



For Immediate Release
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John Marshall Bancorp, Inc. Reports Strong Balance Sheet Growth, Earnings Performance and Asset Quality

Reston, VA – John Marshall Bancorp, Inc. (OTCQB: JMSB) (the “Company”), parent company of John Marshall Bank (the “Bank”) reported its financial results for the three and twelve months ended December 31, 2018.

Selected Highlights

- **Improved Sequential Quarter Performance** – Owing to the Tax Cuts and Jobs Act implemented in December 2017, the Company believes that a comparison of fourth quarter 2018 to third quarter 2018 is a more relevant comparison than fourth quarter 2017. Quarterly ROAA increased from 0.86% for the three months ended September 30, 2018, to 0.89% for the three months ended December 31, 2018. Quarterly ROAE increased from 8.09% for the three months ended September 30, 2018, to 8.57% for the three months ended December 31, 2018. The net interest margin increased from 3.43% for the third quarter 2018 to 3.50% for the fourth quarter 2018. The efficiency ratio decreased from 64.6% for the third quarter 2018 to 64.4% for the fourth quarter 2018. Non-performing assets to total assets decreased from 0.07% for the three months ended September 30, 2018, to 0.03% for the three months ended December 31, 2018.
- **Annual Asset Growth of 18.7%** - Total assets surpassed \$1.39 billion at December 31, 2018, an increase of \$219.6 million or 18.7% since December 31, 2017. Total Assets increased \$71.6 million or 21.5% (annualized) since September 30, 2018.
- **Annual Loan Growth of 15.4%** - Gross loans topped \$1.16 billion at December 31, 2018. Net Loans surpassed \$1.15 billion at December 31, 2018. Net loans increased \$153.8 million or 15.4% since December 31, 2017. Net Loans increased \$54.6 million or 19.8% (annualized) since September 30, 2018.
- **Annual Deposit Growth 26.9%** - Total deposits equaled \$1.14 billion at December 31, 2018, an increase of \$241.4 million or 26.9% since December 31, 2017. Total Deposits increased \$51.7 million or 18.9% (annualized) since September 30, 2018.
- **Outstanding Asset Quality** – Net charge-offs to average loans (annualized) was 0.06% for the three months ended December 31, 2018, compared to 0.13% for the three months ended December 31, 2017. Non-performing assets represented 0.03% of total assets as of December 31, 2018, compared to 0.09% at December 31, 2017. The Company had no loans 30 days or more past due and no non-accrual loans as of December 31, 2018.
- **Improved Funding Composition** - Non-interest bearing deposits grew \$47.6 million or 27.3% during 2018 and represented 19.5% of total deposits at December 31, 2018. In addition, wholesale funding decreased \$13.3 million or 7.2% year-over-year from December 31, 2017 to December 31, 2018. Wholesale funding represented 13.8% of total funding sources at December 31, 2018 compared to 17.9% at December 31, 2017.

- **Record Quarterly Net Interest Income** – The Company reported Net Interest Income of \$11.6 million for the 4th quarter of 2018, a 10.0% increase from \$10.6 million for the 4th quarter of 2017. On a year-to-date basis, total funding sources growth has exceeded Net Loan growth by \$52.7 million. The Company believes interest income will improve as the balances in interest-bearing deposits in banks are deployed to fund higher yielding loans.

Chris Bergstrom, President and Chief Executive Officer, commented “It was most gratifying to conclude 2018 with strong fourth quarter balance sheet growth, earnings performance and exceptional asset quality. We hired several experienced local banking professionals and expanded our footprint to new locations, including a loan production office in Arlington, a full service branch in Washington, DC, our Tysons Corner, Virginia loan production office which moved into a larger space and converted to a full service branch and our branch in Woodbridge, Virginia. These investments have improved our liquidity and funding composition and positioned the Company well for continued loan growth. We are pleased with the results, but realize that we need to continue to lever these investments to enhance returns.”

Balance Sheet Review

Assets

Total assets were \$1.39 billion at December 31, 2018, \$1.32 billion at September 30, 2018 and \$1.18 billion at December 31, 2017. During the fourth quarter of 2018 assets increased \$71.6 million, or 5.4%. Year-over-year asset growth, from December 31, 2017 to December 31, 2018, was \$219.6 million, or 18.7%.

Loans

Gross loans were \$1.163 billion at December 31, 2018, \$1.108 billion at September 30, 2018 and \$1.009 billion at December 31, 2017. During the fourth quarter, gross loans grew \$54.7 million or 4.9%. Year-over-year gross loans increased \$154.5 million, or 15.3% from December 31, 2017 to December 31, 2018.

