2009 Annual Report to Shareholders

To Our Shareholders:

2009 marked another outstanding year for John Marshall Bank. Although operating in a difficult and uncertain economic environment, the Bank experienced exceptional growth in all financial categories as we continued our long-term strategic focus on relationship based community banking.

Through consistent execution of our proven business model in 2009, John Marshall Bank:

- Achieved asset growth to $234.6 million, an increase of 72% over the 2008 level of $136.4 million.
- Grew deposits by a record 95% to $186.3 million.
- Increased loans by 76%, or $89.9 million, ending the year with a total portfolio of $208.5 million.
- Expanded the net interest margin from 3.41% to 3.90%.
- Improved net interest income to $6.9 million, an increase of 146% over $2.8 million in 2008.
- Focused on expense control, increasing non-interest expense by only 32.5%.
- Maintained strong capital ratios and continued to be well capitalized. Total risk-based, Tier 1 risk-based and Tier 1 leverage capital ratios were 14.0%, 13.0% and 13.6%, respectively.
- Moved the Leesburg Office and the Arlington Office into new branch retail spaces.
- Received approval to open a limited service, commercial banking office in Washington, D.C.

Our strong growth in loans and deposits, combined with an increase in net interest income and a focus on maintaining asset quality and controlling expenses, enabled us to reach profitability, one of the most significant milestones for the Bank in 2009. Net income for the third quarter was $28 thousand, increasing to $102 thousand for the fourth quarter.

At the forefront of our model is our commitment to conservative management focused on safety. While our aggressive growth in the loan portfolio reflects success in serving our markets, we remain focused on extending loans to high-quality borrowers with whom we have established strong relationships. We have been able to make prudent loans based upon conservative underwriting standards incorporating realistic collateral valuations and an understanding of local economic conditions.

We remain committed to our community banking model that creates success for our shareholders, customers and employees. We believe the Bank is well positioned for the future, creating a solid foundation that will enable us to take advantage of growth opportunities.

In closing, it is with great sadness we report the loss of a valued member of our team, Greg Motheral, who served as our Senior Vice President-Lending for the Arlington Region. Although Greg was with the Bank only a short time, his contributions to the Bank will always be remembered. We offer our heartfelt condolences to Greg's family.

On behalf of the Board of Directors, officers and staff of John Marshall Bank, thank you for placing your trust in our vision.

