



A HERITAGE OF COMMUNITY BANKING



It was the late 70's. Most kids were spending their summers playing whiffle ball in the backyard, while I was rolling coin for the tellers or stamping the words "Member FDIC" on thousands of banking service brochures. Dad was a community banker. Dinner table chat often included stories of how the bank examination was going or how the bank just helped a local businessperson realize his or her dream. I am a second generation community banker, with immense respect for the role played by our nation's community banks. (And, I'm happy to say that a third generation, my daughter, has chosen the industry, as well.)

Does it really matter where you bank? A bank is a bank, right? No matter how big or how small the institution is, as long as that FDIC decal is on the front door of the branch, is all fine? There are stark differences between the behemoth megabanks and the community banks which play a critical role in our economy.

To put this in perspective, consider the following:

- According to the latest FDIC report on the banking industry, smaller community-focused banks (those with assets less than \$10 billion) represent 98.4% of all banks and number nearly 6,500 in the US with more than 100,000 locations.
- Community banks make the majority of small business loans of \$1 million or less.

At EagleBank, our hometown is your hometown. Community banks are local businesses. They are very closely tied to the communities they serve and are generally founded by local businesspeople who see a certain set of under-served needs in the community. That's the way it is here at EagleBank.

Other important advantages of community banks include local focus and 100% in-touch management right here, where you can quickly reach them. You can expect fast turn-around and nimble decision-making based on local knowledge from bank leaders who live, work and play where you do. If you want a more client-centric experience tailored to your needs, a community bank is for you. EagleBank is the leading community bank. Big enough to do. Small enough to care. As the former Chief Operating Officer of Virginia Heritage Bank, I can assure you that EagleBank brings a strong heritage of community banking to the entire DC Metropolitan Area.



Chris Brockett
Executive Vice President
Director of Operations



PRESS RELEASE

Eagle Bancorp, Inc. Announces Continued Growth and Record Earnings, with Assets Exceeding \$5.2 Billion

Excerpts from the January 21, 2015 Press Release

Eagle Bancorp, Inc. (the "Company") (NASDAQ:EGBN), the parent company of EagleBank, today announced record quarterly net income of \$14.7 million (\$16.9 million on an operating basis) for the three months ended December 31, 2014, a 23% increase on a net income basis (41% on an operating basis) over the \$12.0 million net income for the three months ended December 31, 2013. Net income available to common shareholders for the three months ended December 31, 2014, increased 23% (41% increase on an operating basis) to \$14.5 million (\$16.7 million on an operating basis) as compared to \$11.9 million for the same period in 2013.

(Continued on second page.)

Eagle Bancorp, Inc. Stock

Eagle Bancorp stock is available for purchase through NASDAQ symbol: **EGBN**

Area Market Makers:

Sandler O'Neill
Janney Montgomery Scott

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PEOPLE IN THE COMMUNITY

Senior Vice President and Relationship Manager Andy Bridge was elected President of The Adventist Medical Center at Shady Grove Foundation. This Foundation raises over \$4MM per year to help the Hospital in its efforts to provide needed services to the community.

Vice President and Community Bank Area Manager Juan Jara will serve on the Board of Directors of the Washington, DC Chamber of Commerce for 2015.

Executive Vice President and Chief C&I Lending Officer Lindsey Rheaume will serve on the Arlington Chamber Board in 2015. Lindsey also received the Chamber's President's Award for his work with the Chamber in 2014.



Senior Vice President and Residential Lending Area Sales Manager Mark Deitz and Senior Vice President and Commercial Deposit Officer Kai Hills pose on either side of Knight Kiplinger, Editor in Chief of Kiplinger Publishing. He spoke at a recent Bethesda-Chevy Chase Rotary Club Meeting discussing the state of the economy and where it may be headed.



CELEBRATING VALUABLE ASSETS

Our bank's success is created by dedicated, loyal, trusted employees, and our appreciation runs deep. Thank you for sharing 10 years of your careers with EagleBank.

Congratulations to:
Timothy Hamilton
Karen Johnson



Record Earnings *(Continued from front page)*

Net income per basic and diluted common share for the three months ended December 31, 2014, was \$0.51 and \$0.49, respectively (\$0.59 per basic common share and \$0.56 per diluted common share on an operating basis), as compared to \$0.46 per basic common share and \$0.45 per diluted common share for the same period in 2013.

For the year ended December 31, 2014, the Company's net income was \$54.3 million (\$57.7 million on an operating basis), a 15% increase (23% on an operating basis) over the \$47.0 million for the year ended December 31, 2013. Net income available to common shareholders was \$53.6 million (\$57.1 million on an operating basis) as compared to \$46.4 million for 2013, a 16% increase (23% on an operating basis).

