



## Eagle Bancorp Sells Common Stock, Raises \$55.2 Million in New Capital



A strong capital position is a critical element for all banks. It is the base for the financial condition of the bank. Because we have traditionally enjoyed a strong capital position, EagleBank has experienced exciting growth over the last few years through organic means, as well as the merger with Fidelity & Trust. And we still have the opportunity for future growth as we take advantage of the current dislocations in the market and the lack of responsiveness demonstrated by so many of our competitors. Our financial strength is just one of the factors which

has led to the bank's favorable profile in the Washington metropolitan market.

Maintaining an adequate capital base has always been an important feature of Eagle Bancorp. Even in a year like 2008, when the financial markets were in turmoil for most of the year, and traditional sources of bank capital were not available, we were determined to keep our Company strong and raised capital twice during the year, with \$12.1 million in Subordinated Debt placed in August, and \$38.2 million raised through the US Treasury TARP program in December.

As we entered 2009, the Board continued to review the capital position, keeping in mind the Company's long-term strategic goals and the status of the capital markets. During the late spring of 2009, the markets became more active and we felt there may be an opportunity to obtain more capital at favorable terms. In August, the Board authorized raising at least \$40 million in a common stock offering, and retained the firm of Sandler O'Neill + Partners, who agreed to underwrite the offering. This was a different process than the locally focused, retail-oriented offerings that the Company had used in the past. The amount of additional capital desired at this time made it important to add to and diversify the shareholder base and to reach out to new investors.

As the key part of this process, a team of the Bank's senior executives (Ron Paul, Bob Pincus, Jan Williams and Jim Langmead) met with 27 different institutional investors in early September to present the EagleBank story. Current shareholders and other investors were informed of the offering through various press releases and SEC filings.

Our story and the opportunity to invest in Eagle Bancorp were very well received. The offering was over-subscribed by a margin of 2:1. Based upon the level of demand and the pricing, both the Company and Sandler O'Neill decided to utilize available procedures which increased the amount of the offering and netted \$51.8 million after costs.

The offering closed in September and raised our capital position to \$201.5 million, in excess of what is deemed as well capitalized by regulatory standards. At September 30, our Tangible Common Equity ratio was 9.56% and the Total Risk Based Capital ratio was 15.57%. As a result, both the Company and the Bank exceed capital expectations for safety and soundness, and are ready to meet the needs of our current and prospective customers, and continue the growth of the Bank.

Michael T. Flynn  
Executive Vice President & COO  
Eagle Bancorp, Inc.

## Congratulations to EagleBank's International Banking Department!

They received a special award from the Embassy of Chad: It reads: "The President of the Republic of Chad H.E.M. Idriss Deby Itno, the Ambassador and the Staff members of the Embassy in Washington DC honour with deep appreciation Scott Kinlaw, Tsighe Assefaw, Fahed Arekat and Jacqueline Ames for their continuing support and dedication to the mission. September 24, 2009." International Banking Manager Jacqui Ames and her group are focused on the financial needs of the Metro DC's international community, serving embassies and other foreign offices with currency exchange and other business and personal banking needs. Their offices are located at EagleBank's 2001 K Street office. Contact Jacqui at 202.331.2975 or send an email to [james@eaglebankcorp.com](mailto:james@eaglebankcorp.com).



## Meet our C&I Lending Teams

When it comes to helping Commercial and Industrial clients with the loans and banking products needed to establish, grow or maintain a business, our C&I lenders are the ones to call. They have the experience, knowledge and the ability to customize the solutions that work for each individual customer.

Along with personal attention and exceptional service, our customers also appreciate the benefits of working with a strong local bank and local lenders who understand the unique climate of business in the DC Metro area. Just as important, they know that instant access to top management and local decision-making can turn a time-sensitive business opportunity into reality. Find our C&I lenders at our Bethesda Lending Center on Old Georgetown Road, at our Eye Street Branch location and at the Tyson's area branch. Find all locations listed at [www.eaglebankcorp.com](http://www.eaglebankcorp.com).



Maryland C&I Lending Team: (LtoR) Tim Hamilton, Horacio Chacon, John Bettini, MD Team Leader Rob Giraldi, Brendon Shea, and Ken Scales.



DC C&I Lending Team: (LtoR) Drew Youngblood, DC Team Leader John Richardson, Scott Kinlaw and Rob Powell. (Missing from photos: VA Team Leader Tom Durrer.)

## Eagle Bancorp, Inc. Announces \$2.1 Million 3rd Quarter Net Income Available to Common Shareholders and a 20% Decline in Nonperforming Assets in the 3rd Quarter

(Excerpts from the October 22, 2009 Press Release)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (NASDAQ: EGBN), the parent company of EagleBank, today announced net income of \$2.7 million for the quarter ended September 30, 2009, a 21% increase over the \$2.3 million for the quarter ended September 30, 2008. Net income available to common shareholders was \$2.1 million (\$0.16 per basic common share and \$0.15 per diluted common share) for the three months ended September 30, 2009, compared to \$2.3 million (\$0.20 per basic common share and \$0.19 per diluted common share) for the three months ended September 30, 2008, a 5% decrease.

