



JOHN MARSHALL BANCORP, INC.

2023 ANNUAL REPORT



LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

Your board is committed to providing strong governance of John Marshall Bank's business and oversight of the Company's strategy to be the best full-service bank for business and professional owners in Virginia, Maryland and the District of Columbia. Our goal is to deliver unparalleled service to our customers and business owners. Our decisions are made locally. You will never have to call New York or San Francisco to obtain loan approval or to ask questions regarding your banking relationship.

We are greatly appreciative of the John Marshall Bank team for their hard work and their personal commitment to the Company's success. Our team is made up of individuals from diverse backgrounds and communities, which gives us a better understanding of the people we work with and the clients we serve.

2023 was a year of economic volatility. The inverse yield curve adversely impacted net interest margins. While it would have been easy to "chase" higher yielding loans that did not meet our quality standards, we chose not to do so, instead choosing to safeguard our future and ensuring the Bank can deliver strong sustainable results for years in the future. Although the external banking environment affected our financial results for the year, we remain well positioned to create value for our investors in the years ahead and continue to serve our customers and their families with a prudent lending approach.

We've received Preferred Lender Status from the U.S. Small Business Administration which will allow us to increase our commitment to small and mid-sized business owners.

We encourage our board members' participation in community activities along with the governance of the Bank to ensure that we have the full benefit of their varied experiences, their perspectives and guidance so that we are able to meet the challenges of tomorrow.

We would like to thank our branch associates, customer service representatives, branch managers, loan officers, marketing, personnel and headquarters staff and our senior management for their commitment to the Bank's success and their efforts to make it continue to excel in the future.

To our Shareholders we thank you for making your investment in John Marshall Bancorp, Inc., we hope we will continue to earn your trust and support.

Sincerely,

Jonathan C. Kinney
Chairman of the Board

BOARD OF DIRECTORS



Jonathan C. Kinney
Chairman of the Board



Christopher W. Bergstrom
President &
Chief Executive Officer



Philip W. Allin
Executive Vice President
Interiors by Guernsey



Philip R. Chase
Owner and Principal
Synergis LLC



Michael T. Foster
President
MTFA Architecture, Inc.



Mike Garcia
President, Mike Garcia
Construction Inc.



Subhash K. Garg
Co-Founder and Principal
Wiener & Garg LLC



O. Leland Mahan
Senior Partner, Hall, Monahan,
Engle, Mahan & Mitchell



Lim Nguonly
Founder and President
Princess Jewelers

EXECUTIVE TEAM



Christopher W. Bergstrom
President &
Chief Executive Officer



Kent D. Carstater
Sr. Executive Vice President
Chief Financial Officer



Andrew J. Peden
Sr. Executive Vice President
Chief Banking Officer



Jason R. McDonough
Executive Vice President,
Chief Lending Officer



Sheila Yosufy
Executive Vice President,
Director of Sales



Kelly Bell
Executive Vice President,
Chief Operating Officer



James N. Estep
Executive Vice President,
Director of C&I Lending



Melanie Williams
Senior Vice President
Director of Human Resources



Patrick Runge
Senior Vice President
Chief Technology Officer



JOHN MARSHALL BANCORP, INC.

Consolidated Balance Sheets

December 31, 2023 and 2022
(In thousands, except share and per share data)

Assets	2023	2022	% Change
Cash and due from banks	\$ 7,424	\$ 6,583	12.8%
Interest-bearing deposits in banks	91,581	55,016	66.5%
Securities available-for-sale, at fair value	169,993	357,576	(52.5)%
Securities held-to-maturity at amortized cost, fair value of \$79,532 and \$81,161 as of December 31, 2023 and December 31, 2022, respectively	95,505	99,415	(3.9)%
Restricted securities, at cost	5,012	4,425	13.3%
Equity securities, at fair value	2,792	2,115	32.0%
Loans, net of unearned income	1,859,967	1,789,508	3.9%
Less: Allowance for loan credit losses	(19,543)	(20,208)	(3.3)%
Loans, net	1,840,424	1,769,300	4.0%
Bank premises and equipment, net	1,281	1,219	5.1%
Accrued interest receivable	6,110	5,531	10.5%
Bank owned life insurance	—	21,170	N/M
Right of use assets	4,176	4,611	(9.4)%
Other assets	18,251	21,274	(14.2)%
Total assets	\$ 2,242,549	\$ 2,348,235	(4.5)%
Liabilities			
Deposits:			
Non-interest bearing demand deposits	\$ 411,374	\$ 476,697	(13.7)%
Interest-bearing demand deposits	607,971	691,945	(12.1)%
Savings deposits	52,061	95,241	(45.3)%
Time deposits	835,194	803,857	3.9%
Total deposits	1,906,600	2,067,740	(7.8)%
Federal funds purchased	10,000	25,500	(60.8)%
Federal Reserve Bank borrowings	54,000	—	—
Subordinated debt, net of unamortized issuance costs	24,708	24,624	0.3%
Accrued interest payable	4,559	1,035	340.5%
Lease liabilities	4,446	4,858	(8.5)%
Other liabilities	8,322	11,678	(28.7)%
Total liabilities	2,012,635	2,135,435	(5.8)%
Shareholders' Equity			
Preferred stock, par value \$0.01 per share; authorized 1,000,000 shares; none issued	—	—	N/M
Common stock, nonvoting, par value \$0.01 per share; authorized 1,000,000 shares; none issued	—	—	N/M
Common stock, voting, par value \$0.01 per share; authorized 30,000,000 shares; issued and outstanding, 14,148,533 shares at December 31, 2023, including 47,318 unvested shares, 14,098,986 shares at December 31, 2022, including 55,185 unvested shares	141	141	N/M
Additional paid-in capital	95,636	94,726	1.0%
Retained earnings	146,388	146,630	(0.2)%
Accumulated other comprehensive loss	(12,251)	(28,697)	(57.3)%
Total shareholders' equity	229,914	212,800	8.0%
Liabilities and Shareholders' Equity	\$ 2,242,549	\$ 2,348,235	(4.5)%

