



 **EAGLE BANCORP, INC.**

2020 Report to Shareholders

# To Our Shareholders

On behalf of the Board of Directors of Eagle Bancorp, we are pleased to present our 2020 financial results and highlight a few of our achievements during such a challenging year. As we drafted last year's shareholder letter, the pandemic was about two months old, and we faced a mountain of unknown challenges. A deadly pandemic would soon spread across the globe, civil unrest would grip the nation, and America's democracy would be put to the test. It was a year like no other. Today, while there are still challenges to overcome, we see a light at the end of the tunnel and look forward to the reopening of the economy and the prospects for renewed growth.

Prior to sharing our financial results, we want to express how proud we are of the Eagle team. This has been an unprecedented year. The global pandemic has impacted all of us in profound ways. But we've seen such great resiliency in our team members. It was our Eagle team that found new ways to serve our clients and community safely. Our "frontline" workers continued to open the Bank's branches with enhanced safety precautions and new protocols, while others worked remotely via wall-to-wall video calls. Various team members assisted customers whose businesses were impacted, staying late into the night to complete Payroll Protection Program (PPP) loan applications. Others worked behind the scenes to make sure operations ran smoothly. It was truly a team effort.

For our clients, we actively participated in the SBA's Payroll Protection Program, originating loans to over 1,400 small businesses. By year-end 2020, we had PPP loans outstanding of \$455 million. In the first quarter of 2021, we focused on helping our clients through another round of applications, and will continue to work with clients on the forgiveness process.

It is through these efforts that our 2020 results were remarkable. Our assets soared, the mortgage division drove second-half earnings to record levels, we completed one stock repurchase plan and announced another. We also maintained a high level of capitalization, continued to build tangible book value, increased reserves, and preserved credit quality.

At the end of 2020, Eagle's assets were \$11.1 billion, up \$2.1 billion for the year. The increase was largely led by strong deposit inflows from our corporate clients. While these deposits reduced net interest margin, our net interest income declined only slightly. It is our belief that continuing to serve our many long-term clients for their deposit needs is of primary importance.

For the year, Eagle's earnings were \$132 million, or \$4.09 per diluted share. While earnings were down from 2019, earnings in the second half of 2020 were strong at \$80.2 million, or \$2.49 per share. Our mortgage division had a gain on sales of loans of \$21.8 million for the year, with most gains occurring in the second half of 2020.

Additionally, we returned almost \$90 million to our shareholders in the form of stock repurchases and dividends. For the year, we repurchased stock valued at \$61.4 million, completing our 2019 stock repurchase plan, and declared dividends of \$28.3 million, which was \$0.88 per share. In late December, we authorized a new stock repurchase plan for 2021 for up to 5% of outstanding shares, or approximately 1.6 million shares.

Eagle's strong capital position and credit quality are just a few of the factors that support authorizing a new stock repurchase plan. As of December 31, 2020, Tier 1 capital was 10.31%, common equity tier 1 capital was 13.49%, and total capital (to risk-weighted assets) was 17.04%. Net charge-offs to average loans were 0.26% and the allowance for credit losses to loans was 1.41%.

Our capital position was bolstered by strong earnings. For the year, returns on average assets and average tangible common equity were 1.28% and 12.03%, respectively. These earnings helped us to continue building book and tangible book value throughout the year. At year-end, book value was \$39.05 per share, up 9.0% from the prior year-end, and tangible book value was \$35.74 per share, up 9.4%.

We also continued to show discipline on costs and boast an efficiency ratio superior to our peers. For the year, the efficiency ratio was 39.3%, slightly better than the 40.0% in the prior year. In 2021, as part of our continued effort to reduce expenses, we relocated two branches with expiring higher cost leases to nearby locations and have consolidated two back-office locations into a single location.

As we continue to grow, we have also brought on more talent. In 2020, we added Jeff Curry as Chief Risk Officer and Paul Saltzman as Chief Legal Officer to our executive team. And in January 2021, we added two new directors: Ernest Jarvis, who has expertise in commercial real estate, and Steven Freidkin, who has expertise in information technology.



In 2021, we will continue our focus on diversity and inclusion. At the board level, we have a diverse group that includes four women and two men who identify as minorities. In 2020, we formed a Diversity and Inclusion (D&I) Council to identify areas of opportunity and programs to support these efforts. The D&I Council comprises a group of 16 employees from across the company. Near the end of 2020, we also conducted an anonymous employee engagement survey on culture, management, career opportunities, compensation, and benefits. The results of the survey will help us set goals and create incentives to improve Eagle's work environment and team member satisfaction. These initiatives are extremely important to the continued success of the Bank and have the full support of both the senior staff and the Board.

In a year of turmoil, the Eagle team has remained strong because we continue to put relationships FIRST. As you may know, FIRST is an acronym: Flexible. Involved. Responsive. Strong. Trusted. These are our shared values. They make up who we are and serve as our North Star. They have successfully guided the Bank through the challenges of the past year and shine the way for better days ahead.