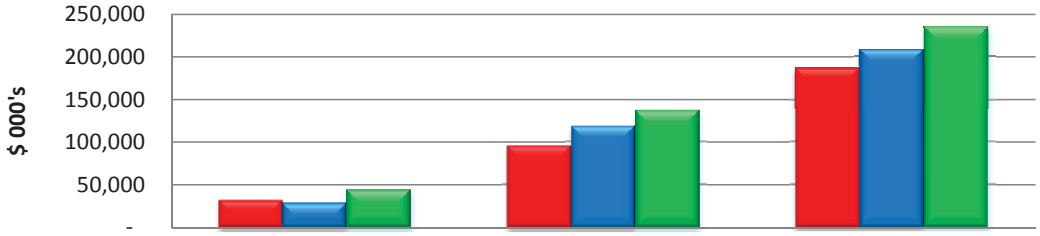
Sincerely,

John R. Maxwell
Chairman and Chief Executive Officer

JOHN MARSHALL BANK

Selected Historical Financial Information

Balance Sheet Growth

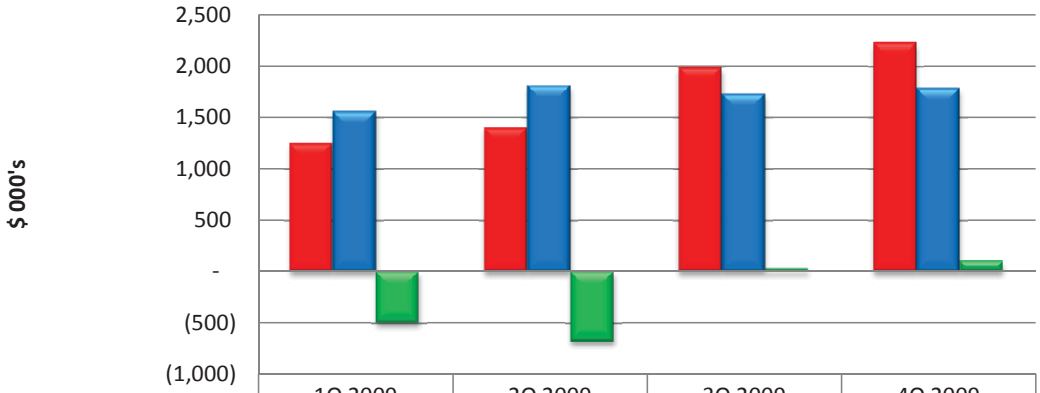


	12/31/2007	12/31/2008	12/31/2009
Total Deposits	31,654	95,421	186,339
Total Loans	28,559	118,670	208,534
Total Assets	43,973	136,407	234,643

Combined With an Increasing Net Interest Margin

	2007	2008	2009
Yield on Earning Assets	6.07%	5.58%	5.66%
Cost of Interest Bearing Liabilities	4.08%	3.20%	2.26%
Net Interest Margin	4.09%	3.41%	3.90%

Resulted in Profitability Beginning in Third Quarter of 2009



	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Net Interest Income	1,245	1,398	1,985	2,229
Non-Interest Expense	1,558	1,810	1,730	1,784
Net Income (Loss)	(501)	(677)	28	102

JOHN MARSHALL BANK

Directors

John R. Maxwell, Chairman
Philip W. Allin
Philip R. Chase
Jean Edelman
Michael T. Foster, FAIA
Subhash K. Garg
Ronald J. Gordon
Jonathan C. Kinney
O. Leland Mahan
Lim Nguonly
William Soza

Officers

John R. Maxwell
Chairman & Chief Executive Officer

William J. Ridenour
President & Chief Administrative Officer

Carl E. Dodson
Executive Vice President & Chief Operating Offcer

Mark D. Moore
Executive Vice President & Chief Lending Officer

Paul W. Bice
Regional President - Loudoun County

Edward S. Harrington
Regional President - Maryland / DC

Sonia N. Johnston
Regional President - Arlington

James L. Bowman
Senior Vice President - Commercial Lending (Loudoun)

Debbie H. Boyd
Senior Vice President - Deposit Operations

Thomas S. Davis
Senior Vice President - Commercial Lending (Fairfax)

Donald A. Hancock Jr.
Senior Vice President - Credit Administration

J. David Holden
Senior Vice President - Commercial Lending (Fairfax)

Miguel Ornelas
Senior Vice President - Commercial Lending (Fairfax)

Martha L. Trejo
Senior Vice President & Controller

Kevin Clarke
Vice President - Branch Administration

Jennifer Dellinger
Vice President - Maryland / DC Region

Michael Otto
Vice President - Commercial Lending (Loudoun)

Kay C. Bond
Assistant Vice President - Executive Assistant (Fairfax)

Jackie C. Forbes
Assistant Vice President - Credit Administration

Ann M. Ford
Assistant Vice President - Executive Assistant (Loudoun)

Daniel L. Leber
Assistant Vice President - Credit Underwriter

Josephine Catilo
Assistant Vice President - Deposit Operations

Joan M. Robey
Assistant Vice President - Branch Manager (Loudoun)

Eveline C. van Dijk
Assistant Vice President - Credit Underwriter

Penny A. Beidelman
Bank Officer - Credit Administration

Jorge A. Hernandez
Cash Management Officer

Marisa Martineau
Bank Officer - Executive Assistant

Frederick Meixell
Bank Officer - Branch Manager (Arlington)

Chhaya Muth
Cash Management Officer

Rosa Perez
Bank Officer - Finance/Accounting

Jacqueline Purnell
Bank Officer - Credit Administration

Monica Rodriguez
Bank Officer - Lending Assistant (Arlington/Fairfax)

Paul Velasquez
Bank Officer (Arlington)

Independent Accountants

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

Additional Information

For additional information about
John Marshall Bank, please contact:

Carl E. Dodson
Executive Vice President & Chief Operating Officer
cdodson@johnmarshallbank.com

John Marshall Bank is an Equal Opportunity Employer