



## Looking Back. Looking Forward.

The year 2012 was another watershed year for EagleBank. To our customers, shareholders, employees, vendors and the community at large: thank you for contributing to our success.

Both Main Street and Wall Street showed their confidence in us. We are now a \$3.4 billion dollar bank, making us one of metropolitan Washington's

largest community banks by asset size. The FDIC recognized EagleBank in 2012 as having more deposits than any other community bank in the Washington region.

Our deposits increased 20% compared to 2011. Loans were also up 20% compared to a year ago. Unlike other banks that have hunkered down, we continue to be a "go to" financing source for businesses and real estate. Many a construction project or acquisition was financed through EagleBank; you'll see our signs everywhere. And numerous restaurants, retailers, contractors, consultants and other operating businesses have been powered by EagleBank.

Net earnings achieved record levels during each quarter and for the whole year. For 2012, our net income before the preferred dividend to the Small Business Lending Fund was over \$35 million. That represents a 44% increase over 2011's already strong performance. We have now had 16 consecutive quarters of rising, record earnings.

EagleBank continues to have strong asset quality. We're prudent in our loan underwriting and proactive if a loan does not turn out as planned.

In 2012, we raised \$45 million of additional capital, as EagleBank continues to be well above "well capitalized." We welcome additional investors to our ranks and are proud of the "vote of confidence" their stock purchases represent. And our longtime shareholders saw the benefit of 2012's performance. EGBN shares increased 37% in value during 2012.

This newsletter is one way we communicate with you quarterly. But sometimes I have thoughts I'd like to share in between print dates. I encourage you to follow my blog, "Checking in with EagleBank Chairman Ron Paul." Just go to [www.eaglebankblog.com](http://www.eaglebankblog.com). You can even sign up for alerts when there has been a new posting.

All of our successes could not have happened without you. As you know, at EagleBank, it's Relationships F-I-R-S-T. That's not just some tagline. It's our pledge to you. And an explanation for the basis of much of what we accomplished in 2012.

And so, EagleBank enters 2013—our 15th year—filled with much promise, for ourselves and for you. We're opening our eighteenth branch shortly, in Old Town Alexandria. Come visit us, in a branch, online or with a phone call. For if you grow, we grow.

2013, here we come.

Ronald D. Paul  
Chairman and Chief Executive Officer

## Eagle Bancorp, Inc. Announces Record Earnings for the Fourth Quarter of 2012, with Full Year 2012 Earnings Up 44%

(Excerpts from the January 23, 2013 Press Release)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (NASDAQ:EGBN), the parent company of EagleBank, today announced record quarterly net income of \$10.2 million for the quarter ended December 31, 2012, a 42% increase over the \$7.2 million net income for the quarter ended December 31, 2011. Net income available to common shareholders for the quarter ended December 31, 2012 increased 43% to \$10.1 million (\$0.44 per basic common share and \$0.43 per diluted common share), as compared to \$7.0 million (\$0.35 per basic and diluted common share) for the same three month period in 2011.

For the year ended December 31, 2012, the Company's net income was \$35.3 million, a 44% increase over the \$24.6 million for the year ended December 31, 2011. Net income available to common shareholders increased 51% to \$34.7 million (\$1.65 per basic common share and \$1.61 per diluted common share), as compared to \$23.0 million (\$1.16 per basic common share and \$1.14 per diluted common share) for the year ended December 31, 2011.

