of stock.
- Our 2014 efficiency ratio of 55%, net interest margin of 4.24% and year-end non-performing assets to total assets ratio of 0.22% all reflect our focus on maximizing earnings by maintaining efficient operations with a commitment to strong asset quality.

In the fall of 2014, The Washington Business Journal recognized John Marshall Bank as the healthiest bank in the Washington, DC metropolitan area, ranking 31st out of 6,500 banks in the United

States. Compiled by DepositAccounts.com, the ranking takes into consideration a number of factors, including capitalization, deposit growth and loan to reserve ratios, resulting in the recognition of the top 200 banks for exceptional fiduciary responsibility.

Our theme for the 2014 Annual Report is Commitment to Community. As you read through the following pages, you will be introduced to our regional teams in Alexandria, Arlington, Fairfax, Loudoun, and Maryland/DC, and our Government Contracting team. You will also see the strength of your Bank's numbers. Dedicated to community and to their daily work, our employees at the corporate offices and the regions directly contribute to the growth and solid performance of John Marshall Bank.

I would like to thank our Board of Directors for their guidance and dedication. They have provided exceptional leadership and counsel, providing our talented team of bankers the opportunity to thrive. I would also like to thank our employees for their devotion to our core values, resulting in the success that has become the hallmark of John Marshall Bank.

The directors and employees of John Marshall Bank join me in thanking you, our shareholder, for the trust placed in us. Beyond the numbers, it is the responsive support from the community, our customers and our shareholders that give true value to our bank. I am grateful for your support, and am confident in the continuing success of John Marshall Bank.

Sincerely,



John R. Maxwell
Chairman & Chief Executive Officer

Alexandria Region

Alexandria, like most of Northern Virginia, has been shaped by its proximity to Washington, D.C., and is just six miles from the nation's capital. While much of Alexandria's business is government-related and tech-driven, the renowned historic center of Old Town boasts quaint shops, restaurants, and a myriad of businesses. Our Alexandria team is recognized throughout Alexandria for their friendly engagement and commitment to community.



Habitat for Humanity of Northern Virginia - Kerry Donley and Pam De Candio of John Marshall Bank (far left and right) present a check from the Bank's annual golf tournament to John Smoot and Phoebe Brown of Habitat for Humanity of Northern Virginia.



Left to right: Monica Rodriguez, Commercial Loan Administrator; Talitha Harvey, Assistant Branch Manager/Bank Officer; Christian Flores, Customer Service Representative; Maria Corey, Commercial Lending Assistant; Kerry Donley, Senior Vice President; Ted Johnson, Regional Executive; Charlie Collum, Executive Officer; Erik Dorn, Senior Vice President; Shannon Catlett, Vice President; Chelsea Elfstrom, Customer Service Representative; Pam De Candio, Senior Vice President

Community Affiliations

Alexandria Chamber of Commerce
Alexandria Economic Development Authority Board
Alexandria Parking Standards Task Force
Alexandria Rotary Club
Business Finance Group
Carpenter's Shelter Board
Committee for the Business Philanthropy Summit
DASH Board
Eisenhower Partnership Board
Potomac Yard Metro Implementation Work Group
Rebuilding Together Alexandria
Rotary Club of Alexandria
Scholarship Fund of Alexandria Board
Volunteer Alexandria

Arlington Region

Home to Crystal City, Rosslyn, and Ballston just across the Potomac River from Washington, D.C., many Arlington businesses and non-profits thrive, enhancing the quality of life for Arlington County's residents and visitors alike. John Marshall Bank and its Arlington team embrace their community, engaging in good works to assist those in need, as well as promoting the economic growth and health of the region at large.



Arlington Chamber of Commerce - Sonia Johnson of John Marshall Bank receives the President's Award from Rich Doud, chamber president, for her time and commitment to Arlington's business community.



