



## Growth Through Adversity



In the epic poem "Don Juan," Lord Byron summed up the value of adversity as "the first path to truth." Such an analysis of troubled times should cause us to reflect on what truths we are uncovering in these adverse times and how we can apply them daily. I believe that although the day-to-day economic challenges will continue, and possibly worsen, we have the immediate opportunity to learn and to put into practice truth in how we live our lives and develop our business.

EagleBank is the premier community bank in Washington. At a time when some of our competitors are vacillating in their credit standards and delivering substandard responsiveness and poor client service, we are continuing to operate our business as usual. The path of truth to which Lord Byron refers is illuminated by our sound business practices and our excellent people. As we consistently try to do the right thing, we gain strength and confidence in the face of adversity.

There are some great truths that are emerging from our current

crisis. Bigger is clearly not better. Companies can get so big that they cannot be managed well. Our clients now recognize that a bank our size, where management can reach all of its parts and our focus is purposeful, has much value. We are being sought by other strong companies who want the assurance that they bank safely.

We now know that improvising after the crisis begins is not enough. A company has to have taken action during the good times in order to store reserves and put in place practices that demonstrate discipline. EagleBank's consistency in credit quality and pricing and client service has not been a response to the crisis; it has been our common practice.

We also know that being based in the community has true value to the community we serve. There are extreme disparities in the challenges each community is facing across the country. There are disparities even within the Washington market. Being locally managed, locally focused, and locally owned gives us power in our decision making and in our responsiveness. Our shareholders recognize this too, and their loyalty carries meaningful value in developing business and maintaining stability.

It would serve us well to thoughtfully reflect on the core of our business principles now, and reaffirm our belief in those standards. At the core of our business model is a commitment to value-driven service and products.

We have been successful because we create and deliver based on what the customer really needs. Our strength and our innovative solutions to the challenges each of our clients face is why they look to us.

Over the past several months, a trend has emerged. The business community is reaching out to us, EagleBank, largely because we are emerging as a "go to" business partner. In the fourth quarter of 2008, our net loan portfolio grew by \$100 million! Our business development efforts on every front have been far better than they have been in prior months. New opportunities constantly present themselves, and we must be prepared to adjust and grow.

I am proud to be a part of the EagleBank team. I see excellence throughout the organization, as well as the desire to continue to improve performance. The merger with F&T was a success. Combined, we are a team with great depth and power. Let us continue to serve our customers and our shareholders with the knowledge, truth and strength that has made us the premier community business bank in the Metro D.C. market area.

Sincerely,

Barry C. Watkins  
President, Washington, DC  
and Virginia

## Meet "Edie" And Be Sure You're Fully Protected By The FDIC

"EDIE" at [www.fdic.gov/edie](http://www.fdic.gov/edie) is a tool on the FDIC web site that can help you understand if you have funds over the insurance limits. EDIE, the Estimator, can calculate your FDIC insurance coverage for each FDIC-insured bank where you have deposit accounts. EDIE lets you know in a printable report whether your deposits are within or exceed coverage limits at each bank you use.

For personal accounts, you'll need to know: all the deposit accounts you have at FDIC-insured banks, current balances and names of all account owners and beneficiaries. For business accounts, you'll need that same information, plus name of business and employer identification number (EIN). The FDIC site also provides a step-by-step tutorial on the various ways in which FDIC coverage can be calculated, as well as other important information.

## Safety/Security Tips:

Beware of scams regarding proposed tax rebates. If you receive a phone call asking for personal account information regarding a tax refund, do not reply. The IRS does not ask for account numbers or personal information over the phone. A wise telephone response to adopt in your household is: "We do not purchase anything or give out personal information over the telephone. Thank you." To play it safe, converse no further with any unknown caller who is asking anything about you or your household.

## Eagle Bancorp, Inc. Announces Net Income Available to Common Shareholders of \$1.5 Million for the First Quarter of 2009 with Stockholders' Equity Reaching \$145 Million

(Excerpts from April 23, 2009 Release)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (Nasdaq: EGBN), the parent company of EagleBank, today announced net income of \$2.1 million for the three months ended March 31, 2009. Net income available to common shareholders was \$1.5 million for the three months ended March 31, 2009 (\$0.12 per basic and diluted common share), after accrual of preferred stock dividends, compared to \$1.7 million (\$0.15 per basic and diluted common share) for 2008.

