

Banking on the community

■ ‘We have gotten larger but stayed with the same concept,’ says Ron Paul of EagleBank

BY KEVIN JAMES SHAY
STAFF WRITER

Ronald D. Paul wears a lot of hats these days: banker, real estate investor, business owner, philanthropist.

And that doesn't include all his sports caps.

A longtime New York Yankees fan and native of Queens, N.Y., Paul, the CEO and chairman of EagleBank and parent Eagle Bancorp of Bethesda, has amassed quite a sports memorabilia collection. That includes a game ball from Don Larsen's perfect game in the 1956 World Series, a bat signed by Mickey Mantle, and original paintings of Joe DiMaggio, Michael Jordan, Wayne Gretzky and others by LeRoy Neiman.

Some items cross into another keen interest of Paul's, a board member and huge supporter of the National Kidney Foundation who has had two kidney transplants. A basketball in Paul's office is signed by NBA Hall of Famer Oscar Robertson: "From one kidney to another." Robertson donated one of his kidneys to a daughter and has been an honorary spokesman for the National Kidney Foundation.

"I've long had an interest in sports," said Paul, 53, in the Bethesda office of his real estate investment company, Ronald D. Paul Cos. "I started going to [memorabilia] auctions about 15 years ago."

Paul made some canny moves to land the memorabilia, an acumen he has also shown in his business dealings. Since forming a little more than a decade ago, EagleBank has grown to \$1.8 billion in assets and 250 employees.

"I never anticipated getting this big," Paul said. "It's truly a dream come true."

During 2009, when many community banks were losing money, EagleBank increased its net income from 2008 by a whopping 40 percent to \$10.4 million. And that was in a year when the 90 banks and savings institutions insured by the Federal Deposit Insurance Corp. in Maryland averaged a net loss of \$1.8 million.

That success lies in staying true to the bank's locally focused mission and giving customers, shareholders, employees and the community the best service possible, Paul said. But the institution's CEO deserves a lot of the credit, said Robert P. Pincus, a banking veteran and EagleBank's vice chairman, who has also been an executive at BB&T Corp., Franklin National Bank, Sovran Bank and other institutions.

"He's very focused on those four areas: his customers, employees, shareholders and the community," Pincus said. "He's very intelligent. He works hard. And he's very good with people."

Accounting studies

Paul's father, a salesman, encouraged him to go into accounting. He earned a bachelor's in accounting from the University of Maryland, College Park, where he also met his future wife, Joy. Paul's first job was with accounting firm Coopers & Lybrand in New York. He then became a bookkeeper for a small real estate company in the Washington, D.C., area.

Paul said he was not satisfied working for someone else. In 1983, he formed a real estate company with a partner. Four years later, he started his own real estate investment company, which has grown to 30 employees. The business, which invests in offices and residential properties, moved to its own building six years ago.

"I always knew I wanted to be in business for myself," Paul said.

It was an especially busy time for Paul. By 1987, he and Joy also had a 1-year-old and 4-year-old, both daughters, and Paul was having kidney problems. Three years later, his brother, Steven Paul, donated a kidney to him.

Around that time, he also joined the board of Prince George's National Bank in Landover, becoming a founding director. "They were looking for a real estate investor to be on their board," Paul said. "I thought I might as well get on the banking side."

He liked the concept of working in a small community bank that focused on loans to local small businesses. By 1992, Prince George's National Bank and its sister institution, Montgomery National Bank, consolidated into Allegiance Bank. Paul became a director of

Allegiance and later vice chairman. In 1997, Paul helped found Eagle Bancorp, which opened its first branch in Rockville the following year.

Last year, EagleBank increased deposits by 29 percent and total loans by 11 percent. The institution posted three consecutive quarters in which non-performing assets dropped significantly. The total risk-based capital ratio climbed to 13.6 percent in December from 10.5 percent a year earlier, as EagleBank steered clear of the risky residential mortgage loans that sank numerous institutions.

"We have gotten larger but stayed with the same concept," Paul said. "We kept our loan portfolio close to the Beltway. We have the same philosophy I have in my real estate portfolio."

Knowing the market, tenants and customers cannot be emphasized enough, he said. After establishing itself in Montgomery County with several branches, the bank moved into Washington, D.C., in 2000 and Northern Virginia in 2008.

"We always want to be able to talk to our customers," said Paul, who lives in Potomac.