Left to right: Chris Lipscomb, Vice President; Kim Ma, Commercial Loan Administrator; Drew Brown, Senior Vice President; Sonia Johnston, Regional President; Rosalie White, Bank Officer; Isaiah Owens, Customer Service Representative; Kimberly Diaz, Customer Service Representative; Stephen Birbalsingh, Bank Officer

Community Affiliations

Arlington Community Foundation
Arlington County Chamber of Commerce
Arlington Free Clinic
Arlington Industrial Development Authority Board
Arlington Partnership for Affordable Housing
Arlington Street People's Assistance Network (A-SPAN)
Business Finance Group
Doorways for Women and Children
ENDependence Center of Northern Virginia
Fight for Diabetes Committee
Kiwanis Club of Arlington
Leadership Arlington
Potomac Chapter the Risk Management Association
Warren G. Stambaugh Memorial Foundation

Fairfax Region

John Marshall Bank is headquartered in Reston, Virginia, which gives our Fairfax Region team opportunities for community service in a wide and populous geographical area. From Tysons Corner, to Fairfax City, to Reston, Herndon and all points in between, our officers and staff are involved in business and charitable organizations that make a difference to this large and vibrant region.



Boulder Crest Retreat - Ernie Carnevale, left, CEO of Blue Ridge Hospice, and JMB's Dan Hampton teamed up to cook an Italian feast for wounded veterans and their families who were staying at the Boulder Crest Retreat.



Left to right: Stacy Hall, Commercial Loan Specialist; Dominique Puller, Customer Service Representative; Brett Burnette, Bank Officer/Portfolio Manager; Kay Bond, Assistant Vice President; Lynn Davis, Commercial Loan Specialist; Dan Hampton, Vice President; Bill Ridenour, President; Jeff Dimeglio, Senior Vice President; Betty Gillen, Vice President; Ashleigh Rector, Customer Service Representative; Craig Sacknoff, Senior Vice President; Jacqueline Angulo, Bank Officer/Assistant Branch Manager (Reston); Tom Davis, Senior Vice President

Community Affiliations

Association for Corporate Growth
Backpack Buddies Foundation
Board of Directors Executive Committee of the GMU Foundation
Fairfax County Chamber of Commerce
FBI Citizens Academy Fellowship Square Foundation
Finance Advisory Board, Virginia Tech, Pamplin College of Business
George Mason University (GMU) Board of Advisors for the College of Visual and Performing Arts
Greater Reston Arts Center
Greater Reston Chamber of Commerce
Leadership Fairfax
Northern Virginia Therapeutic Riding Program
Rotary Club
Safespot Fairfax
Tysons Chamber of Commerce

Loudoun Region

Loudoun County is known for its burgeoning vineyards and bucolic views, as well as its growing population of residents and businesses. The Bank officers and Loudoun team contribute time and talent to an impressive array of organizations. These efforts serve the material, cultural and business needs of the community, and help make Loudoun a place many are happy to call home.



Every Citizen Has Opportunities - Paul Bice presents a donation from the JMB Charity Golf Tournament to ECHO President Laurraine Landolt. ECHO makes a difference in the lives of individuals with intellectual or developmental disabilities.



Left to right: Tony Wininger, Vice President; Denise Hunter, Customer Service Representative; Joan Robey, Assistant Vice President/Branch Manager (Leesburg); Paul Bice, Loudoun Regional President; Betsy Bennett, Assistant Branch Manager (Leesburg); Ann Ford, Assistant Vice President; Jim Bowman, Senior Vice President

Community Affiliations

Barns of Rose Hill
Business Opportunity Network
Leesburg Day Break Rotary Club
Loudoun Community Breakfast
Loudoun County Chamber of Commerce
Loudoun County Economic Development Authority
Loudoun County's Fiscal Impact Committee
Loudoun Senior Interest
Loudoun Therapeutic Riding
Purcellville Business Association
Purcellville Rotary Club
Purcellville Viticulture and Enology Center Committee
Reston Hospital
Special Olympics Loudoun County
Sterling Rotary
Stones Spring Hospital Center
Visit Loudoun Foundation

Maryland/DC Region

With regional offices in Rockville and Dupont Circle, our banking team is comprised of skilled and dedicated bankers who provide customized financial services for the individual needs of business owners. While the team serves in two jurisdictions, community-spiritedness is a common cause, with active involvement to strengthen the business community and advance the well-being of residents of the region.



Woodley House - Linda Meixner and Gary Frye, from left, of Woodley House receive a charity golf tournament donation from Ed Harrington. Woodley House, located in Washington, D.C., provides residential housing for adults recovering from mental illness.