We want to thank the entire Eagle team for their incredible commitment, perseverance, and dedication to our customers. We also want to thank all our shareholders for their continued support and trust. We remain forever grateful.

Sincerely,

**Norman R. Pozez**  
Executive Chairman  
of the Board

**Susan G. Riel**  
President and  
Chief Executive Officer

## SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Dollars in millions, except per share data

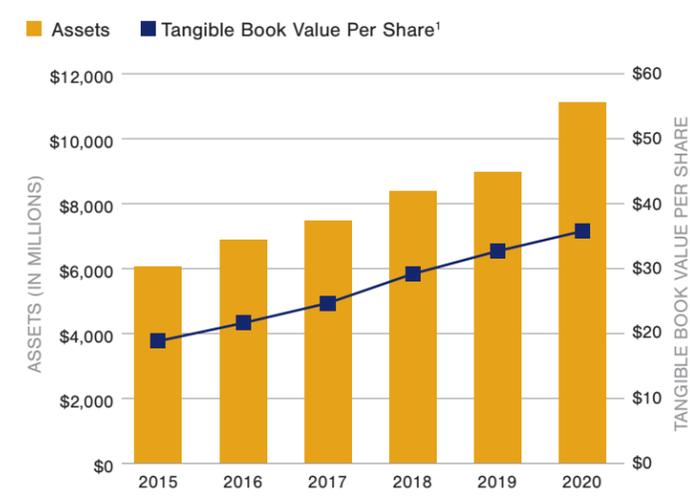
	FOR THE YEAR OR YEAR ENDED DECEMBER 31					
	'20	'19	'18	'17	'16	'15
<b>PERFORMANCE</b>						
Net income	\$ 132.2	\$ 142.9	\$ 152.3	\$ 100.2	\$ 97.7	\$ 84.2
Return on average assets	1.28%	1.61%	1.91%	1.41%	1.52%	1.49%
Return on average tangible equity	12.03%	13.40%	16.63%	12.54%	14.19%	14.69%
Net interest margin	3.19%	3.77%	4.10%	4.15%	4.16%	4.33%
Efficiency ratio <sup>1</sup>	39.3%	40.0%	37.3%	37.8%	40.3%	42.5%
<b>PER COMMON SHARE DATA</b>						
Diluted earnings	\$ 4.09	\$ 4.18	\$ 4.42	\$ 2.92	\$ 2.86	\$ 2.50
Cash dividends	\$ 0.88	\$ 0.66	-	-	-	-
Tangible book value per share <sup>2</sup>	\$ 35.74	\$ 32.67	\$ 29.17	\$ 24.67	\$ 21.61	\$ 18.83
Common shares outstanding (in millions)	31.8	33.2	34.4	34.2	34.0	33.5
<b>BALANCE SHEET DATA</b>						
Assets	\$ 11,118	\$ 8,989	\$ 8,389	\$ 7,479	\$ 6,890	\$ 6,076
Loans	7,760	7,546	6,991	6,412	5,678	4,998
Allowance for loan losses	110	74	70	65	59	53
Deposits	9,189	7,224	6,974	5,854	5,716	5,158
Shareholders' equity	1,241	1,191	1,109	950	843	739
Tangible common equity <sup>3</sup>	1,136	1,086	1,003	843	735	630
<b>ASSET QUALITY</b>						
Net charge-offs to average loans	0.26%	0.13%	0.05%	0.06%	0.09%	0.17%
Nonperforming assets to assets	0.59%	0.56%	0.21%	0.20%	0.30%	0.31%
Allowance for credit losses to loans	1.41%	0.98%	1.00%	1.01%	1.04%	1.05%
<b>CAPITAL</b>						
CET1 capital (to risk weighted assets)	13.49%	12.87%	12.49%	11.23%	10.80%	10.68%
Total capital (to risk weighted assets)	17.04%	16.20%	16.08%	15.02%	14.89%	12.75%
Tier 1 capital (to average assets)	10.31%	11.62%	12.10%	11.45%	10.72%	10.90%
Tangible common equity ratio	10.31%	12.22%	12.11%	11.44%	10.84%	10.56%
<b>NON-GAAP RECONCILIATION</b>						
Book value per share	\$ 39.05	\$ 35.82	\$ 32.25	\$ 27.80	\$ 24.77	\$ 22.07
Less: Intangible book value	3.31	3.15	3.08	3.13	3.16	3.24
Tangible book value per share <sup>2</sup>	\$ 35.74	\$ 32.67	\$ 29.17	\$ 24.67	\$ 21.61	\$ 18.83
Shareholders' equity	\$ 1,241	\$ 1,191	\$ 1,109	\$ 950	\$ 843	\$ 739
Less: Intangible assets, net	105	105	106	107	107	109
Tangible common equity <sup>3</sup>	\$ 1,136	\$ 1,086	\$ 1,003	\$ 843	\$ 735	\$ 630
Assets	\$ 11,118	\$ 8,989	\$ 8,389	\$ 7,479	\$ 6,890	\$ 6,076
Less: Intangible assets	105	105	106	107	107	109
Tangible Assets	\$ 11,013	\$ 8,884	\$ 8,283	\$ 7,372	\$ 6,783	\$ 5,967
Average common shareholders' equity	\$ 1,204	\$ 1,172	\$ 1,023	\$ 906	\$ 796	\$ 678
Less: Average intangible assets	105	105	107	107	107	109
Average tangible common equity	\$ 1,099	\$ 1,067	\$ 916	\$ 799	\$ 689	\$ 569

