



Great Customers = Great Numbers



At a time when many financial institutions, nationally and locally, have contracted their lending and balance sheets and are suffering earnings declines, EagleBank's net income of \$11.7 million for the year 2009 ranked highest among earnings reported for all Maryland chartered banks. Net income for first quarter 2010 was at a record level for our Bank—the highest amount in our 12-year history. It was also the fifth straight quarter for increased earnings. The

strong and proactive leadership and risk management practices of our Board of Directors and senior management, over the past few years, have guided our Bank to continue its strategic growth pattern and navigate successfully through a very deep recessionary climate.

Credit losses and problem assets have been managed well as a result of strong initial underwriting—which includes a deep understanding of the borrowers and the local market by proactive, ongoing analysis of the loan portfolio and by disciplined collection practices. Loan growth was \$134 million for the full year 2009, and was \$28 million for the first quarter of 2010. This loan growth has been accompanied by even stronger growth in core deposits, thanks to our loyal customer relationships. Even in the direst recessionary periods of late 2007 and 2008, EagleBank continued to meet the borrowing needs of our clients.

Our strong and consistent financial performance has also largely been the result of successful relationship building. After just 12 years since the Bank's opening, we have become what many regard as the "go-to community bank" in the Washington Metropolitan area.

External firms, which perform quarterly scoring of individual bank institutions for safety and soundness, have consistently rated EagleBank a good performer. These results allow us to maintain favorable ratings. Balance sheet and earnings performance have kept us ranked high. For the first quarter of 2010, the latest *FDIC's Maryland and Washington DC Profile* of all institutions reported:

- A median bank return on assets of .43%; EagleBank was .84%...higher is better.
- A median credit loss ratio of .55%; EagleBank was .36%...lower is better.
- An average asset growth rate of minus 9% for 95 institutions over the 12 months ending March 2010, while EagleBank was a positive 21%.

Last fall's successful capital raise provided fresh resources for continued growth. It was also an affirmation from many knowledgeable bank investors that EagleBank's balance sheet, credit risk management, market position and earnings prospects were very compelling factors which warranted investment. Those investors' beliefs have been proven accurate as our stock price has grown 43% since the closing of the \$55 million common stock raise on September 21, 2009.

Thank you for your confidence, your business, and your referrals.

Sincerely,

James H. Langmead, EVP and Chief Financial Officer

Eagle Bancorp, Inc. Announces Record Earnings for Both the Second Quarter of 2010 and Six Months of 2010, with Assets Exceeding \$1.9 Billion

(Excerpts from the July 26, 2010 Press Release.)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (NASDAQ: EGBN), the parent company of EagleBank, today announced net income of \$3.4 million for the quarter ended June 30, 2010, a 30% increase over the \$2.7 million for the quarter ended June 30, 2009. Net income available to common shareholders was \$3.1 million (\$0.16 per basic common share and \$0.15 per diluted common share) for the quarter ended June 30, 2010, compared to \$2.1 million (\$0.16 per basic and diluted common share) for the quarter ended June 30, 2009, a 52% increase.

For the six months ended June 30, 2010, the Company's net income was \$6.8 million, a 45% increase over the \$4.7 million for the six months ended June 30, 2009. Net

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Financial Release

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income available to common shareholders was \$6.2 million (\$0.32 per basic common share and \$0.31 per diluted common share), as compared to \$3.6 million (\$0.28 per basic and diluted common share) for the same six month period in 2009, a 74% increase.

"We are extremely pleased to report strong earnings and balance sheet growth for the second quarter of 2010. These results reflect substantial revenue growth, continued growth in both loans and core deposits and solid asset quality," 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. Second quarter earnings mark six successive quarters of growth in net income," added Mr. Paul. "Further, EagleBank has remained diligent in meeting the credit needs of clients throughout our market area, as reflected by the \$191 million or 15% growth rate in total loans over the past twelve months. Over the same period, total deposits increased \$330 million, or 26%, which includes the addition of many new relationships to our client base. The new relationship growth is further evidence that the Company's position as the leading community bank in the Washington metropolitan area is being solidified," noted Mr. Paul.

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

"EagleBankers" in the Community

- Chairman and CEO **Ronald D. Paul** was appointed to the Executive Committee of the **Federal City Council** and to the Board of Trustees for the **University of Maryland College Park Foundation**.
- Executive Vice President & Chief Lending Officer **Martha Foulon-Tonat** has joined the **Greater Washington Board of Trade**.
- Northern VA Advisory Board Member, **Kristina Bouweiri**, President and CEO of Reston Limousine and Travel Services, Inc. was recognized for Excellence in Philanthropy at Washington Smart CEO Magazine's 2010 Circle of Excellence Awards in May.



