



JOHN 
MARSHALL
BANK



**2010 ANNUAL
REPORT TO
SHAREHOLDERS**



To Our Shareholders:

We are pleased to report strong financial results for the Bank during 2010 as a result of our commitment to a strategic focus on relationship-based community banking in the D.C. metropolitan area. Achievements during 2010 included:

- Asset growth of 32%, or \$75 million, to \$310 million.
- Deposit growth of 36%, or \$67 million, to \$254 million.
- Loan growth of 31%, or \$66 million, to \$274 million.
- Continued improvement in our net interest margin, which reached 4.51%, compared to 3.90% in 2009.
- Increased net interest income by 80%, or \$5.5 million, to \$12.4 million.
- Limited the increase in our non-interest expenses to 28%, or \$1.9 million, to \$8.8 million.
- Reported our first full year of profitability. Income before taxes was \$2.7 million during 2010, compared to a loss before taxes of \$1.0 million in 2009. In addition, we reported an income tax benefit of \$1.6 million during 2010 related to the realization of tax benefits associated with losses incurred during our start-up phase, resulting in after tax net income \$4.3 million.
- Maintained strong capital ratios and continued to be well capitalized. Total risk-based, Tier 1 risk-based and Tier 1 leverage capital ratios were 12.1%, 11.0% and 10.6%, respectively.
- Maintained strong credit quality, with non-performing loans declining from 1.12% of total loans as of December 31, 2009 to 1.05% as of December 31, 2010. Net charge-offs to average loans outstanding declined from .23% during 2009 to .09% during 2010.
- Opened a limited service, commercial banking office in Washington, D.C.

Additionally, our Maryland presence was enhanced by the opening of a full service branch in Rockville under the direction of Ed Harrington, our Regional President for Maryland and the District. The branch is already profitable and we are receiving a great response from the community for the service we provide.

We began expansion into the Alexandria market with the hiring of Ted Johnson as our Regional Executive for Alexandria, and Pam DeCandio as our business development officer for the region. Both Ted and Pam have extensive experience in banking the Alexandria market and are welcome additions to our team.

We recently announced that we are moving our corporate headquarters and establishing another full service branch in Reston, Virginia. This new facility will provide room for expansion of our staff as we continue to grow, and will give us a strong presence in the Dulles Airport corridor. We expect to occupy our new headquarters building during the summer of 2011.

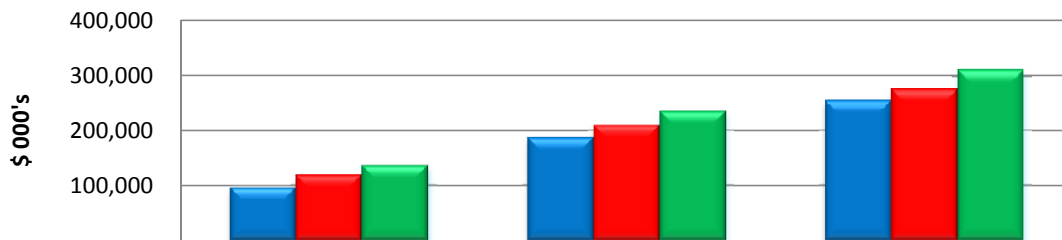
Finally, with this shareholder report, we are commencing an offering of up to one million newly issued shares of common stock to support our continued growth. Enclosed with this shareholder report are the offering circular, subscription agreement and our 10-K report which includes audited financial results for 2010. We encourage all existing shareholders to take advantage of this opportunity to purchase additional shares and look forward to welcoming new shareholders as investors and customers of the Bank.

On behalf of the Board of Directors, officers and staff of John Marshall Bank, thank you for your continued support.