Investment Securities

The Company’s investment portfolio comprised of held-to-maturity and available-for-sale securities was \$97.2 million at December 31, 2018, \$97.7 million at September 30, 2018 and \$96.3 million at December 31, 2017. Year-over-year the investment portfolio growth, from December 31, 2017 to December 31, 2018, was \$963 thousand, or 1.0%. As of December 31, 2018, the Company held \$36.2 million of its investment portfolio as held-to-maturity, and \$61.1 million as available-for-sale. The Company also had restricted securities totaling \$7.3 million at December 31, 2018 and September 30, 2018 and \$8.4 million at December 31, 2017.

Interest Bearing Deposits in Banks

Interest-bearing deposits in banks were \$93.7 million at December 31, 2018, \$75.0 million at September 30, 2018 and \$30.9 million at December 31, 2017. The higher cash balances at the period ending December 31, 2018 are a result of the deposit growth and will continue to be deployed into higher earning assets.

Deposits

Total deposits were \$1.138 billion at December 31, 2018, \$1.087 billion at September 30, 2018 and \$896.9 million at December 31, 2017. During the fourth quarter, deposits grew \$51.7 million or 4.8%. Year-over-year deposit growth, from December 31, 2017 to December 31, 2018, was \$241.4 million, or 26.9%. Core customer funding was \$1.050 billion at December 31, 2018, \$1.008 billion at September 30, 2018 and \$829.8 million at December 31, 2017. Year-over-year core customer funding sources, which include ICS and CDARs, increased by \$219.8 million, or 26.5%, from December 31, 2017 to December 31, 2018. The Company continues to focus on the growth of core deposits.

QwickRate certificates of deposit were \$20.6 million at December 31, 2018, \$24.1 million at September 30, 2018 and \$24.7 million at December 31, 2017. Year-over-year QwickRate certificates of deposit decreased \$4.1 million from December 31, 2017 to December 31, 2018. ICS deposits were \$135.1 million at December 31, 2018, \$94.1 million at September 30, 2018 and \$65.3 million at December 31, 2017. Year-over-year, ICS deposits increased \$69.8 million from December 31, 2017 to December 31, 2018. CDARs were \$112.2 million at December 31, 2018, \$112.9 million at September 30, 2018 and \$77.5 million at December 31, 2017. Year-over-year CDARs increased \$34.7 million from December 31, 2017 to December 31, 2018. Brokered deposits were \$68.2 million at December 31, 2018, \$55.0 million at September 30, 2018 and \$42.4 million at December 31, 2017. Brokered deposits increased \$25.8 million from December 31, 2017 to December 31, 2018. Brokered deposits were used to replace certain FHLB advances at more attractive rates.

Borrowings

Total borrowings, consisting of Federal Home Loan Bank advances and Federal funds purchased, were \$83.5 million at December 31, 2018, \$69.0 million at September 30, 2018 and \$118.5 million at December 31, 2017. Total borrowings decreased \$35.0 million, or 29.5%, from December 31, 2017 to December 31, 2018. Federal Home Loan Bank advances were \$68.5 million at December 31, 2018, \$69.0 million at September 30, 2018 and \$108.5 million at December 31, 2017. The 29.5% decrease year-over-year in borrowings was a result of the significant growth in core customer deposits.

The Company had subordinated notes with a balance of \$24.6 million at December 31, 2018 and September 30, 2018 and \$24.5 million at December 31, 2017. The notes qualify as Tier 2 capital for the Company for regulatory purposes.

Shareholders' Equity and Capital Levels

Total shareholders' equity was \$142.0 million at December 31, 2018, \$138.0 million at September 30, 2018 and \$128.9 million at December 31, 2017. Year-over-year shareholders' equity increased by \$13.2 million, or 10.2%. Total common shares outstanding increased from 12,824,233, including 85,007 unvested shares, at December 31, 2017, to 12,900,125, including 86,400 unvested shares, at December 31, 2018.

The Company's capital ratios remain well above regulatory minimums for well capitalized banks. As of December 31, 2018, the Company's total risk-based capital ratio was 13.9%, compared to 14.5% at December 31, 2017.

Income Statement Review

Net Interest Income

Net interest income, the Company's primary source of revenue, was \$11.6 million for the three months ended December 31, 2018, up 10.0% from \$10.6 million for the three months ended December 31, 2017. The net interest margin was 3.50% for the three months ended December 31, 2018 as compared to 3.68% for the three months ended December 31, 2017. Average net loans increased \$147.1 million compared to the three months ended December 31, 2017, with a 22 basis point increase in yield. Average interest-bearing deposits in other banks increased \$30.9 million compared to the three months ended December 31, 2017, with a 91 basis point increase in yield. Higher interest-bearing deposit balances continue to be deployed into higher earning assets. The average cost of interest bearing liabilities increased 57 basis points when comparing the quarter ended December 31, 2017 to the quarter ended December 31, 2018. Average interest bearing deposits increased \$158.0 million with a 63 basis point increase. During 2018, the Federal Reserve increased rates by 100 basis points to a target of 2.25% to 2.50%. The increase in short-term interest rates continues to have an impact on the cost of deposits.