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## Financial Release (Continued)

"We are very pleased to report another quarter of record earnings, highlighted by strong, balanced and consistent financial performance, substantially higher total revenue from net interest income and noninterest income, continued favorable asset quality trends and substantial capital growth," noted Ronald D. Paul, Chairman and Chief Executive Officer of Eagle Bancorp, Inc. The Company's earnings have now increased in each quarter since the fourth quarter of 2008. Mr. Paul added, "For the fourth quarter of 2012, the Company continued its trend of achieving growth in both average loans and deposits, maintaining a strong net interest margin, and accomplishing enhanced levels of noninterest revenue, primarily from higher levels of residential mortgage refinancing activity. Additional liquidity was added to the balance sheet in the fourth quarter to address potential risk from expiration of the TAG deposit insurance program and normal year end activity. The Company also maintained favorable operating cost management as measured by both the Efficiency Ratio and the level of Noninterest Expenses to Average Assets. For the fourth quarter of 2012, average loan balances grew 4% as compared to the third quarter of 2012, while average deposit balances were 7% higher. The net interest margin remained strong at 4.31% for the fourth quarter of 2012, in spite of substantially higher balance sheet liquidity. Total revenue (net interest income plus noninterest income) was \$40.8 million for the fourth quarter of 2012, 7% higher than the third quarter of 2012 and 27% higher than the same quarter one year ago."

At December 31, 2012, total assets were \$3.41 billion, compared to \$2.83 billion at December 31, 2011, a 20% increase. As compared to September 30, 2012, total assets at December 31, 2012 increased by \$433 million, a 15% increase.

To read the complete press release, visit the Investor Relations section of [www.eaglebankcorp.com](http://www.eaglebankcorp.com).

## Jr. Achievement Volunteers

They are back in the classroom! Their second passion (after banking) must surely be teaching—or, maybe, just working with kids. Many of these same volunteers have previously joined Jr. Achievement's efforts to teach local middle school students about finances and banking. This time, they visited Eastern Middle School in Silver Spring, Maryland. The EagleBank employee groups included: **Matt Ray, Danielle Dixon, Agnes Singh, Pat Ramdhan, Jenny Aguilar, Catalina Racu, Joe Clarke, Lucy Mukira, Galina Moshkovich, Portia Reid, Aissatou Faye, Barbara Millard, Andrew Peters, Anil Pereira, Rosalind Alexander, Quinn Wilson, Stephanie Smoot, Natacha Pennaneach, Jason Hamel and Leslie Lucas.** We salute their fine efforts and know that they had a lot of fun.

## Martha's Kitchen

The Commercial Lending Center, with help from VP **Horacio Chacon**, was able to gather 33 EagleBank volunteers to contribute sandwich meat and cheese and assemble approximately 500 sandwiches on Friday February 1 for delivery to Martha's Table and its mobile soup kitchens known as McKenna's Wagon. The bread was donated by Mike McCloud of Uptown Bake & Brew, a client of EagleBank. A lot of fun for a great cause.



## EagleBank Leaders in the News

If we had the space, any one of these accolades would make a wonderful full-page article about our inspiring leaders, Chairman and CEO **Ron Paul** and Vice-Chairman **Bob Pincus**. Since we do not, a link is posted below to take you to the full story of each of these proud honors and achievements. (And, this isn't even a complete list!) Congratulations, Ron and Bob, you are always making EagleBank stand out!

