



Two Years Later . . .



If someone should ask... "So, what have you done since the EagleBank-Fidelity & Trust Merger"...we would be pleased to respond. In fact, it would take two of us to do it.

Our first thought would be to step into our **customers'** shoes and see things from their perspective: Two customer-focused banks who believe in relationships that are mutually beneficial, resulting in customer success and bank growth. Two similar banking philosophies, goals and practices—a dynamic combination for supporting customer needs and providing them with a stronger

bank; more solutions, products, services, and technology; more banking professionals, more locations and conveniences. A win-win situation for our customers and our bank.

Next, we would assess the value of the merger to our **shareholders**: Meant to grow the bank, thus their investment, the merger brought more access to more customers. That translates into more deposits, loans and profitability, i.e., more shareholder investment value. Stronger, more public awareness provided more access to new investors.

The merger allowed our **employees** a way to build their careers, increase their income and grow professionally and personally. It brought opportunities to meet new people, inside and outside the bank...and to expand their banking knowledge for offering customers better solutions. More teammates and making new friends has been an added bonus.

And, what about our **community**? Growth over the past two years has meant more employees – more community-minded bankers to volunteer, support, attend and participate. They know that their every effort to join in can make our community a better place to live and work. The Bank and its business customers, often working together, sponsor, donate and lead major efforts to give back to our community.

Two years later? A bigger bank, yes. An increase in products, services and loan size, yes. But growth will never stand in the way of providing the same one-on-one, superior customer attention and service that has always been BIG, from the day we opened our doors in 1998. No matter what our customer's size or stage of growth, every relationship is important to us. Our local decision-making and our entrepreneurial approach to banking have always provided us with great advantages over our competitors and have helped us attract new customer relationships.

Holding true to a Mission Statement that speaks for both banks, from separate beginnings to merger, it is the essence of who we are and the reason we joined together to do what we enjoy doing. It has been our guide in building solid, loyal customer relationships and for attaining so many important accomplishments these past two years. We have stayed on track with the words below:

EagleBank is committed to providing quality financial services and successful solutions that consistently achieve a high degree of customer satisfaction. We will differentiate our company from other institutions by developing long-term client relationships, providing superior customer service, creating stockholder value, supporting and enhancing our community and encouraging the growth and well-being of our employees. We are dedicated to growing our position as the leading community bank for businesses of all sizes in our market, through the respect and recognition we have earned for our banking knowledge, lending expertise, local decision-making, relationship continuity, business ethics and corporate citizenship.

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Two Years Later . . . (continued from first page)

Thanks to our customers and shareholders, we are proud of the following milestones and events of the last two years:

- Since the merger, we have enjoyed record earnings every quarter (8 so far). Our core quality of earnings is a result of our ability to increase revenue faster than expenses—but at the same time, we have grown our infrastructure (IT, branding, personnel and support). Growth has made it possible to continue to do what we are here to do...increase shareholder value.
- We rank 4th in market share among our community bank peers whose banking longevity in the Metro DC banking market considerably surpasses our own 12+ years.
- We attained a level of \$2.2 billion in assets compared to \$970 million before the merger (completed August 2008). We are proud that our earnings are solid, quality earnings, the type of earnings that go straight to the core bank—building and strengthening the bank, and making it possible for us to offer our customers more.
- The merger took us into Northern Virginia and made it possible for us to expand further with new branches in Rosslyn and Ballston, which open in 2011; our new Gallery Place office just opened in DC.
- For the six-month period ending March 31, 2010, EagleBank achieved the highest growth rate in loans of any bank in the Washington, D.C. area, as reported by the Washington Business Journal.
- Because of commitment and outstanding service to the community, Chairman and CEO Ron Paul was named Washingtonian of the Year by the Washingtonian Magazine, and named Entrepreneur of The Year (financial category) by Ernst & Young due to Bank growth and his inspiring leadership.
- The merger brought us a combined Management Team and Board of Directors – committed, dedicated and experienced professionals who have combined their expertise to guide and grow our Bank.
- Customer deposit growth reached \$1.58 billion vs. last year's \$1.26 billion, up 25%—the highest growth among the top 25 banks in our market (per FDIC data for the period of June 2009–June 2010).
- An expanded Residential Mortgage Department sold \$376 million in loans in 2010 (a record-breaking amount for our Bank) vs. \$91 million in 2009.
- We raised \$55.2 million in common stock through a nationwide stock offering to institutional investors.
- With the merger came more employee volunteers and customer sponsors to help the EagleBank Foundation raise over a million dollars to fight breast cancer, kidney disease, and support many other worthwhile community organizations.