For the year ended December 31, 2018, net interest income was \$43.7 million, up 7.8% from \$40.5 million for the year ended December 31, 2017. The net interest margin was 3.51% during year ended December 31, 2018, compared to 3.72% during the same period in 2017. The increase in the cost of liabilities during 2018 was related to a full year of interest expense related to the Company's issuance of subordinated debt versus six months of expense in 2017 as well as increased cost on interest bearing liabilities. Despite the decline in the net interest margin over the past year, net interest income increased by 7.8% during 2018, compared to the twelve months ended December 31, 2017, resulting primarily from a \$155.4 million, or 14.3%, increase in average earning assets during 2018, compared to the same period in 2017.

Provision for Loan Losses

The Company had a \$403 thousand provision for loan losses for the three months ended December 31, 2018, compared to a provision of \$235 thousand for the same period in 2017. The Company had \$180 thousand in net loan charge-offs during the fourth quarter of 2018, compared to net loan charge-offs of \$324 thousand in the fourth quarter of 2017.

The Company recognized a provision for loan losses of \$1.1 million for the year ended December 31, 2018, compared to a provision of \$1.4 million for the same period in 2017. The Company reported \$265 thousand in net loan charge-offs in 2018, compared to \$655 thousand in net loan charge-offs during 2017.

Noninterest Income

The Company's noninterest income consists primarily of bank owned life insurance income and service charges on deposit accounts. The majority of loan fees are included in interest income on the loan portfolio and not reported as noninterest income.

For the three months ended December 31, 2018, the Company reported total noninterest income of \$303 thousand, compared to \$266 thousand during the three months ended December 31, 2017. Service charges on deposit accounts increased \$38 thousand, or 37.6%, for the three months ended December 31, 2018 as compared to the same period in the prior year. Other service charges and fees increased \$16 thousand for the three months ended December 31, 2018 as compared to the same period in the prior year. The increase in other service charges and fees was related to higher fees earned on CDARs balances.

The Company reported total noninterest income of \$1.2 million for both the years ended December 31, 2018 and December 31, 2017. Service charges on deposit accounts increased \$125 thousand, or 32.6%, for the year ended December 31, 2018 as compared to the same period in the prior year. Other service charges and fees increased \$89 thousand for the year ended December 31, 2018 as compared to the same period in the prior year. In 2017, we reported gains on sales of securities totaling \$134 thousand. There was no gain on sale of securities in 2018.

Noninterest Expense

For the three months ended December 31, 2018, salaries and employee benefits expense increased 23.1% to \$4.9 million, compared to \$4.0 million for the same period in 2017. All other noninterest expenses increased by 15.9%, or \$382 thousand, during the fourth quarter of 2018, compared to the same period in 2017.

For the year ended December 31, 2018, salaries and employee benefits expense increased by 23.7%, to \$18.3 million, compared to \$14.8 million during the same period in 2017. All other operating expenses increased by 9.6%, or \$889 thousand, to \$10.2 million, for the twelve months ended 2018, compared to \$9.3 million during the twelve months ended 2017.

The increase in salaries and benefits for both the three and twelve month periods ended December 31, 2018 was primarily attributable to the increased employee count year-over-year, including staff for: expansion of our Arlington office space owing to growth, our full service branch in Washington, DC, our branch in Woodbridge, Virginia and our Tysons Corner, Virginia loan production office which moved into a larger space and converted to a branch. In addition to the staff needed at our new locations, we hired key executives, loan and business development officers as well as support staff in our operations office. The new employees are complementary to the overall growth initiatives for the Company. The increase in occupancy and furniture and equipment expenses was mostly related to additional rent and furniture expense related to the new locations listed above.

Asset Quality

The Company had no non-accrual loans and no loans 30 days or more past due as of December 31, 2018. As of December 31, 2017, non-accrual loans totaled \$639 thousand and there were \$1.2 million in loans 30-89 days past due and still accruing interest. Non-performing assets were 0.03% of total assets at December 31, 2018, compared to 0.09% at December 31, 2017. The Company's allowance for loan losses covered non-performing loans by 14.0 times as of December 31, 2017.