- *American Banker* magazine named our Chairman and CEO Ron Paul **Community Banker of the Year**. Read the story online at [http://www.americanbanker.com/magazine/122\\_12/community-banker-of-the-year-2012-eagle-bancorp-ceo-ron-paul-1054618-1.html](http://www.americanbanker.com/magazine/122_12/community-banker-of-the-year-2012-eagle-bancorp-ceo-ron-paul-1054618-1.html)
- Ron Paul was handpicked by the *Washington Business Journal* as one of Metro Area's **Power 100**—WBJ's list of the region's most influential business leaders.
- Ron Paul was inducted into the *Washington Business Hall of Fame* with EagleBank's Vice-Chairman Bob Pincus (a past winner of this honor) serving as Master of Ceremonies. Bob also chaired this Washington Board of Trade, Jr. Achievement and *Washingtonian Magazine* joint event. Enjoy the ceremony at this site: <http://www.myja.org/halloffame/> ... or read about Ron Paul and why he was selected here: [http://www.myja.org/halloffame/laureates/biography\\_Ronald\\_Paul.html](http://www.myja.org/halloffame/laureates/biography_Ronald_Paul.html)
- *The Washington Post*, December 17, 2012, featured "A chat with the consummate entrepreneur" by Tom Heath—an article on our Chairman and CEO Ron Paul. Go to: [http://www.washingtonpost.com/business/economy/value-added-mogul-ron-paul-banks-on-networking-and-oomph/2012/12/16/17b445a6-4623-11e2-8061-253bccfc7532\\_story\\_1.html](http://www.washingtonpost.com/business/economy/value-added-mogul-ron-paul-banks-on-networking-and-oomph/2012/12/16/17b445a6-4623-11e2-8061-253bccfc7532_story_1.html)
- An article in *Post's Capital Business* December 12/17/12 announced the "**Post 200**"...the region's very biggest companies, law firms, nonprofits and other organizations that power our local economy. EagleBank was the only local community bank that made the list. Read the article featuring Ron Paul and Vice Chairman Bob Pincus: <http://apps.washingtonpost.com/local/top-dc-companies/2012/company/eaglebank/660/>
- Prompted by recent recognition, *The Washington Business Report* interviewed Ron Paul. Enjoy the full interview here: <http://www.wjla.com/articles/2012/12/washington-business-report-dec-30-2012-83514.html>
- Ron Paul has accepted a position on the Advisory Board of Court Appointed Special Advocates ([www.casamontgomery.org](http://www.casamontgomery.org)). This organization supports the needs of foster children being placed in the court system (currently 500 in Montgomery County).



Executive Assistant **Marlyn Newton** led another successful food drive in December. Boxes and baskets of food items were collected at EagleBank branches for needy families at the National Center for Children and Families in MD, The Father McKenna Center in DC and the Western Fairfax Family Ministries in VA. Thanks to all for sharing! Pictured above (L) Marlyn Newton and Jenny Bush of Western Fairfax Family Ministries.



Stepping in to help **FOOD & FRIENDS** prepare food for people with life challenging illnesses during the holidays are "EagleBankers" (L to R): **Andrew Peters, Jason Hamel, Anil Pereira, Christian Durand, Agnes Singh, Tim Foster, Phil Klein, Fahed Arekat, Sarah Daley, Joe Clarke and Youssouf Diallo.**



## Could Your Business Use a Complimentary Cash Flow Review?

Put our expanded Treasury Management Services to work for your business now. Take a look at EagleBank's solutions for Merchant Services, Corporate Credit Cards, ACH and Wire Services, Online Fraud Prevention and Reporting Tools, as well as Remote Deposit, Lockbox and more! Contact **Alexis Santin**, Director of Treasury Management Services at [asantin@eaglebankcorp.com](mailto:asantin@eaglebankcorp.com) or 202.292.1610.

## Cyber Security: Some Ways to Strengthen Your Business Systems and Devices

- Keep all software current, including your operating system and Web browser. Install security updates and patches if they cannot be done automatically. Microsoft users can visit <http://update.microsoft.com> to upload updates.
- Never turn off the firewall on any company computer; it's on by default in Windows. A firewall is not a substitute for antivirus software.
- Install antivirus and antispyware software and keep it up to date. Microsoft offers free protection in Microsoft Security Essentials for small businesses: <http://windows.microsoft.com/en-US/windows/products/security-essentials>. Go to [www.microsoft.com/security/pc-security/protect-pc.aspx](http://www.microsoft.com/security/pc-security/protect-pc.aspx) for free computer protection.
- The FTC warns that peer-to-peer (P2P) file sharing can pose serious risks. If business owners or managers are asked, "What's your company's policy on P2P file sharing?" the only wrong answer is, "We don't have one." Regardless of your stance on P2P file sharing, it is important as a company to have one and to take the necessary steps to implement and enforce it. A primer on P2P file sharing can be found at <http://ftc.gov/bcp/edu/pubs/business/idtheft/bus46.pdf>.
- Visit either of these websites for more cyber security information: <http://www.uschamber.com/issues/technology/internet-security-essentials-business> or <http://www.staysafeonline.org>.