Net income per basic and diluted common share for the year ended December 31, 2014 was \$2.01 and \$1.95, respectively (\$2.14 per basic common share and \$2.08 per diluted common share on an operating basis), as compared to \$1.81 per basic common share and \$1.76 per diluted common share for 2013, an 11% increase per basic and diluted share (18% on an operating basis per basic and diluted share).

“We are pleased to report our 24th consecutive quarter of record earnings.”

“We are pleased to report our twenty-fourth consecutive quarter of record earnings, which includes the first reporting period since the Company's completion of the merger with Virginia Heritage Bank on October 31, 2014” noted Ronald D. Paul, Chairman and Chief Executive Officer of Eagle Bancorp, Inc. “The Company's net income has increased each quarter since the fourth quarter of 2008. For the fourth quarter of 2014, the Company's performance was again highlighted by significant growth in total loans and total deposits, both from organic growth and from the merger; by 33% growth in total revenue as compared to the same quarter in 2013; by a continuation of a favorable net interest margin, which was 4.42% for the fourth quarter of 2014; and by continued solid asset quality measures. As expected, the merger has resulted in improved operating leverage for the Company as evidenced by a fourth quarter efficiency ratio on an operating basis of 45.71%. The strong fourth quarter earnings resulted in an annualized return on average assets (“ROAA”) of 1.21% (1.38% on an operating basis) and an annualized return on average equity (“ROAE”) of 11.68% (13.15% on an operating basis).

The completion of the merger with Virginia Heritage Bank contributed to growth in the Company's balance sheet in the fourth quarter of approximately \$800 million in loans, \$3 million in loans held for sale, \$645 million in deposits, and \$95 million in borrowings. Additionally, the Company issued 4,010,261 shares of its common stock to complete the merger, and succeeded to \$15.3 million of preferred stock which has a dividend rate of 1.00%. Intangibles of approximately \$107 million were recorded in the merger transaction.

At December 31, 2014, total assets were \$5.25 billion, compared to \$3.77 billion at December 31, 2013, a 39% increase, and \$4.17 billion at September 30, 2014, a 26% increase. Total loans (excluding loans held for sale) were \$4.31 billion at December 31, 2014, compared to \$2.95 billion at December 31, 2013, a 46% increase, and \$3.43 billion at September 30, 2014, a 26% increase. Total deposits were \$4.31 billion at December 31, 2014, compared to deposits of \$3.23 billion at December 31, 2013, a 34% increase and \$3.53 billion at September 30, 2014, a 22% increase. Loans held for sale amounted to \$44.3 million at December 31, 2014, as compared to \$42.0 million at December 31, 2013, a 5% increase, and \$41.3 million at September 30, 2014, a 7% increase.

To read the complete press release, visit www.EagleBankCorp.com/InvestorRelations/News/PressReleases.



FOCUSED ON SECURITY

Security from the Inside

We all hear, over and over again, about all the precautions we should take to protect our ID and financial safety when banking, using ATMs, purchasing with debit cards, using credit cards or handling cash. But what’s the bank doing behind the teller window and in the back office to protect us?

It’s more than alarm systems, locked vaults, cameras, and fingerprinting techniques – or even what you see and experience when you visit the bank or stop by an ATM, write a check or pay a bill online. It goes way beyond passwords and identification and authentication requirements. Besides the bank’s own internal protective processes, systems, devices and practices, banks are closely monitored and regulated by specific government agencies that require reporting, tracking, alerts and on-going education to keep bank employees aware of the potential problems or suspicious activity. EagleBank is regulated by the Federal Reserve Board and the State of Maryland.

All financial institutions are required to help our government detect and prevent money laundering and terrorism efforts, and must comply with requirements established by the Bank Secrecy Act (BSA), USA Patriot Act, and the Office of Foreign Assets Control (OFAC). Practicing basic controls to comply with the regulatory requirements starts at the teller window, but all bank employees are required to comply. Branch and lending employees must know who their customers are, understand customers’ normal and expected transactions, and maintain the necessary records and reports required by the above agencies and acts.

Other regulations help protect consumer rights and the fair availability of banking services to the community, as well as the regulation of some account types (money market deposit account transaction limitations) and policies that dictate lending practices. Our bank must also provide deposit insurance through the FDIC.

Above all, an alert banker and a cautious consumer are the best defenses against identity theft and criminal activity. While we may be processing a deposit or cashing a check, the person at the next teller window may be attempting some deceptive transaction, fraudulent activity, or money laundering scheme. The systems and safeguards EagleBank has in place, as well as the keen awareness and educational resources available to bank employees, work hand in hand with mandated regulations to protect our banks, our funds, and our country’s monetary system.



GROWING

Enhanced Focus on Healthcare Industry Banking

It is exciting to report that we have expanded our ability to serve the financial needs of the Healthcare Industry. Monica Mason has joined EagleBank to lead our Healthcare Practice Group. She brings with her a wealth of experience working with healthcare business specialists and physicians and their medical/dental practices. From physician loans and lines of credit to practice treasury solutions, online banking convenience, commercial real estate, mortgages and insurance, she is the banker to call first when financial duties and running a practice take valuable time away from patient care or customer attention. EagleBank offers individually tailored programs to help build, grow and streamline medical practices. Monica can be reached at 571.319.4807 or by email at MMason@EagleBankCorp.com.