His accounting background has also been instrumental in watching the bottom line. "I'm able to balance all of those areas," Paul said. "It's all about staying grounded and focused."

Its acquisition of Fidelity & Trust Bank in 2008 has been a wonderful opportunity for EagleBank and a key factor in its growth, he said. Pincus, who was non-executive chairman of Fidelity, and Paul have known each other for more than 25 years. In fact, Pincus made Paul's first commercial real estate loan.

"Bob has been a tremendous asset to me and the bank," Paul said.

Paul said he wants to build on EagleBank's 14 branches, particularly in Northern Virginia. The institution has eight branches in Maryland, five in Washington and one in Virginia.

"EagleBank has an incredible opportunity to grow locally as larger banks experience inefficiencies," Paul said.

Starting young in charities

In college, Paul joined the board of the American Cancer Society, becoming its youngest member. He has also been active with other organizations and institutions, including the University of Maryland.

But his broadest charitable work has been with the National Kidney Foundation. He chaired its local regional board for two years and led its Kidney Ball, which raises more than \$1 million each year. He started the Ronald D. Paul Cos. Kidney Walk, which features a fundraiser in the spring and fall that has raised hundreds of thousands of dollars. The next one is scheduled for April 25 in Hyattsville.

Paul has impressed everyone with his tireless work for the National Kidney Foundation starting in 1989, said Preston A. Englert Jr., division president of the Washington region for the organization.

"During that time he has chaired the board of directors, twice chaired the Kidney Ball, started a walk and golf tournament, and involved business friends and colleagues in the work of the foundation," Englert said.

Stephen D. Kahn, the foundation's division board chairman, said he could not think of any other volunteer leader who had done more to help the organization and improve the lives of those affected by kidney disease



NAOMI BROOKNER/THE GAZETTE

"I've long had an interest in sports. I started going to [memorabilia] auctions about 15 years ago," says Ronald D. Paul, CEO of Eagle Bancorp. Among his collection is this LeRoy Neiman painting of Joe DiMaggio, which once hung in the National Baseball Hall of Fame.

RONALD D. PAUL

■ Career highlights: Eagle Bancorp, CEO and president since formation of company in 1997, chairman since 2008, vice chairman 1997-2008; EagleBank, chairman since formation of bank in 1998, CEO since 2006; Ronald D. Paul Cos., president, 1987-present; Allegiance Bank, director, 1990-97; Allegiance Banc Corp., vice chairman, 1995-96, director, 1991-96; Prince George's National Bank, founding director.

■ Community and professional activities: National Kidney Foundation National Capital Area board chairman, 2002-03, vice chairman, 1996-97; Ronald D. Paul Cos. Kidney Walk, founder; National Kidney Foundation Outstanding Leadership Award, 2009; Ernst & Young Entrepreneur of the Year Award, Business Services, Greater Washington region, 2009; American Cancer Society, director.

■ Education: Bachelor's in accounting, University of Maryland, College Park.

■ Family: Wife, Joy; two daughters.

■ Age: 53.

■ Residence: Potomac.

than Paul.

"Ron and his wife, Joy, have sponsored so many wonderful activities and outreach efforts,

such as preventive screenings for kidney disease, that they have made a meaningful difference in improving the lives of so many in the Washington, D.C., area," said Kahn, a partner in the Washington law firm Arent Fox.

Almost two decades after his brother donated his kidney, Paul needed another. Last year, Kathy McCallum, the CFO of his real estate company, who has worked with Paul for almost three decades, answered the call.

There have been no complications, McCallum said. But she jokingly noticed a subtle change in Paul.

"He's been nicer," McCallum said with a smile.

Last year, the kidney foundation presented its Outstanding Leadership Award to Paul, noting his 20 years of service. He also received the Ernst & Young Entrepreneur of the Year Award in the business services category for the Washington region last year.

The bank took on the title sponsorship of a college football bowl game that started in 2008 in Washington. Attending to details with the EagleBank Bowl, kidney foundation and other interests does require some juggling, Paul said. But he has no problem delegating business responsibilities.

"I have tremendous confidence in our senior management," Paul said.

Such a close relationship with employees is a measure of a company's success, he said.

"When you have trust and mutual respect, it's a lot easier to run a business," Paul said.



NAOMI BROOKNER/THE GAZETTE

"He's been nicer," joked Kathy McCallum, CFO of Ronald Paul's real estate company, since she donated a kidney to him last year.