"After completing a very successful offering of \$55 million of common stock during the quarter, to support continued growth, we are very pleased to report our results for the third quarter of 2009. These results reflect earnings growth, continued deposit growth and continued declines in the level of nonperforming assets," noted Ronald D. Paul, Chairman, President and Chief Executive Officer of Eagle Bancorp, Inc. "At a time of continuing stress in our financial markets and in the general economy, Eagle Bancorp continues to perform well in many aspects," added Mr. Paul. "EagleBank has remained diligent in meeting the credit needs of its clients throughout its market area, as reflected by the \$147 million, or 13%, loan growth over the past twelve months. Over the same time period, total deposits increased \$195 million, or 17%, from core deposit growth. The continued growth in loans and deposits is a clear sign that the integration of Eagle Bancorp and Fidelity & Trust Financial Corporation ("Fidelity") and its subsidiary Fidelity & Trust Bank has been successful and that we have been able to maintain the high standard of banking that our new and existing customers deserve."

The continued growth in loans, average deposits, and other funding sources were the major drivers of the increase in net interest income for the three and nine months ended September 30, 2009, as compared to the three and nine month periods ended September 30, 2008. Both lending and deposit activities showed growth for the three and nine months ended September 30, 2009 as compared to the same periods in 2008. Average loans increased 43% and 61% for the three and nine months ended September 30, 2009, respectively. Average deposits increased 53% and 65% for the three and nine months ended September 30, 2009, respectively. Both periods gains were due in part to the acquisition of Fidelity, completed as of August 31, 2008.

At September 30, 2009, total assets were \$1.7 billion compared to \$1.5 billion at September 30, 2008, a 15% increase. Total deposits amounted to \$1.3 billion, at September 30, 2009, a 17% increase over deposits of \$1.1 billion at September 30, 2008, while total loans increased to \$1.3 billion at September 30, 2009, from \$1.2 billion at September 30, 2008, a 13% increase. Total borrowed funds, which include customer repurchase agreements, decreased to \$138.6 million at September 30, 2009 from \$195.4 million at September 30, 2008, a 29% decrease, as substantial growth in core deposits was used to pay-down alternative funding sources.

For a complete press release, please visit [www.eaglebankcorp.com](http://www.eaglebankcorp.com).

## EagleBank Bowl Coming Up!

Our focus turns, now, to our 2nd annual sponsorship of the EagleBank Bowl, Tuesday, December 29, 2009, 4:30 PM in Washington, D.C.'s historic RFK Stadium. The 2009 Bowl will feature Army against a team from the Atlantic Coast Conference (ACC). If Army is not bowl-eligible, a team from Conference USA will be selected as the ACC opponent. This will be a fun evening of football and a great way to support our city and our Vets.

This year's primary beneficiary will be the Wounded Warrior Project (WWP), an organization whose mission is to honor and empower wounded warriors. This event will serve the dual purpose of raising awareness of WWP and the needs of severely injured servicemen and women while helping to raise funds to support its programs. The additional business this event brings to our local merchants and the money raised through the efforts of EagleBank employees, Bowl Committee members, city officials, volunteers and other sponsors could not be possible without a huge team effort and a spirit of commitment to our city and our war veterans.

Tickets for the 2009 EagleBank Bowl are currently on sale at [www.ticketmaster.com](http://www.ticketmaster.com), or by calling Ticketmaster at 800-551-7328. For ticket prices and more information, please visit [www.EagleBankBowl.org](http://www.EagleBankBowl.org).



EagleBank Bowl meets Taste of Bethesda. A banner hangs on the EagleBank ticket sales booth with information about the EB Bowl.



EagleBank employees sell tickets at the Taste of Bethesda on October 3rd – many of them well exercised from their participation in the Ronald D. Paul Companies Kidney Walk that same morning!

## Taste of Bethesda

EagleBank, once again, volunteered to sell food tickets for the Annual Taste of Bethesda event held on October 3rd. The event supports the ongoing projects of the Bethesda Urban Partnership and provides a great venue for sampling the wonderful dishes from Bethesda's many well-known restaurants. The event was huge this year. No doubt, the beautiful, sunny day in concert with music from local bands and the incredible food aromas encouraged the locals out into the streets.

EagleBank employees volunteering their Saturday time were: Michael Brooks, Fred Marsden, Joe Clarke, Aaron McKay, Mercedes Alvarez, Jermell Harris, Barbara Millard, Sharon Dukes, Organizer Marlyn Newton, Janette Shaw (photos), Kai Hills, Glenn Johnson, Susan Lewis, Yulissa Guerra, Jenny Lam, Mary Manuel and Tom Murphy. Also helping us were customers Everett Korman and his wife Nancy. Thanks to all!