COMMUNITY

Veterans’ Day Visit

Christine Greer (Corporate Administrative Assistant and retired U.S. Navy CT11 (NAC) Navy Cryptologic Technician Interpretive, Naval Aircrew) visited a local school in her full Navy uniform, as part of a Veterans Day celebration. She brought in some foreign currency to show, tying Navy to her bank job. One student asked: “Does the ship have a bank on it?”... and they were surprised to learn, it does. Other interesting questions from these 1st graders: “Does the Navy ride on trains?” or “What do Navy people eat?”



EagleBank Supports Four HOBY Students

EagleBank is proud to sponsor four students for the Hugh O’Brian Youth Leadership Program. This four-day program is focused on teaching leadership skills to 10th graders from schools located in low- to moderate-income Census Tracts. It is held annually at Mt. St. Mary’s College each Memorial Day weekend. Students learn personal, team and social leadership skills and complete 100 hours of volunteer service in their local communities. Additionally, they can take what they learned and present a similar one-day workshop for other students at their school. HOBY is nationwide. Approximately 40% of all schools in Maryland would be considered a low- to moderate-income school.



COMMUNITY



Slice of Life

EagleBank volunteers again this year joined in to distribute pies for “Food and Friends.” Located at various CVS pharmacies, groups of EagleBankers peddled pies to purchasers eager to take a dessert baking shortcut and support this effort to raise funds for those less able to put food on the table.



Participating were:

Photo 1 (L to R)

Ed Velarde
Eric Fortunato



Photo 2 (L to R)

Youssouf Diallo
Clarice Lopes Ribeiro
Mary Anderson

Photo 3 (L to R)

Juan Jara
Fahed Arekat
Pfashema Faber
Justin Silvers
Christian Videla



SECURITY

Be Aware - Email Wire Alerts

Look out for these current scams, and share this with those responsible for wire transfers/payments. (1) A request from a long-standing supplier to wire funds to an alternative account. (2) A request for a wire transfer that comes through a high-level coworker who is normally not involved in the payment processing loop - their email may have been hacked. (3) An invoice from a personal email.

Be suspicious of sudden changes in normal practices, requests for secrecy or rush transactions. Anything out of the ordinary that gives you the slightest second thought – call the sender at the number you have on file! Contact EagleBank immediately at 301.986.1800 if you suspect a fraudulent transaction has occurred.

**NOW'S THE TIME.
RATES ARE STILL LOW.
BUY OR REFINANCE NOW.**



**We make it easy...
From Application to Closing.
Call 301.738.7200**



BRANCHES

Virginia

Ballston, 4420 N. Fairfax Dr. | 571.319.4800
Chantilly, 13986 Metrotech Dr. | 703.378.0010
Dulles, 45745 Nokes Blvd. | 703.230.1515
Fairfax, 11166 Fairfax Blvd. | 703.359.4100
Merrifield, 2905 District Ave. | 571.319.4900
Old Town Alexandria, 277 S. Washington St. | 703.956.5075
Reston, 12011 Sunset Hills Rd. | 571.319.4848
Rosslyn, 1919 N. Lynn St. | 571.319.4855
Tysons Corner, 8245 Boone Blvd. | 703.752.9360

Maryland

Bethesda, 7815 Woodmont Ave. | 240.497.2044
Chevy Chase, 15 Wisconsin Cir. | 301.280.6800
Park Potomac, 12505 Park Potomac Ave. | 301.444.4520
Rockville, 110 N. Washington St. | 301.738.9600
Rollins Ave./Rockville, 130 Rollins Ave. | 301.287.8500
Shady Grove/Rockville, 9600 Blackwell Rd. | 301.762.3076
Silver Spring, 8665-B Gerogia Ave. | 301.588.6700

DC

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 K St. NW | 202.296.6886
McPherson Square, 1425 K St. NW | 202.408.8411

Corporate Headquarters
7830 Old Georgetown Road, 3rd Floor
Bethesda, MD 20814

Eagle Commercial Ventures
Larry Bensignor | 240.497.1788

Eagle Insurance Services
Ken Van Valkenburgh | 240.497.2061

Investment Advisory Services
Larry Bensignor | 240.497.1788

MD Lending Team | 240.497.2049
DC Lending Team | 202.292.1624
VA Lending Team | 703.277.2200

Operations Center, Tech Rd., Silver Spring | 301.986.1800

Residential Mortgage Lending
301.738.7200



DIRECTORY

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301.986.1800

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Vice Chairman
240.497.4077

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Sr. EVP & Chief
Operating Officer
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