"We are pleased to report continuing solid financial results for Eagle Bancorp, Inc. for the first quarter of 2009," noted Ronald D. Paul, Chairman, President and Chief Executive Officer of Eagle Bancorp, Inc. "A long-term trend of growth in our balance sheet continued in the most recent quarter, as assets increased by almost \$600 million year over year" added Mr. Paul, "including loan growth of over \$100 million during the two quarters following consummation of our acquisition of Fidelity & Trust Financial Corporation ("Fidelity")." The loan growth was primarily funded by the \$38.2 million of capital the Company obtained from the U.S. Treasury late in December 2008 and growth in deposits and borrowed funds. The continued growth in average deposits, other funding sources and loans were the major drivers of the increase in net interest income for the three months ended March 31, 2009, as compared to the three month period ended March 31, 2008.

"In spite of substantial stress in the financial markets and a difficult interest rate environment, wherein the Federal Reserve continues to inject liquidity into financial markets to keep interest rates at very low levels, the Company maintained a strong net interest margin for the first quarter of 2009 of 3.76%, which was slightly higher than the net interest margin in the fourth quarter of 2008 of 3.74%."

Net interest income increased 57% for the three months ended March 31, 2009 over 2008, as the effect of favorable growth noted above was partially offset by declines in the net interest margin. For the three months ended March 31, 2009 the net interest margin was 3.76% as compared to 4.19% for the three months ended March 31, 2008 and 3.74% for the three months ended December 31, 2008.

At March 31, 2009, total assets were \$1.50 billion compared to \$899.5 million at March 31, 2008, a 67% increase. Total deposits amounted to \$1.15 billion at March 31, 2009, a 68% increase over deposits of \$685.7 million at March 31, 2008, while total loans increased to \$1.27 billion at March 31, 2009, from \$759.5 million at March 31, 2008, a 67% increase. Total borrowed funds, excluding customer repurchase agreements, increased to \$72.2 million at March 31, 2009 from \$62.0 million at March 31, 2008, a 16% increase. The increase in borrowed funds is primarily due to the \$12.15 million in subordinated notes that the Company issued on August 28, 2008.

For a complete press release, please visit [www.eaglebankcorp.com](http://www.eaglebankcorp.com)

## More Convenience— More Saturday Hours For You!

Beginning May 2nd, our 130 Rollins Avenue, Rockville Branch will be open on Saturday, from 9:00 AM until Noon. Other locations serving customers on Saturday include the Shady Grove Drive-Up at 9600 Blackwell Road in Rockville (Corner of Shady Grove and Blackwell), open 8:30 AM until Noon...and the Chevy Chase Lobby, at 15 Wisconsin Circle (just across from the Metro) is open 9 AM until Noon. Keep in mind, all branch locations have a 24-7 ATM. Use Allpoint Network ATMs where you shop and run errands all over town, all over the USA, and in London. There are 37,000 Allpoint locations where you can access your EagleBank funds surcharge-free. Obtain a list of Allpoint ATMs in any zip area by visiting our home page at [www.eaglebankcorp.com](http://www.eaglebankcorp.com) or by calling Allpoint's new voice response number, 1.800.976.4917.



More Convenience at Bethesda, Too! . . . It may not look ready at the time of this photo in early April, but soon you will have two additional ways to bank at the corner of Woodmont and Fairmont Avenues. New Drive-Thru and Walk-Up windows will be open in May.

## EagleBank Nominated for "Associate Member of the Year" Award at the 2009 Rammies

The Restaurant Association of Metropolitan Washington (RAMW) announced the finalists for the 2009 RAMMY Awards at a reception on March 24th, at the Ritz-Carlton in Washington, DC. EagleBank received one of the five nominations for the "Associate Member of the Year" RAMMY Award. Barry Watkins, President/DC and VA, accepted the nomination for EagleBank. Barry has been very involved with the Association and this event for many years. Chairman Ron Paul was also present at the ceremony. Winners will be announced at the Annual RAMW Restaurants Award Gala on June 7th. Several EagleBank restaurant clients and their respective chefs have also been nominated for awards. To read the whole story, go to: <http://washington.bizjournals.com/washington/stories/2009/03/23/daily40.html>.

## Golfer? Donor? Sponsor? Volunteer? Save this Date!

On Monday, October 12, 2009, the EagleBank Foundation annual golf tournament to raise funds for breast cancer research, education and treatment will, again, be held at Woodmont Country Club on Rockville Pike. Whether your interest is in playing, gaining some great corporate awareness and recognition by sponsoring part of the event, or donating your time or money...you can visit [www.eaglebankfoundation.com](http://www.eaglebankfoundation.com) or call 240.497.2090 for more information. Be sure to sign up and make your choices early before it is sold out!