Left to right: Patrick Collins, Commercial Lender; April Anthony, Customer Service Representative; Marissa Sellner, Assistant Vice President/Assistant Branch Manager; Edward Harrington, Regional President; Gabriel Derosier, Vice President/Branch Manager; Natalia Shulinina, Vice President Business Development; Heather Underwood, Lending Assistant; Francis Gomes, Customer Service Representative

Community Affiliations

Bethesda-Chevy Chase Chamber of Commerce
Catholic Business Network
D.C. Chamber of Commerce
Gonzaga Business Network
Montgomery College
Montgomery County Builder Board for the Consumer Protection Agency
Rockville CEO Roundtable
Rockville Chamber of Commerce

Government Contracting Group

John Marshall Bank has a specialized group of bank officers experienced in the unique banking needs of government contractors. In addition to providing creative financial solutions to companies and their owners, the Government Contracting Group understands the importance of being good corporate citizens, and each member is involved in local organizations and community programs that lend a helping hand.



Fairfax County Chamber of Commerce - Chairman Mark Moore, center, cuts the ribbon to officially open the new Chamber offices in Tysons Corner. Vice Chair Phil Panzarella, left, Lovey Hamel, immediate Past Chair, and Treasurer Dave Lundsten join in the celebration.



Left to right: Dan Hampton, Vice President; Chuck Wortman, Senior Vice President; Mark Moore, Executive Vice President/Chief Lending Officer; Eveline C. van Dijk, Portfolio Manager; Ted Johnson, Alexandria Regional Executive

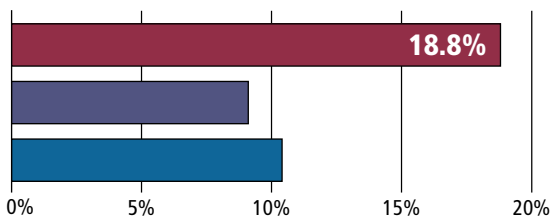
Community Affiliations

- Association of Corporate Growth
- Backpack Buddies Foundation
- Fairfax County Chamber of Commerce GovCon Council
- Fellowship Square Foundation
- Greater Reston Arts Center
- Greater Reston Chamber of Commerce Government Contractor Committee
- Leadership Fairfax
- Northern Virginia Therapeutic Riding Program
- Rotary Club
- Small and Emerging Contractors Advisory Forum (SECAF)
- Small Disadvantaged Veteran-Owned Small Business Council (SDVOSB)

Peer Group Analytics

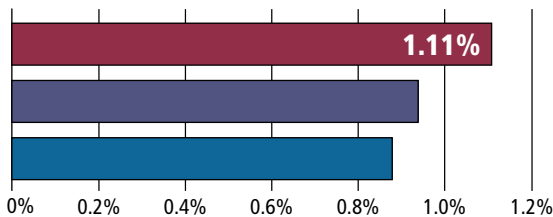
2014 ASSET GROWTH

(percentage)



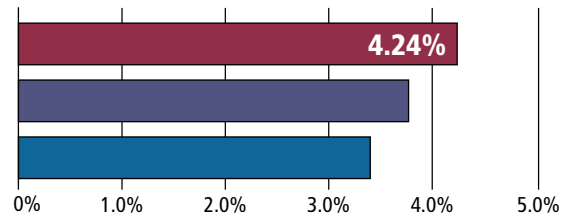
2014 RETURN ON AVERAGE ASSETS

(percentage)



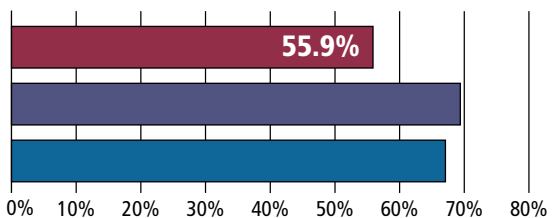
2014 NET INTEREST MARGIN

(percentage)



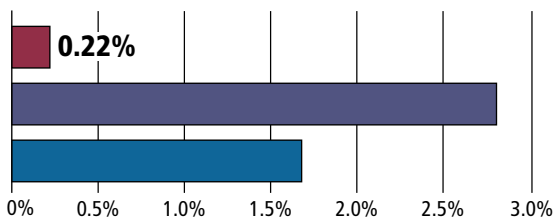
2014 EFFICIENCY RATIO ⁽¹⁾

(percentage)



NON PERFORMING ASSETS ⁽²⁾

(percentage)



John Marshall Bank's financial performance continues to compare favorably to its peers in the Southeast and Mid-Atlantic regions with respect to growth, profitability and asset quality. Peer group data was obtained from SNL Financial, a leading provider of financial data in the banking sector.