Pictured here at a recent after-hours business event in DC, EagleBank Chairman and CEO **Ron Paul**, EagleBank Commercial Loan Officer **Rob Powell**, JC Hayward of WUSA Channel 9 and Dr. Charles Vincent, Deputy Director of the Options Public Charter School in Washington, DC.

Visit NYC and Bank at McDonalds®!

Do you visit the NYC area regularly for business or for pleasure? Now, you can use your EagleBank ATM or debit card at 200 surcharge-free ATMs in McDonalds® stores throughout the NYC metro area. This is in addition to the nationwide and DC-area Allpoint ATMs that are currently available to you. Visit our home page at www.eaglebankcorp.com and click on the Allpoint logo to find surcharge-free Allpoint ATMs where you work, live and travel. There is an EagleBank ATM at all of our 13 branches, as well.

New: Eagle Insurance Services, LLC

Recently formed Eagle Insurance Services, LLC has entered into a program and referral agreement with The Meltzer Group, a well-respected, full-service local insurance agency. The focus will be on all major lines of insurance for EagleBank's business, personal and professional customers, such as life, group benefits, property and casualty and liability insurance. A comprehensive array of other quality insurance products and services will also be available. For additional information, call 240.497.2044 and ask to speak with an Eagle Insurance Services Professional.

Things To Do!

☐ **Take a Healthy Walk for the Kidney Foundation – October 2nd**

The **9th Annual Ronald D. Paul Companies Kidney Walk** is a 5K or one-mile Memory Walk along K Street and the Capital Crescent Trail. It will be held on Saturday, October 2, 2010. Registration starts at 8:00 AM at the Washington Harbor/Georgetown; walk starts at 9 AM. Donations broke all records last year. Let's make this year's Walk even bigger and better than before. Celebrate life. Come out and walk!

☐ **Help Raise Funds to Fight Breast Cancer – October 11th**

The EagleBank Foundation will hold its **6th Annual Fight Against Breast Cancer Golf Tournament** on Monday, October 11, 2010 at the Woodmont Country Club. Please help us raise funds to assist those hospitals and organizations in our community that are on the front line doing all they can to win the battle against breast cancer. Support the tournament by selecting a sponsorship, making a donation or just purchasing a mega raffle ticket for a great trip of your choice: (1) Treasures of Italy Vacation, (2) Stay & Play in Pebble Beach, CA or (3) The Jewel of Maui. For additional information or to sign up, please visit the Foundation's web site at www.eaglebankfoundation.com.

☐ **Enjoy a College Bowl Game and Support the USO – December 29th**

This year's **EagleBank Bowl** will be played at RFK Stadium in Washington, D.C. on December 29, 2010, and televised live by ESPN at 2:30 PM. Now in its third year, the 2010 Bowl will feature the eighth selection from the Atlantic Coast Conference (ACC) versus a Conference USA (C-USA) opponent.

According to Chairman and CEO of Eagle Bancorp, Inc. and EagleBank, Ron Paul: "We are proud to be the game's title sponsor and to be associated with this tremendous event that showcases our Nation's Capital and supports the United Service Organizations. This game has quickly become a signature holiday event for the local community. We're looking forward to bringing the best of college football back to DC again this year."

The EagleBank Bowl is a major event for RFK Stadium and is a valuable national public relations platform for Washington, DC, as a sports market, and it provides an economic stimulus for local businesses. As part of the overall mission and in tribute to the United States military, the EagleBank Bowl seeks to include a service academy in the game on a regular rotation. Army and Navy will alternate years, with the third year serving as a bye for both teams. The game also honors military service during EagleBank Bowl Week and throughout the year.

1725 Eye Street Branch Closing

Due to the close proximity of other EagleBank branches in downtown DC, our 1725 Eye Street Branch will close on September 30, 2010. Accounts will be transferred to the 2001 K Street Office. Customers in that area will also find our McPherson Square Office at 1425 K Street just as convenient. Other DC locations include Dupont Circle

at 1228 Connecticut Avenue and Georgetown at 1044 Wisconsin Avenue. Find all DC, MD and VA locations listed on the back page and on our website at www.eaglebankcorp.com.

Avoid branch trips all together (*not that we don't enjoy seeing you!*) with **Remote Deposit** for business

From our Security Experts to Yours...

Everyone in your company or organization is responsible for information security, and it doesn't end when you're finished using the information. Making sure that it is destroyed securely will prevent a hacker or criminal from finding a way to re-use it to damage your security or compromise your customers' privacy.