Troubled debt restructurings were \$853 thousand at December 31, 2018, compared to \$495 thousand at December 31, 2017. All troubled debt restructurings were performing in accordance with modified terms as of December 31, 2018. The Company had \$379 thousand in other real estate owned as of December 31, 2018, September 30, 2018 and December 31, 2017.

About John Marshall Bancorp, Inc.

John Marshall Bancorp, Inc. is the bank holding company for John Marshall Bank. John Marshall Bank is headquartered in Reston, Virginia and has eight full-service banking centers located in Reston, Leesburg, Arlington Alexandria, Tysons Corner and Woodbridge, Virginia; Rockville, Maryland; Washington, DC and one loan production office in Arlington, Virginia. Further information on the Bank can be obtained by visiting its website at www.johnmarshallbank.com.

This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Company operations and policies and regarding general economic conditions. In some cases, forward-looking statements can be identified by use of words such as "may," "will," "anticipates," "believes," "expects," "plans," "estimates," "potential," "continue," "should," and similar words or phrases. These statements are based upon current and anticipated economic conditions, nationally and in the Company's market, interest rates and interest rate policy, competitive factors, and other conditions which by their nature, are not susceptible to accurate forecast, and are subject to significant uncertainty. Because of these uncertainties and

the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results may differ materially from those indicated herein. Readers are cautioned against placing undue reliance on any such forward-looking statements. The Company's past results are not necessarily indicative of future performance.

John Marshall Bancorp, Inc.
Financial Highlights (Unaudited)
(Dollar amounts in thousands, except per share data)

	At or For the Three Months Ended		At or For the Twelve Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<i>Selected Balance Sheet Data</i>				
Cash and cash equivalents	\$ 7,853	\$ 7,256	7,853	7,256
Total investment securities	104,635	104,716	104,635	104,716
Total loans, net of deferred fees	1,161,455	1,006,872	1,161,455	1,006,872
Allowance for loan losses	9,731	8,927	9,731	8,927
Total assets	1,394,621	1,175,025	1,394,621	1,175,025
Non-interest bearing demand deposits	222,299	174,686	222,299	174,686
Interest bearing deposits	916,069	722,255	916,069	722,255
Total deposits	1,138,368	896,941	1,138,368	896,941
Shareholders' equity	142,018	128,867	142,018	128,867
<i>Summary Results of Operations</i>				
Interest income	\$ 16,063	\$ 13,211	\$ 57,890	\$ 49,318
Interest expense	4,415	2,621	14,190	8,793
Net interest income	11,648	10,590	43,700	40,525
Provision for loan losses	403	235	1,069	1,380
Net interest income after provision for loan losses	11,245	10,355	42,631	39,145
Noninterest income	303	266	1,237	1,229
Noninterest expense	7,702	6,398	28,522	24,126
Net income before income taxes	3,846	4,223	15,346	16,248
Net income	3,031	1,118	12,174	8,984
<i>Per share Data and Shares Outstanding</i>				
Earnings per share - basic	\$ 0.24	\$ 0.09	\$ 0.95	\$ 0.70
Earnings per share - diluted	\$ 0.22	\$ 0.08	\$ 0.89	\$ 0.66
Tangible book value per share	\$ 11.01	\$ 10.05	\$ 11.01	\$ 10.05
Weighted average common shares (basic)	12,803,202	12,738,895	12,783,717	12,715,999
Weighted average common shares (diluted)	13,527,479	13,498,593	13,531,858	13,486,450
Common shares outstanding at end of period	12,900,125	12,824,233	12,900,125	12,824,233
<i>Performance Ratios</i>				
Return on average assets (annualized)	0.89%	0.38%	0.95%	0.80%
Return on average equity (annualized)	8.57%	3.40%	8.98%	7.14%
Net interest margin	3.50%	3.68%	3.51%	3.72%
Noninterest income as a percentage of average assets (annualized)	0.09%	0.09%	0.10%	0.11%
Noninterest expense to average assets (annualized)	2.26%	2.16%	2.23%	2.15%
Efficiency ratio	64.4%	58.9%	63.5%	57.8%
<i>Asset Quality</i>				
Non-performing assets to total assets	0.03%	0.09%	0.03%	0.09%
Non-performing loans to total loans	0.00%	0.06%	0.00%	0.06%
Allowance for loan losses to non-performing loans	N/M	14.0x	N/M	14.0x
Allowance for loan losses to total loans	0.84%	0.89%	0.84%	0.89%
Net charge-offs to average loans (annualized)	0.06%	0.13%	0.03%	0.07%
Loans 30-89 days past due and accruing interest	\$ --	\$ 1,189	\$ --	\$ 1,189
Non-accrual loans	\$ --	\$ 639	\$ --	\$ 639
Other real estate owned	\$ 379	\$ 379	\$ 379	\$ 379
Non-performing assets (1)	\$ 379	\$ 1,018	\$ 379	\$ 1,018
Troubled debt restructurings (total)	\$ 853	\$ 495	\$ 853	\$ 495
Performing in accordance with modified terms	\$ 853	\$ 495	\$ 853	\$ 495
Not performing in accordance with modified terms	\$ --	\$ --	\$ --	\$ --
<i>Capital Ratios</i>				
Tangible equity / tangible assets	10.2%	11.0%	10.2%	11.0%
Total risk-based capital ratio	13.9%	14.5%	13.9%	14.5%
Tier 1 risk-based capital ratio	11.2%	11.5%	11.2%	11.5%
Leverage ratio	11.2%	11.5%	11.2%	11.5%
Common equity tier 1 ratio	11.2%	11.0%	11.2%	11.0%
<i>Other Information</i>				
Number of full time equivalent employees	140	125	140	125
# Full service branch offices	8	5	8	5
# Loan production or limited service branch offices	1	3	1	3