- John Marshall Bank
- Average Southeast Peer Group ⁽³⁾
- Average Mid-Atlantic Peer Group ⁽⁴⁾

⁽¹⁾ Non-interest expense / net-interest income plus non-interest income

⁽²⁾ Non-accrual loans plus other real estate owned / total assets

⁽³⁾ Banks with assets between \$500 million and \$1 billion headquartered in the Southeast

⁽⁴⁾ Banks with assets between \$500 million and \$1 billion headquartered in the Mid-Atlantic

Source: SNL Financial

Balance Sheets December 31, 2014 and 2013 (In thousands, except per share data)

Assets	2014	2013	% Change
Cash and due from banks	\$ 10,799	\$ 5,978	80.6%
Interest-bearing deposits in banks	17,786	23,198	-23.3%
Securities available-for-sale, at fair value	13,482	48,743	-72.3%
Securities held-to-maturity, fair value of \$50,765 in 2014 and \$2,625 in 2013	49,934	2,466	1924.9%
Restricted securities, at cost	5,401	4,005	34.9%
Loans, net of allowance for loan losses of \$6,506 in 2014 and \$5,748 in 2013	676,777	566,729	19.4%
Bank premises and equipment, net	3,041	3,112	-2.3%
Accrued interest receivable	2,168	1,894	14.5%
Other assets	7,450	6,415	16.1%
Total Assets	\$ 786,838	\$ 662,540	18.8%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits:			
Non-interest bearing demand deposits	\$ 121,219	\$ 84,350	43.7%
Interest bearing demand deposits	198,438	145,354	36.5%
Savings deposits	6,500	5,073	28.1%
Time deposits	291,456	280,149	4.0%
Total deposits	617,613	514,926	19.9%
Repurchase agreements	12,404	13,305	-6.8%
Federal Home Loan Bank advances	52,000	39,000	33.3%
Accrued interest payable	132	132	0.0%
Other liabilities	5,040	4,509	11.8%
Total liabilities	\$ 687,189	\$ 571,872	20.2%
Shareholders' Equity			
Common stock, voting, par value \$5 per share; authorized 10,000,000 shares; issued and outstanding, 8,305,086 shares in 2014 and 8,286,336 in 2013	41,525	41,432	0.2%
Additional paid-in capital	39,023	38,605	1.1%
Retained earnings	19,288	11,269	71.2%
Accumulated other comprehensive loss	(187)	(638)	-70.7%
Total shareholders' equity	99,649	90,668	9.9%
Total liabilities and shareholders' equity	\$ 786,838	\$ 662,540	18.8%

Statements of Income

Years Ended December 31, 2014 and 2013 (In thousands, except per share data)

Interest and Dividend Income	2014	2013	% Change
Interest and fees on loans	\$ 32,873	\$ 29,388	11.9%
Interest on investment securities, taxable	1,061	658	61.2%
Interest on investment securities, tax-exempt	91	74	23.0%
Dividends	237	157	51.0%
Interest on deposits in banks	74	52	42.3%
Total interest and dividend income	34,336	30,329	13.2%
Interest Expense			
Deposits	3,926	3,462	13.4%
Federal Home Loan Bank advances	392	442	-11.3%
Other short-term borrowings	54	35	54.3%
Total interest expense	4,372	3,939	11.0%
Net interest income	29,964	26,390	13.5%
Provision for loan losses	1,018	760	33.9%
Net interest income after provision for loan losses	28,946	25,630	12.9%
Noninterest Income			
Service charges on deposit accounts	409	320	27.8%
Other service charges and fees	57	51	11.8%
Total noninterest income	466	371	25.6%
Noninterest Expenses			
Salaries and employee benefits	10,154	8,775	15.7%
Occupancy expense of premises	1,581	1,425	10.9%
Furniture and equipment expenses	994	899	10.6%
Other operating expenses	4,294	3,942	8.9%
Total noninterest expenses	17,023	15,041	13.2%
Income before income taxes	12,389	10,960	13.0%
Income tax expense	4,370	3,871	12.9%
Net income	\$ 8,019	\$ 7,089	13.1%
Earnings Per Common Share			
Basic	\$ 0.97	\$ 1.15	-15.7%
Diluted	\$ 0.92	\$ 1.12	-17.9%

