



Keep Calm and Carry On



During the early spring of 1939 when England was at war with Germany, the British foreign ministry displayed posters throughout the country to relay a message from King George VI to his people that all capable measures to defend their country were being taken and to “Keep Calm and Carry On.”

The Obama Administration is now in a similar situation as it wages war on the economy. We have heard public speeches and private warnings that the government is going to have to commit a lot more money and become ever more pro-active to prevent an economic collapse.

The stimulus bills are facing a backlash—from the left which calls the administrations’ (both Bush and Obama) plans a bailout, and from the right which calls the plans a major step toward socialism.

The media, both print and broadcast, are putting up their own posters, similar to that of tabloid journalism, with an endless barrage of negative news. They are critical and often editorializing rather than reporting the facts of the stimulus plan. Their constant cynical, negative reporting injects fear in the minds of people and influences their behavior rather than giving the stimulus plan an opportunity to succeed.

One aspect of the stimulus plan is the Troubled Asset Relief Program, commonly known as TARP. Banks have been criticized for not lending, but hoarding the proceeds from the sale of preferred stock to the government, or paying dividends and increasing executive compensation. Eagle Bancorp is a participant in TARP and did receive an investment of \$38.2 million from the U.S. Treasury. This was not a bailout for us. We were a healthy bank before TARP, and we have used the additional capital to continue our growth. Excluding the effect of the merger, we grew our loan portfolio 28% during 2008. We voluntarily discontinued our dividends in July of last year to preserve capital and have frozen executive salaries at 2008 levels. I cannot speak for every bank in our country, but as a community bank in the DC Metro area, EagleBank is achieving the desired results from its participation in the TARP funding.

President Obama’s policy response is quite aggressive. When the policy stimulus will have its desired effect, we don’t know. But, the country does not have much choice other than this type of response to the economic downturn. The President’s actions are intended to manage the process to insure that the economy can begin to grow again in a healthy and sustainable manner and avoid a “bubble” economy in the future. Investments in financial institutions, the auto industry, infrastructure,

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Eagle Bancorp, Inc. Announces \$7.4 Million of Net Income for the Year 2008 With Assets Reaching \$1.5 Billion

(Excerpts from January 29, 2009 Release)

BETHESDA, MD. Eagle Bancorp, Inc. (the “Company”) (Nasdaq: EGBN), the parent company of EagleBank, today announced net income of \$7.4 million (\$0.63 per basic common share and \$0.62 per diluted common share) for the year ended December 31, 2008 compared to \$7.7 million (\$0.73 per basic common share and \$0.71 per diluted common share) for 2007, a 4% decline in net income.

For the three months ended December 31, 2008, the Company earned \$1.7 million (\$0.12 per basic common share and \$0.12 per diluted common share) compared to \$2.3 million (\$0.22 per basic common share and \$0.21 per diluted common share) for the three months ended December 31, 2007. This decrease was due primarily to a non-recurring \$1.0 million pre-tax amount recorded in the fourth quarter of 2007 from settlement of a subordinated financing transaction.

Per share amounts and the number of outstanding shares have been adjusted to give effect to the 10% common stock dividend paid on October 1, 2008.

“At a time of substantial stress in our financial markets and instability in many banks, we are extremely pleased to report positive earnings and continued asset and capital growth for the fourth quarter and full year 2008,” noted Ronald D. Paul, Chairman and CEO of Eagle Bancorp, Inc. “In spite of a very difficult interest rate environment during 2008, wherein the Federal Reserve has lowered the targeted federal funds interest rate by 400 basis points to a record low level to combat a weakening economic situation, the Company maintained a net interest margin in excess of 4.00% for the twelve months ended December 31, 2008.”

(continued on last page)

Convenient Locations – More Ways to Bank

Two-thousand-nine will bring more convenience to the Bethesda office at 7815 Woodmont Avenue. New Walk-Up and Drive-Thru windows are under construction and expected to open Spring 2009. The Rockville Pike office has now merged with the Rollins Avenue Office at 130 Rollins Avenue, Rockville, MD. And, the Cordell Avenue office has merged into the Bethesda/Woodmont Avenue office which is less than two blocks away.

A 14th location in Montgomery County is in the works for late 2009, as well. "Park Potomac" near the intersection of Interstate 270 and Montrose Road in Potomac, MD will bring more convenience to west Montgomery County businesses and residents. We are excited about this new, full service branch.