(1) Non-performing assets consist of non-accrual loans, loans 90 day or more past due and still accruing interest, and other real estate owned. Does not include troubled debt restructurings ("TDRs") which were accruing interest at the date indicated.

John Marshall Bancorp, Inc.

Consolidated Balance Sheets

(Dollar amounts in thousands, except per share data)

	December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Unaudited)	% Change	
				Last Three Months	Year Over Year
Assets					
Cash and due from banks	\$ 7,853	\$ 9,918	\$ 7,256	-20.8%	8.2%
Federal funds sold	126	96	40	31.3%	215.0%
Interest-bearing deposits in banks	93,716	74,982	30,873	25.0%	203.6%
Securities available-for-sale, at fair value	61,055	60,915	54,699	0.2%	11.6%
Securities held-to-maturity, fair value of \$35,589 at 12/31/2018, \$35,730 at 9/30/2018 and \$41,500 at 12/31/2017	36,177	36,803	41,570	-1.7%	-13.0%
Restricted securities, at cost	7,283	7,339	8,447	-0.8%	-13.8%
Equity securities, at fair value	120	102	--	17.6%	N/M
Loans, net of allowance for loan losses of \$9,731 at 12/31/2018, \$9,508 at 9/30/2018 and \$8,927 at 12/31/2017	1,151,724	1,097,102	997,945	5.0%	15.4%
Bank premises and equipment, net	2,852	2,561	2,480	11.4%	15.0%
Accrued interest receivable	3,623	3,613	3,263	0.3%	11.0%
Bank owned life insurance	19,617	19,485	19,093	0.7%	2.7%
Other real estate owned	379	379	379	0.0%	0.0%
Other assets	10,096	9,733	8,980	3.7%	12.4%
Total assets	\$ 1,394,621	\$ 1,323,028	\$ 1,175,025	5.4%	18.7%
Liabilities and Shareholders' Equity					
Liabilities					
Deposits:					
Non-interest bearing demand deposits	\$ 222,299	\$ 217,430	\$ 174,686	2.2%	27.3%
Interest bearing demand deposits	367,656	346,146	258,306	6.2%	42.3%
Savings deposits	6,987	6,724	6,709	3.9%	4.1%
Time deposits	541,426	516,368	457,240	4.9%	18.4%
Total deposits	1,138,368	1,086,668	896,941	4.8%	26.9%
Federal funds purchased	15,001	--	10,001	N/M	50.0%
Federal Home Loan Bank advances	68,500	69,000	108,500	-0.7%	-36.9%
Subordinated Debt	24,581	24,568	24,531	0.1%	0.2%
Accrued interest payable	1,243	843	996	47.4%	24.8%
Other liabilities	4,910	3,974	5,189	23.6%	-5.4%
Total liabilities	1,252,603	1,185,053	1,046,158	5.7%	19.7%
Shareholders' Equity					
Preferred stock, par value \$0.01 per share; authorized 1,000,000 shares; none issued					
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Common stock, nonvoting, par value \$0.01 per share; authorized 1,000,000 shares; none issued					
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Common stock, voting, par value \$0.01 per share; authorized 20,000,000 shares; issued and outstanding, 12,900,125 at 12/31/2018 including 86,400 unvested shares, 12,888,350 shares at 9/30/2018 including 86,725 unvested shares and 12,824,233 at 12/31/17, including 85,007 unvested shares					
	128	128	127	0.0%	0.8%
Additional paid-in capital	85,127	84,828	83,867	0.4%	1.5%
Retained earnings	57,718	54,574	45,544	5.8%	26.7%
Accumulated other comprehensive loss	(955)	(1,555)	(671)	38.6%	-42.3%
Total shareholders' equity	142,018	137,975	128,867	2.9%	10.2%
Total liabilities and shareholders' equity	\$ 1,394,621	\$ 1,323,028	\$ 1,175,025	5.4%	18.7%