DIRECTORS

John R. Maxwell
Chairman

Philip W. Allin

Philip R. Chase

Jean M. Edelman

Michael T. Foster, FAIA

Subhash K. Garg

Ronald J. Gordon

Jonathan C. Kinney

O. Leland Mahan

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OFFICERS

John R. Maxwell
Chairman & Chief
Executive Officer

Bill Ridenour
President & Chief
Administrative Officer

Carl Dodson
Executive Vice President
Chief Operating Officer

Mark D. Moore
Executive Vice President
Chief Lending Officer

Paul W. Bice
Regional President
Loudoun

Edward Harrington
Regional President
Maryland/DC

Sonia N. Johnston
Regional President
Arlington

Ted Johnson
Regional Executive
Alexandria

Heather D. Skigen
Senior Vice President
Chief Credit Officer

Barry Benishek
Senior Vice President

Jim Bowman
Senior Vice President

Debbie H. Boyd
Senior Vice President

B. Drew Brown
Senior Vice President

Jose Castillo
Senior Vice President

Kevin Clarke
Senior Vice President

Charles K. Collum, Jr.
Executive Officer

Thomas S. Davis
Senior Vice President

Pamela C. DeCandio
Senior Vice President

Jennifer Dellinger
Senior Vice President

Jeffrey DiMeglio
Senior Vice President

Kerry Donley
Senior Vice President

Erik J. Dorn
Senior Vice President

Linda Fourney
Senior Vice President

R. Bruce Gemmill
Senior Vice President

Donald A. Hancock, Jr.
Senior Vice President

Robert McCoy
Senior Vice President

Teresa Peterson
Senior Vice President

Craig Sacknoff
Senior Vice President

Martha Trejo
Senior Vice President

Steve Wilson
Senior Vice President

Chuck Wortman
Senior Vice President

Josephine C. Catilo
Vice President

Shannon Catlett
Vice President

Gabriel Derosier
Vice President

Jackie C. Forbes
Vice President

Betty Gillen
Vice President

Yvonne Gray
Vice President

Dan Hampton
Vice President

Susie Kitchin
Vice President

Daniel L. Leber
Vice President

Christopher J. Lipscomb
Vice President

Natalia Shulinina
Vice President

Tony Wininger
Vice President

Kay C. Bond
Assistant Vice President

Heng-Ying Fang
Assistant Vice President

Kyla Ferrell
Assistant Vice President

Ann M. Ford
Assistant Vice President

Jorge (George) Hernandez
Assistant Vice President

Manisha Mahnot
Assistant Vice President

Chhaya Muth
Assistant Vice President

Jacqueline Harmon Purnell
Assistant Vice President

Joan M. Robey
Assistant Vice President

Marissa Sellner
Assistant Vice President

Jacqueline Angulo
Bank Officer

Penny A. Beidelman
Bank Officer

Stephen Birlbalsingh
Bank Officer

Brett Burnette
Bank Officer

Patrick Collins
Bank Officer

Edna Martinez
Bank Officer

Dahlia McLean
Bank Officer

Rosa M. Perez
Bank Officer

Monica Rodriguez
Bank Officer

Rosalie M. White
Bank Officer

Independent Accountants

Yount, Hyde & Barbour, P.C.
Winchester, Virginia

Additional Information

For financial information about John Marshall Bank, please contact:

Carl Dodson
Executive Vice President & COO
cdodson@johnmarshallbank.com

John Marshall Bank
1943 Isaac Newton Square, Suite 100
Reston, VA 20190
www.JohnMarshallBank.com



John Marshall Bank is an equal
opportunity employer.