Please refer to the Investor Relations section of the Company's website for the 2023 audited financial statements and accompanying notes.



JOHN MARSHALL BANCORP, INC.

Consolidated Statements of Income

Years Ended December 31, 2023 and 2022
(In thousands, except per share data)

Interest and Dividend Income	2023	2022	% Change
Interest and fees on loans	\$ 86,435	\$ 74,281	16.4%
Interest on investment securities, taxable	7,206	7,934	(9.2)%
Interest on investment securities, tax-exempt	53	120	(55.8)%
Dividends	300	249	20.5%
Interest on deposits in banks	6,776	1,482	357.2%
Total interest and dividend income	100,770	84,066	19.9%
Interest Expense			
Deposits	47,168	11,778	300.5%
Federal funds purchased	15	15	N/M
Federal Home Loan Bank advances	67	42	59.5%
Federal Reserve Bank borrowings	1,640	—	N/M
Subordinated debt	1,396	1,810	(22.9)%
Total interest expense	50,286	13,645	268.5%
Net interest income	50,484	70,421	(28.3)%
Provision for (Recovery of) Credit Losses	(3,252)	175	N/M
Net interest income after provision for (recovery of) credit losses	53,736	70,246	(23.5)%
Non-interest Income			
Service charges on deposit accounts	330	324	1.9%
Bank owned life insurance	224	544	(58.8)%
Other service charges and fees	838	656	27.7%
Losses on sale of available-for-sale securities	(17,316)	—	N/M
Insurance commissions	386	382	1.0%
Gain on sale of government guaranteed loans	131	—	N/M
Non-qualified deferred compensation plan asset gains (losses), net	317	(354)	N/M
Other income	150	139	7.9%
Total non-interest income (loss)	(14,940)	1,691	N/M
Non-interest Expenses			
Salaries and employee benefits	19,436	20,190	(3.7)%
Occupancy expense of premises	1,811	1,893	(4.3)%
Furniture and equipment expenses	1,178	1,325	(11.1)%
Other expenses	8,390	8,466	(0.9)%
Total non-interest expenses	30,815	31,874	(3.3)%
Income before income taxes	7,981	40,063	(80.1)%
Income Tax Expense	2,823	8,260	(65.8)%
Net income	\$ 5,158	\$ 31,803	(83.8)%
Earnings Per Common Share			
Basic	\$ 0.37	\$ 2.27	(83.7)%
Diluted	\$ 0.36	\$ 2.25	(84.0)%

Please refer to the Investor Relations section of the Company's website for the 2023 audited financial statements and accompanying notes.

LOCATIONS



Branches

- 1. Alexandria**
- 2. Arlington**
- 3. Leesburg**
- 4. Reston**
- 5. Rockville**
- 6. Tysons**
- 7. Washington, DC**
- 8. Woodbridge**

640 Franklin St.
2300 Wilson Blvd., Ste.120
842 South King St.
1943 Isaac Newton Sq. E, Ste.150
11 N. Washington St., Ste. 100
8229 Boone Blvd., Ste.102
1625 K Street NW, Suite #1050
12701 Marblestone Dr., Ste. 150

Alexandria, VA 22314
Arlington, VA 22201
Leesburg, VA 20175
Reston, VA 20190
Rockville, MD 20850
Tysons, VA 22182
Washington DC 20006
Woodbridge, VA 22192

Contact Information

JohnMarshallBank.com
703.584.0840
IR@JohnMarshallBank.com

Independent Accountants:
Yount, Hyde & Barbour, P.C.
Winchester, Virginia