John Marshall Bancorp, Inc.
Consolidated Statements of Income

(Dollar amounts in thousands, except per share data)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2018	2017	% Change	2018	2017	% Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Interest and Dividend Income						
Interest and fees on loans	\$ 14,924	\$ 12,456	19.8%	\$ 53,716	\$ 46,667	15.1%
Interest on investment securities, taxable	490	392	25.0%	1,757	1,445	21.6%
Interest on investment securities, tax-exempt	79	85	-7.1%	330	269	22.7%
Dividends	109	108	0.9%	470	417	12.7%
Interest on federal funds sold	1	--	N/M	1	--	N/M
Interest on deposits in banks	460	170	170.6%	1,616	520	210.8%
Total interest and dividend income	<u>16,063</u>	<u>13,211</u>	<u>21.6%</u>	<u>57,890</u>	<u>49,318</u>	<u>17.4%</u>
Interest Expense						
Deposits	3,755	1,924	95.2%	11,307	6,752	67.5%
Federal Home Loan Bank advances	287	324	-11.4%	1,393	1,300	7.2%
Subordinated debt	372	372	0.0%	1,487	719	106.8%
Other short-term borrowings	1	1	0.0%	3	22	-86.4%
Total interest expense	<u>4,415</u>	<u>2,621</u>	<u>68.4%</u>	<u>14,190</u>	<u>8,793</u>	<u>61.4%</u>
Net interest income	11,648	10,590	10.0%	43,700	40,525	7.8%
Provision for loan losses	403	235	71.5%	1,069	1,380	-22.5%
Net interest income after provision for loan losses	<u>11,245</u>	<u>10,355</u>	<u>8.6%</u>	<u>42,631</u>	<u>39,145</u>	<u>8.9%</u>
Noninterest Income						
Service charges on deposit accounts	139	101	37.6%	508	383	32.6%
Bank owned life insurance	133	137	-2.9%	525	553	-5.1%
Other service charges and fees	44	28	57.1%	194	105	84.8%
Gain on sale of securities	--	--	N/M	--	134	N/M
Other real estate owned	7	--	N/M	23	--	N/M
Gain on sale of fixed assets	--	--	N/M	--	1	N/M
Other operating income (loss)	(20)	--	N/M	(13)	53	-124.5%
Total noninterest income	<u>303</u>	<u>266</u>	<u>13.9%</u>	<u>1,237</u>	<u>1,229</u>	<u>0.7%</u>
Noninterest Expenses						
Salaries and employee benefits	4,914	3,992	23.1%	18,327	14,820	23.7%
Occupancy expense of premises	529	499	6.0%	2,030	1,843	10.1%
Furniture and equipment expenses	351	315	11.4%	1,307	1,183	10.5%
Other real estate owned expenses	2	20	N/M	5	20	N/M
Other operating expenses	1,906	1,572	21.2%	6,853	6,260	9.5%
Total noninterest expenses	<u>7,702</u>	<u>6,398</u>	<u>20.4%</u>	<u>28,522</u>	<u>24,126</u>	<u>18.2%</u>
Income before income taxes	3,846	4,223	-8.9%	15,346	16,248	-5.6%
Income tax expense	815	3,105	-73.8%	3,172	7,264	-56.3%
Net income	<u>\$ 3,031</u>	<u>\$ 1,118</u>	<u>171.1%</u>	<u>\$ 12,174</u>	<u>\$ 8,984</u>	<u>35.5%</u>
Earnings Per Share						
Basic	\$ 0.24	\$ 0.09	166.7%	\$ 0.95	\$ 0.70	35.7%
Diluted	\$ 0.22	\$ 0.08	175.0%	\$ 0.89	\$ 0.66	34.8%

John Marshall Bancorp, Inc.