EagleBank has arrangements for professional destruction of materials. Many organizations do, but if you do not, here are some important safeguards:

- Shred all papers using a cross-cut, particle or confetti shredder.
- Professionally wipe CD's, floppy disks and backup tapes; then physically destroy each one by cutting them into fragments or shredding them.
- Never throw computers out or give them away without arranging for the hard disk drives to be removed and destroyed.

If your organization provides a separate recycling and shredding bin at each desk, make sure you do not get them confused. Information security depends on everyone in the organization.

and **Online Banking and Bill Pay** for both business and personal convenience! Online Banking customers who want to save trees and see statements earlier, can sign up for eStatements, too. Visit www.eaglebankcorp.com to find out more.

Home Mortgage Rates Are Still at All-Time Lows!

If you are thinking of buying a new home or refinancing your current one, we hope you will think of EagleBank first. Our expanded Residential Mortgage Team is brimming with experienced, customer-focused lenders who zero in on you, your needs and your particular circumstances to find the best possible rates and terms. Start with a free, no-obligation analysis by calling 301.738.7202. Our Mortgage experts have found some incredibly low, fixed-rate options and offer some attractive no-closing-cost programs for qualifying customers. Call now for the help you need to buy or refinance a home. The time is right!



Above: Making your homeownership dreams come true is this hard working team at our Park Potomac Residential Lending Department: Left to Right...Front Row: **Roshan Alavi, Sabrina Williams, Mandy Sabaka, Jane Troxell, Carol Hamelin, Nadine Scott, Claudia Torres, Jackie Rafferty and Dianna Collins.** Back Row: **Shari Irby, Donna Deane, Liane Riel, Patrick Haddon, Debbie Boutselis, Cathy Clarke, Mark Wilson and Will Zamula.**

The time is NOW for low-rate mortgage loans and refinancing. Pictured above are the experienced lenders who can help you: Left to Right...**Steve Greene** who heads the group, **Brad Cohen, Paul Harsanyi, Harris Rosenblatt, Jeff Fink and Laurent Berman.** (Missing from the photo are Lenders **Richard Cortez, Pat McCalley, Rob Hill and Narda Namrow.**)

Shawn Matthews' Great Green Day Poem...

In case you missed it, in our last issue, we printed a clever Green Day poem by Shawn Matthews, head teller at our McPherson Square Branch, but credited it to Shawn "Murphy." Shawn Matthews has already kindly forgiven us. Nice guy!



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

Eye Street, 1725, 202.292.1600

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
301.738.7202

International Banking, 202.331.2975

Hot Numbers

Email us at info@eaglebankcorp.com

Ronald D. Paul 301.986.1800
Chairman & CEO

Robert P. Pincus 240.497.4077
Vice Chairman

Susan G. Riel 240.497.1667
Sr. EVP & Chief Operating Officer

Thomas D. Murphy 240.497.2042
President of Retail Banking

Martha Foulon-Tonat 240.497.2046
EVP & Chief Lending Officer

Susan Schumacher 202.292.1631
SVP & Commercial Deposit
Services Manager

Jane Cornett 240.497.2041
Corporate Secretary

Jacqui Ames 202.331.2975
VP & Business Development
Officer/International Banking

Steve Greene 240.497.1691
VP & Res. Mortgage Lending

Debbie Shumaker 240.497.2051
SVP & Business Dev. Sales Mgr.

Branches/Switchboard 301.986.1800

Online Banking 301.628.4708



When it Comes to
Commercial Lending,
We're at the Top...

Thanks to our Customers,
Shareholders, Employees,
and the Metro DC Community!

(Washington Business Journal article "Which Local Banks are Lending? Most of them." May 28-June 3, 2010 issue)

- #1 For the six-month period of September 30, 2009 through March 31, 2010, EagleBank's total loan portfolio increased by \$110.2 million, more than any other bank that is based in the Washington area.
- #1 EagleBank is rated #1 with \$81.1 million in commercial real estate loan growth between September 30, 2009 and March 31, 2010.
- #1 EagleBank placed #1 and far above the list of other banks for commercial and industrial loan growth, at \$29.4 million, between September 30, 2009, and March 31, 2010.

Source: FDIC

We are proud of our success and our ability to continue lending, despite a challenging economy, but we could not have done it without you or without some important lessons learned:

...A bank cannot be successful without listening to customers' needs, dreams and ideas...and be willing and able to step outside the box to solve them.

...A bank cannot be successful without involving itself in the community and responding with what it takes to pull the community together and make it stronger.

...A bank cannot grow or be successful without maintaining a reputation for superior service and developing the right solutions to attract new customers and enhance current customer relationships.

We must be doing something right. Please keep us challenged with your banking and financial service needs. We like being at the top.

Sincerely,

Ronald D. Paul
Chairman and CEO
EagleBank

Robert P. Pincus
Vice-Chairman
EagleBank