Two years later...as we examine our growth, we know what makes it happen. Solid banking relationships that benefit everyone: the customer, our shareholders, our employees, the community and our bank. This is why we do not take banking relationships lightly. We are all in this together, and together, we can all celebrate the last two years and those ahead. Thank you.

Sincerely,



Ronald D. Paul, Chairman & Chief Executive Officer



Robert P. Pincus, Vice Chairman

Hyde Leadership Public Charter School

Vice President, Commercial Loan Officer Rob Powell recently attended the ribbon cutting ceremony for Hyde Leadership Public Charter School. Rob created the loan package and secured the financing needed for this Washington, DC charter school's new building. Financing was approved under a DC Qualified School Construction Bond allocation. The grand opening was held on December 17th. EagleBank continues to support the charter school movement in the District through projects like Hyde Leadership.

Eagle Bancorp, Inc. Announces Record Earnings for Both Fourth Quarter 2010 and Full Year 2010, Marking Eight Consecutive Quarters of Increasing Profits

(Excerpts from the January 26, 2011 Press Release.)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (NASDAQ: EGBN), the parent company of EagleBank, today announced record net income of \$16.7 million for the year ended December 31, 2010, a 60% increase over the \$10.4 million for the year ended December 31, 2009. Net income available to common shareholders increased 89% to \$15.4 million (\$0.78 per basic common share and \$0.77 per diluted common share) for the year ended December 31, 2010, compared to \$8.1 million (\$0.55 per basic and diluted common share) for the year ended December 31, 2009.

For the three months ended December 31, 2010, the Company's net income was \$5.1 million, a 71% increase over the \$3.0 million for the three months ended December 31, 2009. Net income available to common shareholders increased 96% to \$4.7 million (\$0.24 per basic common share and \$0.23 per diluted common share), as compared to \$2.4 million (\$0.12 per basic and diluted common share) for the same three month period in 2009.

"We are extremely pleased to report continued strong financial performance for our Company for both the fourth quarter and full year 2010," noted Ronald D. Paul, Chairman, President and Chief Executive Officer of Eagle Bancorp, Inc. "Fourth quarter 2010 results represent the eighth consecutive quarter of increasing net income. Our financial performance results have been highlighted by substantial revenue growth from a combination of loan and core deposit growth, a favorable net interest margin and fee income from the sale of residential mortgages," added Mr. Paul. "Additionally, the Company has maintained solid asset quality performance during the difficult economic period of the past few years and we have improved our operating efficiency. As a growth-oriented Company, our financial results reflect the organization's ability and desire to continue lending in the Washington D.C. metropolitan area, as evidenced by a \$276 million, or 20% increase in portfolio loans in 2010; our ability to continue building new and existing client relationships, as evidenced by an 18% increase in deposits in 2010; and by our ability to successfully manage credit risk in our lending and investment activities," noted Mr. Paul.

Recently announced new branches in both Washington D.C. and Northern Virginia will further enhance the Company's opportunities to add valuable client relationships. A new office in the Gallery Place area adjacent to the Verizon Center in downtown Washington D.C. opened this week, and two offices, in the Rosslyn and Ballston areas in Northern Virginia, are planned to open in the second quarter of 2011.

To read the complete press release, please visit www.eaglebankcorp.com.

Ron Paul – 2010 Washingtonian of the Year



Celebrating with cake!