Loan, Deposit and Borrowing Detail (Unaudited)
(Dollar amounts in thousands)

Loans	December 31, 2018		September 30, 2018		December 31, 2017		Percentage Change	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	Last 3 Mos	Last 12 Mos
Mortgage loans on real estate								
Commercial	\$ 747,342	64.2%	\$ 683,259	61.6%	\$ 577,016	57.1%	9.4%	29.5%
Construction and land development	204,986	17.6%	216,242	19.5%	218,538	21.7%	-5.2%	-6.2%
Residential	143,811	12.4%	136,038	12.3%	135,791	13.5%	5.7%	5.9%
Total mortgage loans on real estate	\$ 1,096,139	94.2%	\$ 1,035,539	93.4%	\$ 931,345	92.3%	5.9%	17.7%
Commercial loans	65,815	5.7%	71,258	6.4%	76,573	7.6%	-7.6%	-14.0%
Consumer loans	1,198	0.1%	1,686	0.2%	777	0.1%	-28.9%	54.2%
Total loans	\$ 1,163,152	100.0%	\$ 1,108,483	100.0%	\$ 1,008,695	100.0%	4.9%	15.3%
Less: Allowance for loan losses	(9,731)		(9,508)		(8,927)			
Net deferred loan fees	(1,697)		(1,873)		(1,823)			
Net loans	\$ 1,151,724		\$ 1,097,102		\$ 997,945			

Deposits	December 31, 2018		September 30, 2018		December 31, 2017		Percentage Change	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	Last 3 Mos	Last 12 Mos
Noninterest-bearing demand deposits	\$ 222,299	19.5%	\$ 217,430	20.0%	\$ 174,686	19.5%	2.2%	27.3%
Interest-bearing demand deposits:								
NOW accounts	44,884	3.9%	50,541	4.6%	33,505	3.7%	-11.2%	34.0%
Money market accounts	186,626	16.4%	200,503	18.5%	159,508	17.8%	-6.9%	17.0%
Savings accounts	6,987	0.6%	6,724	0.6%	6,709	0.8%	3.9%	4.1%
Certificates of deposit								
\$250,000 or more	232,491	20.4%	217,549	20.0%	199,161	22.2%	6.9%	16.7%
Less than \$250,000	108,911	9.6%	107,900	9.9%	113,374	12.6%	0.9%	-3.9%
QwickRate® Certificates of deposit	20,642	1.8%	24,076	2.2%	24,735	2.8%	-14.3%	-16.5%
ICS®	135,135	11.9%	94,095	8.7%	65,293	7.3%	43.6%	107.0%
CDARS®	112,196	9.9%	112,870	10.4%	77,531	8.6%	-0.6%	44.7%
Brokered deposits	68,197	6.0%	54,980	5.1%	42,439	4.7%	24.0%	60.7%
Total deposits	\$ 1,138,368	100.0%	\$ 1,086,668	100.0%	\$ 896,941	100.0%	4.8%	26.9%

Borrowings	December 31, 2018		September 30, 2018		December 31, 2017		Percentage Change	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	Last 3 Mos	Last 12 Mos
Federal funds purchased	\$ 15,001	13.9%	\$ -	0.0%	\$ 10,001	7.0%	N/M	50.0%
Federal Home Loan Bank advances	68,500	63.4%	69,000	73.7%	108,500	75.9%	-0.7%	-36.9%
Subordinated debt	24,581	22.7%	24,568	26.3%	24,531	17.2%	0.1%	0.2%
Total borrowings	\$ 108,082	100.0%	\$ 93,568	100.0%	\$ 143,032	100.0%	15.5%	-24.4%

Total deposits and borrowings	\$ 1,246,450		\$ 1,180,236		\$ 1,039,973		5.6%	19.9%
Core customer funding sources (1)	\$ 1,049,529	84.2%	\$ 1,007,612	85.4%	\$ 829,767	79.8%	4.2%	26.5%
Wholesale funding sources (2)	172,340	13.8%	148,056	12.5%	185,675	17.9%	16.4%	-7.2%
Subordinated debt (3)	24,581	2.0%	24,568	2.1%	24,531	2.4%	0.1%	0.2%
Total funding sources	\$ 1,246,450	100.0%	\$ 1,180,236	100.0%	\$ 1,039,973	100.0%	5.6%	19.5%

(1) Includes ICS and CDARS(r), which are all reciprocal deposits maintained by customers.

(2) Consists of QwickRate(r) certificates of deposit, brokered deposits and Federal Home Loan Bank advances

(3) Subordinated debt obligation qualifies as Tier 2 capital.

John Marshall Bancorp, Inc.
Average Balance Sheets, Interest and Rates (unaudited)
(Dollar amounts in thousands)