A 24-7 ATM Convenience Reminder

In addition to the 13 EagleBank ATMs you will find at our branch locations, EagleBank is a member of the Allpoint ATM Network, which brings you 37,000 additional ATMs nationwide, and in London. You can withdraw cash, fee free, at Allpoint ATMs at many of the following retailers' locations...most 7-Eleven convenience stores, CVS drug stores, Costco, Target (100% of their locations), Walgreens, ExxonMobil, Hess Gasoline, Safeway stores and more. Visit www.eaglebankcorp.com and insert your home or work zip code at the bottom left of our home page to find Allpoint locations that are convenient for you.

Letter (Continued)

health care, education and tax cuts are being made. Investments will be repaid to the government with interest in the form of dividends. Repayment sources can include redemption of stock, increased government tax receipts, and over-all improved productivity and output. EagleBank's TARP funds will be repaid in full.

In closing, as citizens and consumers, we need to be pro-active in the support of our economy, President Obama and the government policies responding to this chaotic environment. Both the consumer and the country were spending more than their income and now we are tightening our belts and saving more. The trouble is, savings are positive in the medium term, but in the short term, it makes the economic contraction more severe and leads to greater unemployment. All of us need to find the proper balance of spending and saving, restore our confidence and avoid the fear sweeping the country. My advice, KEEP CALM AND CARRY ON.

Sincerely,



Robert P. Pincus
Vice-Chairman of Eagle Bancorp, Inc.
and EagleBank



EagleBank's Georgetown office recently sponsored a Georgetown Business Association [GBA] networking event at Boffi Studio, located at 3320 M Street NW, Georgetown. Over 50 business and community guests attended the cocktail and candlelight event hosted by EagleBank BDO Rokas Beresniovos and Boffi Studio owner Claude Zein. Community co-sponsorships such as this help us meet, greet and "listen to" the banking needs of the business organizations in our community. Left to Right: Davis Kennedy, Publisher of the Georgetown Current; Rokas Beresniovos of EagleBank; Tom Bryan, President of Georgetown Business Association [GBA].

eStatements Offer a Wealth of Benefits

If you use Personal **eBanking** online banking and bill pay...or **ExecuBank** online banking and bill pay for business, more convenience and service awaits you with eStatements! Go green. Go paperless (until you want to print a copy). Go for the ease of online statement access and more statement history. The benefits of eStatements just keep coming ...

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Please Forgive Duplicate Copies: Because we cannot insert and sort by name/address, we must insert a newsletter into every statement. To avoid multiple copies, you can sign up for convenient eStatements, then, read our Newsletter online at eaglebankcorp.com. Or, you can contact your local branch to find out how to combine some statements into one.

Eagle Bancorp, Inc. Stock

Eagle Bancorp stock is available for purchase through NASDAQ. Symbol: EGBN

Area Market Makers

Koonce Securities Inc.; Ferris, Baker Watts; Friedman, Billings, Ramsey; Sandler O'Neill

Pride and Appreciation – EagleBank Bowl Follow-Up

We are proud to have served as the title sponsor and official bank of the Inaugural EagleBank Bowl, the first-ever college football bowl game in Washington, D.C.

The EagleBank Bowl brought football back to legendary RFK Stadium, where about 30,000 energized fans watched the U.S. Naval Academy square off against Wake Forest University.

EagleBank's long-standing commitment to the communities we serve was further strengthened by our participation in the EagleBank Bowl, which supported numerous

charitable organizations. We thank all the fans, our employees and volunteers who made this historic event possible. We also congratulate the players, coaches and staff of both teams on a hard-fought and closely played contest.

Official Charities Included:

- Wounded EOD Warrior Foundation
- Positive Choices
- Peaceholics
- National Kidney Foundation
- D.C. Public Education Fund
- Title IX Scholarships



Meet the Commercial Deposit Services Department

EagleBank recognizes the level of service it takes to make banking easier, more convenient and rewarding. We have built a reputation for personalized service and for providing the kind of financial help that commercial clients need. Our total commitment to customer service is not something we just talk about. It is who we are.

EagleBank's Commercial Deposit Services Team knows how to successfully handle your commercial deposit banking needs. State-of-the-art online tools, cash management solutions, and a variety of deposit products allow our team to fully service all of your banking needs.

