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John Marshall Bank Reports Nine Month Financial Results

Reston, VA – John Marshall Bank reported net income of \$5.2 million for the nine months ended September 30, 2013, an increase of \$1.7 million, or 47.3%, as compared to net income of \$3.5 million reported for the nine months ended September 30, 2012. Net income per diluted share for the nine month period in 2013 increased 45.0%, to \$0.87 per share, from \$0.60 per share in the same period in 2012.

Key financial results for the period include the following:

- Total assets at September 30, 2013 increased by 22.8% to \$627.4 million as compared to \$510.8 million as of September 30, 2012.
- Gross loans at September 30, 2013 increased by 22.9% to \$547.9 million as compared to \$445.9 million as
 of September 30, 2012.
- Total deposits at September 30, 2013 increased by 23.0% to \$515.4 million as compared to \$418.9 million as of September 30, 2012.
- The Bank's net interest margin declined but remains strong at 4.50% for the first nine months of 2013 as compared to 4.61% during the first nine months of 2012, and 4.57% for the three months ended June 30, 2013.
- Net interest income, the Bank's main source of income, increased 20.7% to \$19.5 million during the first nine months of 2013, compared to \$16.2 million during the first nine months of 2012.
- Non-interest income increased by 51.4% to \$275 thousand during the first nine months of 2013 as compared to \$182 thousand during the first nine months of 2012.
- Non-interest expense increased by 20.2%, or \$1.9 million, during the first nine months of 2013 as compared to 2012, reflecting increased operating expenses required to support the Bank's growth.
- Asset quality remains very strong. As of September 30, 2013, non-performing assets were 0.10% of total assets, up slightly from 0.08% as of June 30, 2013, and down from 0.31% of total assets at September 30, 2012. There were no loans past due 30 or more days that were not already on non-accrual status as of September 30, 2013. The allowance for loan losses covered non-accrual loans by 8.9 times as of September 30, 2013. The Bank reported no other real estate owned as of September 30, 2013.
- Capital ratios remain above regulatory minimums for well capitalized banks. As of September 30, 2013, the Bank's total risk-based capital ratio was 10.6%, compared 10.8% as of June 30, 2013.

John Marshall Bank is headquartered in Reston, Virginia and has five full-service branches located in Reston, Falls Church, Leesburg, Arlington, and Rockville. The Bank also has two limited-service commercial branches located in Alexandria, and Washington, DC. Further information on the Bank can be obtained by visiting its website at www.johnmarshallbank.com.

John Marshall Bank

Financial Highlights (Unaudited) (Dollars in 000's except per share data)

	Nine Months Ended							Three Months Ended				
	September 30, 2013		September 30, 2012		\$	\$ Change % Cha		September 30, 2013		Ju	June 30, 2013	
Operating Results												
Net interest income	\$	19,496	\$	16,152	\$	3,344	20.7%	\$		\$	6,497	
Less provision for loan losses		(549)		(1,510)		961	<u>-63.6%</u>		(172)		(127)	
Net Interest income after provision for loan losses		18,947		14,642		4,305	29.4%		6,505		6,370	
Non-interest income		275		182		93	51.4%		95		86	
Non-interest expense		11,258		9,366	_	1,892	20.2%		3,755		3,769	
Income before income taxes		7,964		5,458		2,506	45.9%		2,845		2,687	
Income tax expense		2,777		1,936		841	43.4%		1,010		960	
Net income	\$	5,187	\$	3,522	_	1,665	47.3%	\$	1,835	\$	1,727	
Per share Data (1)												
Earnings per share - basic	\$	0.88	\$	0.60	\$	0.28	46.7%	\$	0.31	\$	0.29	
Earnings per share - diluted	\$	0.87	\$	0.60	\$	0.27	45.0%	\$	0.31	\$	0.29	
Book value per share	\$	9.83	\$	8.75	\$	1.08	12.3%	\$	9.83	\$	9.50	
Selected Balance Sheet Data												
Investments	\$	40,469	\$	41,052	\$	(583)	-1.4%	\$	40,469	\$	37,733	
Total Loans (gross)	\$	547,855	\$	445,904	\$	101,951	22.9%	\$	547,855	\$	534,309	
Total Assets	\$	627,448	\$	510,812	\$	116,636	22.8%	\$	627,448	\$	596,624	
Total Deposits	\$	515,418	\$	418,922	\$	96,496	23.0%	\$	515,418	\$	483,585	
Borrowings	\$	52,482	\$	38,916	\$	13,566	34.9%	\$	52,482	\$	55,730	
Stockholders' Equity	\$	57,822	\$	51,481	\$	6,341	12.3%	\$	57,822	\$	55,899	
Performance Ratios												
Return on average assets (annualized)		1.18%		0.99%					1.18%		1.20%	
Return on average equity (annualized)		12.42%		9.49%					12.74%		12.35%	
Net interest margin		4.50%		4.61%					4.35%		4.57%	
Efficiency ratio		56.94%		57.34%					55.45%		57.25%	
Asset Quality Ratios		620		4 574					C20		470	
Non-performing assets (2)		628		1,571					628		478	
Non-performing assets to total assets		0.10%		0.31%					0.10% 1.02%		0.08%	
Allowance for loan losses to total loans		1.02% 8.9		1.02% 2.9					8.9		1.01% 11.3	
Allowance for loan losses to non-performing loans Net loan chargeoffs (recoveries)	\$	11	\$	1,944				ċ	6.9	ċ	11.5	
Other real estate owned	\$	-	\$	-				\$ \$	-	\$ \$	-	
Regulatory Capital Ratios												
Total risk-based capital ratio		10.6%		11.6%					10.6%		10.8%	
Tier 1 risk-based capital ratio		9.7%		10.7%					9.7%		9.8%	
Leverage ratio		9.5%		10.4%					9.5%		9.8%	

⁽¹⁾ On June 20, 2013, the Board of Directors announced a 5-for-4 stock split of the Bank's common stock in the form of a 25% stock dividend payable July 22, 2013 for shareholders of record as of July 1, 2013. All per share information for all periods presented has been retroactively adjusted to reflect the stock split.

(2) Non-performing assets consist of non-accrual loans, loans 90 day or more past due and still accruing interest and foreclosed properties. Does not include troubled debt restructurings