## International Banking

Jacqui Ames is always visiting other countries – other countries' U.S. Embassies, that is. She heads our International Banking Division and spends a lot of her time getting to know the international crowd and introducing EagleBank products and services for embassy and staff financial needs. Team mates include Compliance Analysts Tsighe Assefaw and Lender Scott Kinlaw. On any given day or night, you can spot Jacqui, Tsighe or Scott at an embassy reception or event, greeting and meeting foreign dignitaries, their staff and guests, and hoping for an opportunity to provide a custom EagleBank financial solution!



EagleBank's International Banking Division is headed by Business Development Officer/International Banking Jacqui Ames (right), while Scott Kinlow (center) provides Commercial Lending expertise, and Tsighe Assefaw (left) serves as BSA Compliance Analyst.

## The Tysons Corner Team

With seven offices in Maryland and five offices in Washington, DC, EagleBank is excited to be in Northern Virginia, too. A great team of financial professionals serves our Virginia customers. Located at 8601 Westwood Center Drive, Vienna (off Route 7), this office focuses on the busy Tysons Corner market. The EagleBank team includes Business Development Officer Shan Mohamed and Branch Manager Amy Caslen, Head Teller Paria Bakhshi, and Teller Graciela Jones. Lending expertise abounds, as well, with Team Leader John Richardson and Lenders David Helfgott and Russel Marsh. If you do business (or shopping) in Northern Virginia, you're not far from an EagleBank branch!



Virginia Office Staff...Left to Right: Graciela Jones, Russel Marsh, Amy Caslen, John Richardson, David Helfgott and Shan Mohamed. (Missing from photo: Paria Bakhshi.)

## Our Chairman, Ron Paul, in the News

In case you missed it...two upclose and personal interviews with Ron Paul appeared recently. One in the 4/3/09 issue of the *Washington Business Journal*. Reporter Bryant Ruiz Switzky peered into Ron's love of sports and sports collecting, his ongoing efforts and personal commitments to support the National Kidney Foundation, and his professional background and expertise in Real Estate and Banking. Find the story on [www.washington.bizjournals.com](http://www.washington.bizjournals.com).

*The New York Times* also featured an article on Ron Paul, Sunday, 4/12/09, in an interview conducted by Elizabeth Olson for "THE BOSS" Column. It was

titled "New Kidney, Same Spirit." This piece touched on Ron's career and life from age six to the present, including his recent kidney transplant success. Another very interesting piece on our very dynamic leader. For a copy of either article mentioned here, email: [jshaw@eaglebankcorp.com](mailto:jshaw@eaglebankcorp.com).

### Eagle Bancorp, Inc. Stock

Eagle Bancorp stock is available for purchase through NASDAQ. Symbol: EGBN

#### Area Market Makers

Koonce Securities Inc.; Ferris, Baker Watts; Friedman, Billings, Ramsey; Sandler O'Neill

## A Little Something Extra at the Chevy Chase Office...

Venture beyond our beautiful Chevy Chase Lobby at 15 Wisconsin Circle and you'll find our energetic, experienced and very busy Residential Mortgage group. Headed by Steve Greene, this team of experts includes Dave Wilhelm, Pat McCalley, Robert Cortez, Rob Hill, Mandy Sabaka and Michele Waters. With this constantly-changing rate environment and the unique nature of the DC housing market, this team never has a dull moment. New loan or a refinance, finding the right fit for each individual home owner and providing one-on-one service from start to closing is what they do best. Reach them for more information at 240.497.1691.

## Hot Numbers

(or email us at "[info@eaglebankcorp.com](mailto:info@eaglebankcorp.com)")

Ronald D. Paul	301.986.1800
Chairman & CEO	
Robert P. Pincus	202.367.3024
Vice Chairman	
Thomas D. Murphy	240.497.2042
President—Maryland	
Barry C. Watkins	202.292.1620
President—Wash., DC & VA	
Martha Foulon-Tonat	240.497.2046
EVP & Chief Lending Officer	
Susan Riel	240.497.1667
EVP & Chief Operating 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
VP & Business Dev. Sales Mgr.	
Branches/Switchboard	301.986.1800
Online Banking	301.628.4708