Our Commercial Deposit Services officers have the power to make things happen. At EagleBank, our service promise doesn't stop with the ability to earn your business. It goes on to helping you focus on making your business a success. Our team members are readily available to you when you need us. You won't get lost in voice mail or stuck in a maze of automated answering system prompts. We are here for you.

At EagleBank, we recognize that your time is precious. That is why our Commercial Deposit Services officers are available to provide the access and support when you need it most. Specially designed products and services; real-time, online banking; personalized service from dedicated deposit officers are what we have to offer – the kind of things that let you spend less time on banking and more time on running your business.

Congratulations EagleBank Marathon Runners!

Dalin Op of our Marketing Department and **Peter Nguyen**, Loan Portfolio Manager, separately, competed in the 2008 Marine Corps Marathon and both finished the race! We are proud of these two "in-house" athletes – and, we have many EagleBank employees who compete on various teams for community events and on their own.

“Phishing” – An Important Reminder

Be aware that any legitimate bank or business organization will not send you an email asking for your personal data – account numbers, PINs, passwords or social security numbers. This is called Phishing (pronounced fishing). Typically, these emails ask you to “reactivate your account” and offer a link that takes you to a very official-looking site. Beware...any data you enter will be sent directly to criminals!

You may also get phony emails that appear to come from some senior staff or other official where you work...also asking for sensitive, personal data or system passwords. This is called “spear phishing.” Criminals can use any name they like.

What to do: Never enter information such as account numbers, social security numbers, passwords, or (particularly, at work) non-financial system passwords into a website. Reputable organizations such as banks and e-commerce websites will not ask for this kind of data. You can always confirm the validity of an email by calling the organization – not from a number given in the email – but, from your statement or the phone directory. At work, you can contact your security manager for confirmation of suspect emails.

FDIC Takes Steps to Restore Confidence

On October 3, 2008, the Federal Deposit Insurance Corporation increased the basic limit on federal deposit insurance coverage. It was temporarily raised from \$100,000 to \$250,000 per depositor. The basic deposit insurance limit will return to \$100,000 after December 31, 2009.

In addition, on October 12, 2008, the FDIC introduced the Transaction Account Guarantee Program, a new program that provides full coverage of non-interest-bearing deposit transaction accounts, regardless of dollar amount. This new, temporary guarantee also expires at the end of 2009.

The FDIC has also taken additional steps to help banks make loans to credit-worthy businesses and consumers. To learn more, please visit www.fdic.gov.

Promotions – Congratulations!

Tsegaye Dessalegn, promoted to Post Closing Loan Administrator, Tech Road.

Monica Henson, promoted to Head Teller at Silver Spring.

Natacha Pennaneach, promoted to Floating Assistant Branch Manager.

Zahida Shah, promoted to Senior Post Closing Loan Specialist.

Brendon Shea, promoted to Commercial Loan Officer.

Nkosi Wendt, promoted to Officer, Assistant Branch Manager, Bethesda Branch.

Lisa Williams, promoted to Officer, Deposit Operations Administrator.

Welcome New Employees!

Colin Ball, Switchboard Operator/ Tech Road.

Jim Chittock, Vice President, Montgomery County Market Manager, based at our Chevy Chase Branch.

Alicia Daley-Paul, Post Closing Loan Administrator.

Rienzie Desoysa, Head Teller/Sligo Ave. Branch.

Seetha Devadas, Portfolio Manager/ Commercial Real Estate.

Pierre (Antoine) Goho, Teller/CSR/ McPherson Square Branch.

Aliyah Hayward, Teller/Silver Spring Branch.

Rob Hill, Senior Residential Loan Officer.

Roger (Rj) Howell, Deposit Operations Assistant.

Brigit Ogamba, Wire Transfer Assistant.

Carla Peterson, Supervisor, Electronic Banking.

Kraig Smith, Construction Loan Administrator.

Terry Weber, SVP of Financial Reporting and Control/Finance Department.

On the Move

Carolyn Arndt and **Christine Plotas** are now serving customers at the Rollins Avenue Branch.

Judy Bascope has joined our floating branch pool.

Karen Bautista moved to the Lending Center as a Pre-Closing Loan Assistant.

Vernon Kelley and **Kristin Rodriguez** joined the Commercial Deposit Services Department.