## More "People" News

Senior VP and Business Development Sales Manager **Andrew Bridge** has been appointed President-Elect of the Shady Grove Adventist Hospital Foundation Board of Directors. Andy has actively served on the Foundation's Board for the past four years.

Senior VP and Branch Administration Manager **Joe Clarke** was recently featured in an article in *Maryland Banker*. The magazine is published by the Maryland Bankers Association. Joe was selected as one of the Association's 12 up and coming young bankers. Congratulations, Joe!

Branch Relationship Manager **Andrew Peters** of our Georgetown Office, active in this local business community, has been elected to the Board of Directors of the Georgetown Business Association.



Congratulations **Judy Bascope** on 10 years of service to EagleBank! Judy is Head Teller at our Park Potomac Office; she poses here with **Joe Clarke**, Branch Administration Manager.

## Branches

|   |    |
|---|----|
| Bethesda, 7815 Woodmont Ave.<br>240.497.2044              | MD |
| Chevy Chase, 15 Wisconsin Cir.<br>301.280.6800            |    |
| Park Potomac, 12505 Park Potomac Ave.<br>301.444.4520     |    |
| Rollins Ave./Rockville, 130 Rollins Ave.<br>301.287.8500  |    |
| Rockville, 110 N. Washington St.<br>301.738.9600          |    |
| Shady Grove/Rockville, 9600 Blackwell Rd.<br>301.762.3076 |    |
| Silver Spring, 8665-B Georgia Ave.<br>301.588.6700        |    |
| Dupont Circle, 1228 Connecticut Ave.<br>202.466.3161      | DC |
| Gallery Place, 700 7th St., NW<br>202.628.7300            |    |
| Georgetown, 1044 Wisconsin Ave.<br>202.481.7025           |    |
| K Street – 2001, NW<br>202.296.6886                       |    |
| McPherson Square, 1425 K St., NW<br>202.408.8411          |    |
| Alexandria, Old Town (Coming Soon)                        | VA |
| Ballston, 4420 N. Fairfax Dr.<br>571.319.4800             |    |
| Merrifield, 2905 District Ave., Suite 190<br>571.319.4900 |    |
| Reston, 12011 Sunset Hills Rd.<br>571.319.4848            |    |
| Rosslyn, 1919 N. Lynn St.<br>571.319.4855                 |    |
| Tysons Corner, 8601 Westwood Center Dr.,<br>703.485.8011  |    |

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

Lending Center, Bethesda, 240.497.2049

Lending Center, Reston, 703.485.8031

Operations Center, Tech Rd., Silver Spring  
301.986.1800

Residential Mortgage Lending  
301.738.7200

## Hot Numbers

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

|   |              |
|---|--------------|
| Ron Paul<br>Chairman & CEO                                    | 301.986.1800 |
| Bob Pincus<br>Vice Chairman                                   | 240.497.4077 |
| Susan Riel<br>Sr. EVP & Chief Operating Officer               | 240.497.1667 |
| Tom Murphy<br>President of Community Banking                  | 240.497.2042 |
| Tony Marquez<br>EVP, Chief Real Estate Lending Officer        | 240.497.1799 |
| Ginny Heine<br>EVP, Chief C&I Lending Officer                 | 240.497.2951 |
| Jane Cornett<br>Corporate Secretary                           | 240.497.2041 |
| Andy Bridge<br>SVP & Business Dev. Sales Mgr.                 | 240.497.2090 |
| Vince Curcio<br>VP, Residential Mortgage Manager/VA           | 571.319.4837 |
| Mark Deitz<br>VP, Residential Mortgage Manager/MD             | 240.406.1152 |
| Alexis Santin<br>VP, Treasury Management Director             | 202.292.1610 |
| Susan Schumacher<br>SVP & Commercial Deposit Services Manager | 202.292.1631 |
| Branches/Switchboard  | 301.986.1800 |
| Online Banking  | 301.628.4708 |



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## 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