## Supporting The Kidney Foundation

Taking place the same day as Taste of Bethesda, was The Ronald D. Paul Companies Kidney Walk, sponsored by our Chairman and CEO and his real estate company. Many of our employees spent their morning walking, and then joined the Bethesda event. "It all starts at the top" – charity, community service, and the good will and dedication we feel toward the communities we serve. Thank you, Ron Paul, for keeping us focused on sharing, giving and serving. It is also a lot of fun!

## NEW Park Potomac Branch NOW OPEN!

Visit us at Park Potomac on the ground floor of the impressive new building at 12505 Park Potomac Avenue in Potomac, MD, just off Seven Locks, Montrose and Route 270. Enjoy the convenience of Safe Deposit Boxes, Drive-Up Service, ATM, Free Parking and Saturday Hours! We're open Mon.-Thur. 8:30 AM - 4 PM, Fri. 8:30 AM - 5 PM, and on Sat. 9 AM until Noon.



As sponsor, for the fifth year, of the StartRight! Women's Business Plan Competition for Rockville Economic Development, President Tom Murphy (far left) and Lender Ken Scales (2nd from right) present the EagleBank check to the winner, Jodi Cook (center). This annual business competition awards and celebrates deserving new businesses and encourage the growth of new businesses in our community.

## 5th Annual EagleBank Foundation Fight Breast Cancer Golf Tournament...Another Success!

Held at Woodmont Country Club in Rockville, MD, again this year, our 5th annual tournament was a great success. Local hospitals' breast cancer units and other cancer charities in our area will benefit. Amazingly, we were able to raise over \$250,000 despite the current economic climate. The kind and generous hearts of our friends, business associates, vendors, employees, sponsors and volunteers confirm that this event is near and dear to us all. There are too many to thank in name, here, who served under Event Chairman Don Rogers of Shulman, Rogers, Gandal, Pordy & Ecker, PA, (also an EagleBank Board Member), and our own Andy Bridge, business development officer, but a lot of hard work and time from many good people in

and outside the Bank, made this happen. We know that many who face the fight against breast cancer will benefit from and appreciate the many wonderful gifts of giving, caring and participating that went into this successful fund raiser.



In the photo with Don Rogers and Chairman & CEO Ronald D. Paul: Kristen J. Kofmehl, Director, Annual Giving & Events, Washington Hospital Center Foundation



"Future Businessman" Ian Sincevich, age 5, and his Mom, Linda Petursdottir Sincevich, surrender the money in his two piggy banks to Customer Service Rep. Jeniffer Mejia at the Bethesda Branch. This is Ian's first bank account opening experience. We hear he did a great job!

## FDIC Update

As per the FDIC's latest update... Your deposits are now insured up to at least \$250,000 per depositor through December 31, 2013.

## Eagle Bancorp, Inc. Stock

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

### Area Market Makers

Koonce Securities Inc.; Sandler O'Neill; Janey Montgomery Scott

## Third Annual Taste of Friendship Heights

Market Manager Jim Chittock, of our Chevy Chase office and a group of willing employees and family volunteers sold food tickets for this event to help raise funds for several local charities. Participating were: Chevy Chase Assistant Manager Galina Moshkovich and her granddaughter Nikita; Chevy Chase Head Teller Kim Smith and her son, Jalen; Branch Manager/Rockville Office Anne Marie Robinson and son, Jordan; Assistant Manager Leslie Lucas and her daughter, Arshakia.



(Left): Chevy Chase Assistant Branch Manager Galina Moshkovich enlists the help of her granddaughter Nikita at the October Taste of Friendship Heights.

(Above): (LtoR) VP and Retail Sales Coordinator James Chittock, Chevy Chase Head Teller Kim Smith, Rockville Manager Ann-Marie Robinson; behind Kim is Assistant Branch Manager Leslie Lucas; behind Ann-Marie is her son Jordan.

## Hot Numbers

Email us at [info@eaglebankcorp.com](mailto:info@eaglebankcorp.com)

Ronald D. Paul Chairman & CEO	301.986.1800
Robert P. Pincus Vice Chairman	240.497.4077
Susan Riel Sr. EVP & Chief Operating Officer	240.497.1667
Thomas D. Murphy President	240.497.2042
Martha Foulon-Tonat EVP & Chief Lending Officer	240.497.2046
Susan Schumacher SVP & Commercial Deposit Services Manager	202.292.1631
Jane Cornett Corporate Secretary	240.497.2041
Jacqui Ames VP & Business Development Officer/International Banking	202.331.2975
Steve Greene VP & Res. Mortgage Lending	240.497.1691
Debbie Shumaker VP & Business Dev. Sales Mgr.	240.497.2051
Branches/Switchboard	301.986.1800
Online Banking	301.628.4708