	<u>Three Months Ended December 31, 2018</u>			<u>Three Months Ended December 31, 2017</u>		
	<u>Average Balance</u>	<u>Interest Income- Expense</u>	<u>Average Yields /Rates</u>	<u>Average Balance</u>	<u>Interest Income- Expense</u>	<u>Average Yields /Rates</u>
Assets						
Securities	\$ 104,961	\$ 678	2.56%	\$ 104,081	\$ 585	2.23%
Loans, net of unearned income	1,134,841	14,924	5.22%	987,726	12,456	5.00%
Interest-bearing deposits in other banks	80,437	460	2.27%	49,537	170	1.36%
Federal funds sold	128	1	3.10%	59	-	0.00%
Total interest-earning assets	<u>\$ 1,320,367</u>	<u>\$ 16,063</u>	<u>4.83%</u>	<u>\$ 1,141,403</u>	<u>\$ 13,211</u>	<u>4.59%</u>
Other assets	33,632			33,469		
Total assets	<u>\$ 1,353,999</u>			<u>\$ 1,174,872</u>		
Liabilities & Shareholders' equity						
Interest-bearing deposits						
NOW accounts	\$ 91,449	\$ 235	1.02%	\$ 72,977	\$ 73	0.40%
Money market accounts	268,554	973	1.44%	204,952	338	0.65%
Savings accounts	7,302	4	0.22%	7,482	4	0.21%
Time deposits	527,178	2,543	1.91%	451,037	1,509	1.33%
Total interest-bearing deposits	\$ 894,483	\$ 3,755	1.67%	\$ 736,448	\$ 1,924	1.04%
Federal funds purchased	\$ 163	\$ 1	2.43%	\$ 335	\$ 1	1.18%
Subordinated debt	24,573	372	6.01%	24,523	372	6.02%
Other borrowed funds	64,022	287	1.78%	96,201	324	1.34%
Total interest-bearing liabilities	<u>\$ 983,241</u>	<u>\$ 4,415</u>	<u>1.78%</u>	<u>\$ 857,507</u>	<u>\$ 2,621</u>	<u>1.21%</u>
Demand deposits and other liabilities	230,384			186,919		
Total liabilities	<u>\$ 1,213,625</u>			<u>\$ 1,044,426</u>		
Shareholders' equity	140,374			130,446		
Total liabilities and shareholders' equity	<u>\$ 1,353,999</u>			<u>\$ 1,174,872</u>		
Interest rate spread			3.05%			3.38%
Net interest income and margin		<u>\$ 11,648</u>	<u>3.50%</u>		<u>\$ 10,590</u>	<u>3.68%</u>

	<u>Twelve Months Ended December 31, 2018</u>			<u>Twelve Months Ended December 31, 2017</u>		
	<u>Average Balance</u>	<u>Interest Income- Expense</u>	<u>Average Yields /Rates</u>	<u>Average Balance</u>	<u>Interest Income- Expense</u>	<u>Average Yields /Rates</u>
Assets						
Securities	\$ 104,214	\$ 2,557	2.45%	\$ 98,170	\$ 2,131	2.17%
Loans, net of unearned income	1,056,324	53,716	5.09%	947,287	46,667	4.93%
Interest-bearing deposits in other banks	83,935	1,616	1.93%	43,662	520	1.19%
Federal funds sold	83	1	1.20%	58	-	0.00%
Total interest-earning assets	<u>\$ 1,244,556</u>	<u>\$ 57,890</u>	<u>4.65%</u>	<u>\$ 1,089,177</u>	<u>\$ 49,318</u>	<u>4.53%</u>
Other assets	32,479			32,839		
Total assets	<u>\$ 1,277,035</u>			<u>\$ 1,122,016</u>		
Liabilities & Shareholders' equity						
Interest-bearing deposits						
NOW accounts	\$ 75,301	\$ 555	0.74%	\$ 44,269	\$ 181	0.41%
Money market accounts	234,173	2,577	1.10%	201,501	1,181	0.59%
Savings accounts	6,953	16	0.23%	7,250	17	0.23%
Time deposits	495,206	8,159	1.65%	435,923	5,373	1.23%
Total interest-bearing deposits	\$ 811,633	\$ 11,307	1.39%	\$ 688,943	\$ 6,752	0.98%
Federal funds purchased	\$ 123	\$ 3	2.44%	\$ 4,997	\$ 22	0.44%
Subordinated debt	24,554	1,487	6.06%	12,026	719	5.98%
Other borrowed funds	87,503	1,393	1.59%	103,095	1,300	1.26%
Total interest-bearing liabilities	<u>\$ 923,813</u>	<u>\$ 14,190</u>	<u>1.54%</u>	<u>\$ 809,061</u>	<u>\$ 8,793</u>	<u>1.09%</u>
Demand deposits and other liabilities	217,712			187,197		
Total liabilities	<u>\$ 1,141,525</u>			<u>\$ 996,258</u>		
Shareholders' equity	135,510			125,758		
Total liabilities and shareholders' equity	<u>\$ 1,277,035</u>			<u>\$ 1,122,016</u>		
Interest rate spread			3.11%			3.44%
Net interest income and margin		<u>\$ 43,700</u>	<u>3.51%</u>		<u>\$ 40,525</u>	<u>3.72%</u>