



JOHN MARSHALL BANCORP, INC.

# 2024

## ANNUAL REPORT





# LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

The District of Columbia, Maryland and Virginia area (DMV) is facing a number of potential issues as we move forward in 2025. We have no control over many of these challenges such as the reduction of the federal workforce and its implication for the area's economy. With the federal government as the largest employer in the DMV, traditionally we have benefited from a stable employment environment. While we cannot guarantee that this will be the case in the future, John Marshall Bank is well-positioned to ride out challenges within the local banking environment and has historically maintained pristine asset quality with five years of no non-accruing loans or other real estate owned. Our capital levels remain outstanding and are well above required thresholds.

While we may experience a challenging operating environment because of forces beyond our control, our team members are up for this challenge. Your Board of Directors is dedicated to the strong corporate governance and oversight of John Marshall Bank's key risks and the execution of our strategic direction in order to achieve the goal of being the best full-service community bank in the DMV.

On behalf of the Board of Directors, I wish to thank each of John Marshall Bank's associates, my fellow shareholders and our clients for their efforts in making John Marshall Bank a success. We continue to retain strong relationships with our clients, our executive and front-line teams are strong, and our balance sheet remains resilient.

We encourage our stockholders to bring forth ideas and suggestions to both the Board of Directors and Executive Management. We benefit from the diversity of thought we receive from our stockholders and clients. Our board members are business owners. They use that experience to better understand and support our community and our clients. By thinking as an owner, every decision takes on a heightened meaning.

We reached a number of significant achievements in 2024 including:

- An increase in our book value from \$16.25 a share at the end of 2023 to \$17.28 a share as of December 31, 2024. In addition, the Company paid an annual cash dividend of \$0.25 per share in July 2024, which reflects a 13.6% increase over the 2023 annual cash dividend;
- John Marshall Bank was recognized in 2024 as a top Small Business Administration lender in the Washington DC metropolitan area;
- Our team members and board members continued to be engaged in substantial volunteer and community reinvestment activities; and
- John Marshall Bank stock consistently traded at a higher price to book valuation than most of its banking peers in the DMV area.

Despite what could be a challenging economic environment in the DMV area, John Marshall Bank is well-positioned to support prudent growth and deliver solid financial results.

Thank you to our Shareholders for your trust in John Marshall Bank and our ability to grow your investment.

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



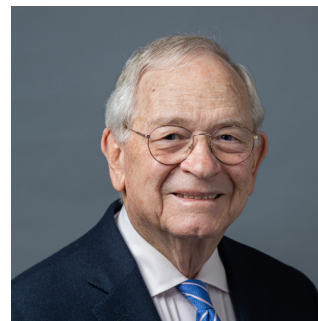
**Michael T. Foster**  
President  
MTFA Architecture, Inc.



**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



# 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, 2024 and 2023 (In thousands, except share and per share data)

<b>Assets</b>	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Cash and due from banks	\$ 5,945	\$ 7,424	(19.9)%
Interest-bearing deposits in other banks	116,524	91,581	27.2%
Total cash and cash equivalents	122,469	99,005	23.7%
Securities available-for-sale, at fair value	130,257	169,993	(23.4)%
Securities held-to-maturity at amortized cost, fair value of \$76,270 and \$79,532 as of December 31, 2024 and December 31, 2023, respectively	92,009	95,505	(3.7)%
Less: Allowance for investment credit losses	—	—	N/M
Securities held-to-maturity, net	92,009	95,505	(3.7)%
Restricted securities, at cost	7,634	5,012	52.3%
Equity securities, at fair value	2,832	2,792	1.4%
Loans, net of unearned income	1,872,173	1,859,967	0.7%
Less: Allowance for loan credit losses	(18,715)	(19,543)	(4.2)%
Loans, net	1,853,458	1,840,424	0.7%
Bank premises and equipment, net	1,318	1,281	2.9%
Accrued interest receivable	5,996	6,110	(1.9)%
Right of use assets	5,013	4,176	20.0%
Other assets	13,961	18,251	(23.5)%
Total assets	\$ 2,234,947	\$ 2,242,549	(0.3)%
<b>Liabilities</b>			
Deposits:			
Non-interest bearing demand deposits	\$ 433,288	\$ 411,374	5.3%
Interest-bearing demand deposits	705,097	607,971	16.0%
Savings deposits	44,367	52,061	(14.8)%
Time deposits	709,663	835,194	(15.0)%
Total deposits	1,892,415	1,906,600	(0.7)%
Federal funds purchased	—	10,000	(100.0)%
Federal Home Loan Bank advances	56,000	—	N/M
Federal Reserve Bank borrowings	—	54,000	(100.0)%
Subordinated debt	24,791	24,708	0.3%
Accrued interest payable	2,394	4,559	(47.5)%
Lease liabilities	5,369	4,446	20.8%
Other liabilities	7,364	8,322	(11.5)%
Total liabilities	1,988,333	2,012,635	(1.2)%
<b>Shareholders' Equity</b>			
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, 14,269,469 shares at December 31, 2024, including 54,388 unvested shares, 14,148,533 shares at December 31, 2023, including 47,318 unvested shares	142	141	0.7%
Additional paid-in capital	97,173	95,636	1.6%
Retained earnings	159,951	146,388	9.3%
Accumulated other comprehensive loss	(10,652)	(12,251)	(13.1)%
Total shareholders' equity	246,614	229,914	7.3%
Total liabilities and shareholders' equity	\$ 2,234,947	\$ 2,242,549	(0.3)%