In celebration of being selected as a "2010 Washingtonians of the Year" by the *Washingtonian Magazine*, Ron Paul was presented with a cake, iced with his photo, at a recent Board of Directors Meeting. Wife Joy attended and other employees at the Bank's Bethesda headquarters dropped in to congratulate him and sample a bit of cake. Ron was selected for his outstanding contributions and service to the community, particularly to the Kidney Foundation.

Elections and Enhancements

Tom Murphy, EagleBank's President of Community Banking, has been elected to the Board of Directors of Community Services for Autistic Adults and Children. Tom looks forward to sharing his financial expertise and his spirit of community service with the CSAAC Board.

Kenneth J. Van Valkenburgh has joined Eagle Insurance Services as Vice President/Insurance Sales. A licensed insurance agent and experienced financial service provider, Ken surely enhances our ability to serve our customers' business and personal insurance needs! He can be reached at kvanvalkenburgh@eaglebankcorp.com or 240.497.2061.

Make Sure Your Software is Up-To-Date

Your office computer system administrator may be keeping your work computer software up-to-date automatically on some regular schedule...but if not, you should find out what you should be doing to help. On most home computers, you can set your computer to update on a regular basis. If not, you can usually visit the software's website and seek free updates to download onto your computer. Keeping your software up-to-date with security patches is particularly important for:

- the operating system (e.g. Windows)
- your browser (e.g. Internet Explorer)
- your email software (e.g. Outlook)
- your antivirus software

If you have a laptop which is not always connected to your office network, it's a lot more difficult to keep it current. Talk to your supervisor or system administrator to find out what you need to do. Always keep your antivirus software running; never turn it off.

"Gallery Place" Branch Now Open!

Our newest branch location is now open at 700 Seventh Street, NW in Washington, DC. In addition to regular hours, 8:30 AM-4 PM Monday through Thursday and 8:30 AM-5 PM on Friday, this branch will also be open on Saturday, 9 AM-Noon. Please visit soon!



L to R: Nittaya Chuawongse, Head Teller; Quinn Wilson, Assistant Branch Manager; Fahed Arekat, Branch Manager; Omni Johnson, Customer Service Representative; Zenaída Quintanilla, Teller



More Accolades! – Best of Bethesda

If you check on page 77 of the January-February 2011 issue of Bethesda Magazine, you'll find a photo of Tom Murphy, President of Community Banking, under the headline: **Best Local Bank: EagleBank.** Our thanks to the readers of this great magazine who voted for us. We promise to live up to this proud distinction.



A Peek Back at the Holidays...finds EagleBankers (left to right) Tim Foster, Eric Camp, (Arena Stage's David Mink in center), Daniell Bohnett and Joe Clarke at the historic Halcyon House Holiday Benefit and Bazaar. EagleBank was a sponsor of this event. Proceeds from shopping Georgetown boutiques this special night benefited the Combat Soldiers Recovery Fund. The event and this photo appeared in BISONOW online publication.



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

Branches

Bethesda, 7815 Woodmont Ave.
240.497.2044

Chevy Chase, 15 Wisconsin Cir.
301.280.6800

Park Potomac, 12505 Park Potomac Ave.
301.444.4520

Rollins Ave./Rockville, 130 Rollins Ave.
301.287.8500

Rockville, 110 N. Washington St.
301.738.9600

Shady Grove/Rockville, 9600 Blackwell Rd.
301.762.3076

Silver Spring, 8665-B Georgia Ave.
301.588.6700

Tysons Corner/VA, 8601 Westwood Center Dr., 703.485.8011

Dupont Circle, 1228 Connecticut Ave.
202.466.3161

Gallery Place, 700 7th St, NW
202.628.7300

Georgetown, 1044 Wisconsin Ave.
202.481.7025

K Street, 2001, 202.296.6886

McPherson Square, 1425 K St.
202.408.8411

Operations Center, Tech Rd., Silver Spring
301.986.1800

Lending Center, Bethesda, 240.497.2049

Residential Mortgage Lending
301.738.7200

International Banking, 202.331.2975

Eagle Insurance Services,
Ken Van Valkenburgh, 240.497.2061

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