Alicia King moved to Compliance as a BSA Compliance Assistant.

Chris Morgan, Peter Nguyen, John Richardson, Rob Powell, Cynthia Edwards and **Scott Kinlaw** have moved from the McPherson Square Branch to the Eye Street Branch.

Shanté Taylor, Jenny Shtipelman, Eddie Ledford and **Alexis Santin** have moved from the Eye Street Branch to the McPherson Square Branch.

Debra Williams is now a Customer Service Representative at Silver Spring.

Financial Release (Continued)

A significant portion of the growth in the balance sheet in 2008 was the result of the consummation of the acquisition of Fidelity & Trust Financial Corporation (“Fidelity & Trust”) on August 31, 2008. The acquisition added approximately \$360 million in loans, \$100 million in investments, \$385 million in deposits, \$70 million in customer repurchase agreements and other borrowings, and \$13 million in equity capital, as of the date of consummation. The earnings of the Fidelity & Trust operations are included in the Company’s results in 2008 for the four months ended December 31, 2008, the period subsequent to consummation.

At December 31, 2008, total assets were \$1.50 billion compared to \$846.4 million at December 31, 2007, a 77% increase. Total deposits amounted to \$1.13 billion at December 31, 2008, a 79% increase over deposits of \$630.9 million at December 31, 2007, while total loans increased to \$1.27 billion at December 31, 2008, from \$716.7 million at December 31, 2007, a 77% increase.

For the complete press release, please visit www.eaglebankcorp.com.

Hot Numbers

(...or email us at “info@eaglebankcorp.com”)

Ronald D. Paul Chairman & CEO	301.986.1800
Robert P. Pincus, Vice Chairman	202.367.3024
Thomas D. Murphy President—Montgomery County	240.497.2042
Barry C. Watkins President—Wash., DC & VA	202.292.1620
Susan Riel, EVP & Chief Operating Officer	240.497.1667
Jane Cornett, Corp. Secretary	240.497.2041
Online Banking	301.628.4708

Loans

Martha Foulon-Tonat, EVP & Chief Lending Officer	240.497.2046
Allan Acree, Commercial RE	240.497.1686
John Bettini, Commercial	240.497.2048
Horacio Chacon, Commercial	240.497.2060
Dick Corrigan, President Eagle Commercial Ventures	240.497.2061
Robert Cortez, Res. Mortgage	240.497.2087
Mike DeVito, SBA	410.296.9344
Greshaun Fulgham, Comm. RE	240.497.2070
Stephen Greene, Manager Residential Lending	240.497.1691
Tim Hamilton, Commercial	240.497.1687
David Helfgott, Commercial	703.485.8016
Robert Hoffmann, Sr. Lender/Commercial	240.497.2047
Scott Kinlaw, Commercial	202.292.1629
Eddie Ledford, Commercial	202.292.1637
Matthew Leydig, Commercial RE	240.497.2064
Fred Marsden, Consumer	240.497.2075
Pat McCalley, Res. Mortgage	240.497.1692
Thomas Mee, Sr. Lender/Com RE	240.497.1690
Chris Morgan, Commercial	202.292.1627
Rob Powell, Commercial	202.408.7261
John Richardson, Commercial Lending Team Leader	202.292.1624
Ryan Riel, Commercial RE	240.497.2065
Ken Scales, Commercial	240.497.1685
Fred Schultz, SBA	240.497.1672
Carisa Stanley, Comm. RE	240.497.2055
Dave Viertels, Res. Mortgage	240.497.2093
Jim Walker, Commercial RE	240.497.2063
Dave Wilhelm, Res. Mortgage	240.497.2088

Business Development

Deb Shumaker, VP Business Dev. Sales Manager	240.497.2051
Rokas Beresniovas, Georgetown	202.481.7010
Larry Bolton, Silver Spring	301.588.6700
Andy Bridge, Rockville	240.497.2090
Debbie Colliton, Bethesda	240.497.1660
Linda Dawkins, Bethesda	240.497.2057
Kai Hills, Bethesda	240.497.1661
Malcolm Karl, McPherson Square Non-Profit Specialist	202.408.7265
Debbie Keller, Silver Spring	301.588.6700
Shan Mohamed, Tysons Corner	703.485.8020
Jenny Shtipelman, Eye Street	202.292.1646
Mike Stein, Bethesda	240.497.2803

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