Sincerely,

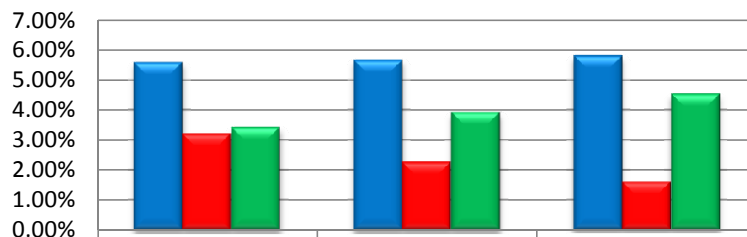
John R. Maxwell
Chairman and Chief Executive Officer
March 18, 2011

Continued Balance Sheet Growth



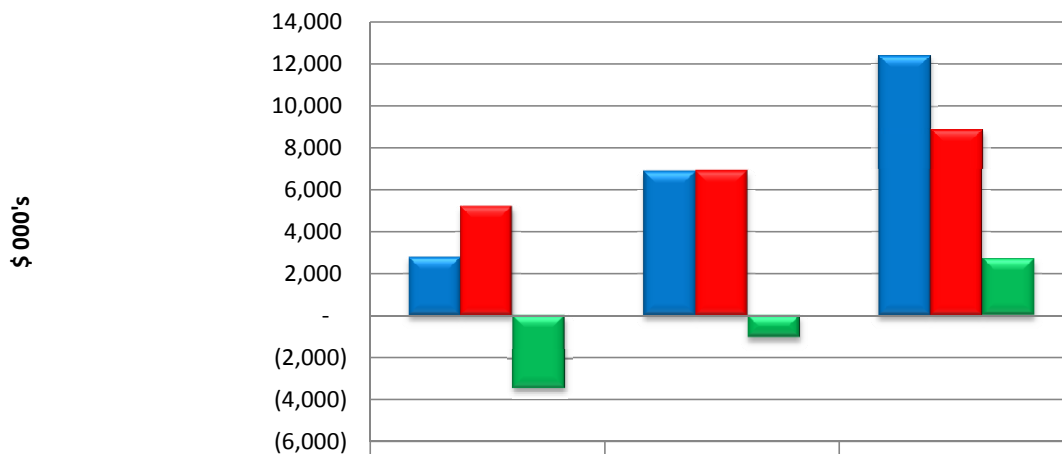
	12/31/2008	12/31/2009	12/31/2010
Total Deposits	95,421	186,339	253,360
Total Loans	118,670	208,534	274,079
Total Assets	136,407	234,643	309,871

Combined With an Increasing Net Interest Margin



	2008	2009	2010
Yield on Earning Assets	5.58%	5.66%	5.80%
Cost of Interest Bearing Liabilities	3.20%	2.26%	1.60%
Net Interest Margin	3.41%	3.90%	4.51%

Resulted in Our First Full Year of Profitability



	2008	2009	2010
Net Interest Income	2,786	6,857	12,355
Non-Interest Expense	5,195	6,882	8,831
Net Income (Loss) Before Taxes	(3,406)	(1,048)	2,694



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Executive Vice President & Chief Lending Officer

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Regional President - Maryland / DC

Sonia N. Johnston

Regional President - Arlington

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Senior Vice President - Deposit Operations

B. Drew Brown

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Senior Vice President - Commercial Lending (Fairfax)

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Senior Vice President - Credit Administration

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Senior Vice President - Commercial Lending (Fairfax)

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Senior Vice President - Loan Review

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Vice President - Maryland / DC Region

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Assistant Vice President (Maryland / DC)

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Assistant Vice President - Credit Underwriter

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Assistant Vice President - Branch Manager (Arlington)

Penny A. Beidelman

Bank Officer - Credit Administration

Heng-Ying Fang

Bank Officer - Finance / Accounting

Jorge A. Hernandez

Cash Management Officer

Marisa Martineau

Bank Officer - Executive Assistant

Dahlia McLean

Bank Officer - Branch Manager (Fairfax)

Chhaya Muth

Cash Management Officer

Rosa Perez

Bank Officer - Deposit Operations

Jacqueline Purnell

Bank Officer - Credit Administration

Monica Rodriguez

Bank Officer - Lending Assistant (Arlington/Fairfax)

INDEPENDENT ACCOUNTANTS

YOUNT, HYDE & BARBOUR, P.C.

WINCHESTER, VIRGINIA

ADDITIONAL INFORMATION

FOR ADDITIONAL INFORMATION ABOUT

JOHN MARSHALL BANK, PLEASE CONTACT:

CARL E. DODSON

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OFFICER*

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