Please refer to the Investor Relations section of the Company's website for the 2024 audited financial statements and accompanying notes.



## Consolidated Statements of Income

Years Ended December 31, 2024 and 2023  
(In thousands, except per share data)

<b>Interest and Dividend Income</b>	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Interest and fees on loans	\$ 96,332	\$ 86,435	11.5%
Interest on investment securities, taxable	4,692	7,206	(34.9)%
Interest on investment securities, tax-exempt	36	53	(32.1)%
Dividends	391	300	30.3%
Interest on deposits in banks	8,682	6,776	28.1%
Total interest and dividend income	110,133	100,770	9.3%
<b>Interest Expense</b>			
Deposits	54,492	47,168	15.5%
Federal funds purchased	2	15	(86.7)%
Federal Home Loan Bank advances	745	67	1,011.9%
Federal Reserve Bank borrowings	2,451	1,640	49.5%
Subordinated debt	1,396	1,396	0.0%
Total interest expense	59,086	50,286	17.5%
<b>Net Interest Income</b>	51,047	50,484	1.1%
Recovery of credit losses	(370)	(3,252)	(88.6)%
Net interest income after recovery of credit losses	51,417	53,736	(4.3)%
<b>Non-interest Income</b>			
Service charges on deposit accounts	349	330	5.8%
Bank owned life insurance	—	224	(100.0)%
Other service charges and fees	655	838	(21.8)%
Losses on sale of available-for-sale securities	—	(17,316)	(100.0)%
Insurance commissions	416	386	7.8%
Gain on sale of government guaranteed loans	520	131	296.9%
Non-qualified deferred compensation plan asset gains net	236	317	(25.6)%
Other income	95	150	(36.7)%
Total non-interest income (loss)	2,271	(14,940)	(115.2)%
<b>Non-interest Expenses</b>			
Salaries and employee benefits	19,240	19,436	(1.0)%
Occupancy expense of premises	1,760	1,811	(2.8)%
Furniture and equipment expenses	1,220	1,178	3.6%
Other operating expenses	9,589	8,390	14.3%
Total non-interest expenses	31,809	30,815	(3.2)%
Income before income taxes	21,879	7,981	174.1%
<b>Income Tax Expense</b>	4,758	2,823	68.5%
Net income	\$ 17,121	\$ 5,158	231.9%
<b>Earnings Per Common Share</b>			
Basic	\$ 1.20	\$ 0.37	224.3%
Diluted	\$ 1.20	\$ 0.36	233.3%

Please refer to the Investor Relations section of the Company's website for the 2024 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  
540 Fort Evans Road NE, Suite 100  
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 20176  
Reston, VA 20190  
Rockville, MD 20850  
Tysons, VA 22182  
Washington DC 20006  
Woodbridge, VA 22192

## Contact Information

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IR@JohnMarshallBank.com

### Independent Accountants:

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