<sup>1</sup> Efficiency ratio, a non-GAAP financial measure, is computed by dividing noninterest expense by the sum of net interest income and noninterest income.

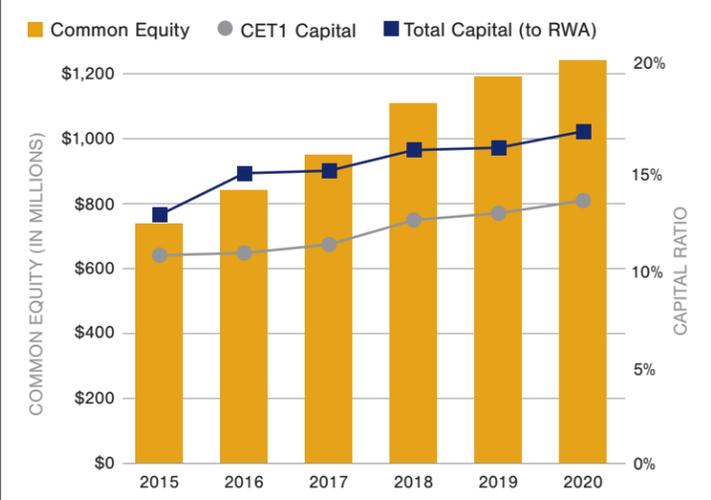
<sup>2</sup> Tangible book value per share, a non-GAAP financial measure, is defined as tangible common equity divided by common shares outstanding.

<sup>3</sup> Tangible common equity, a non-GAAP financial measure, is defined as shareholders' equity reduced by goodwill and other intangible assets.

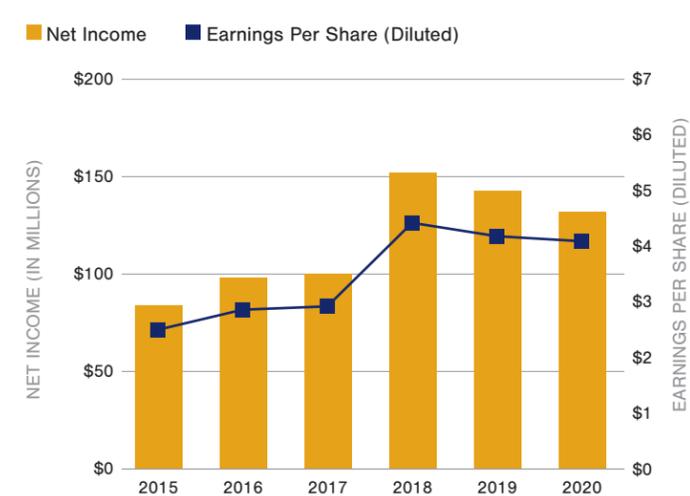
## ASSETS & TANGIBLE BOOK VALUE



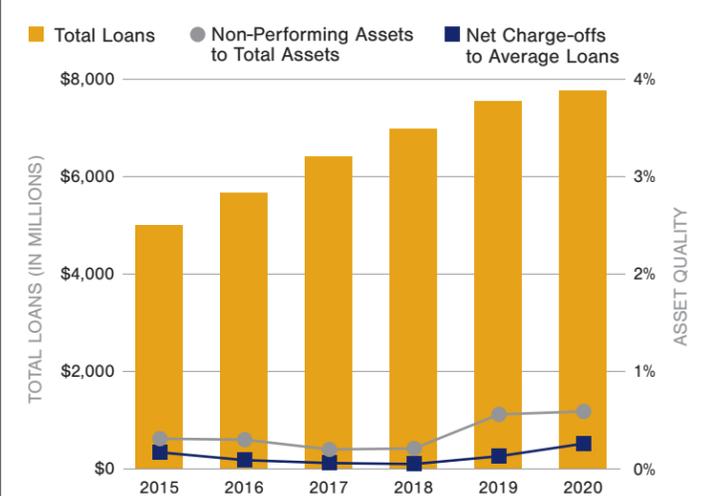
## COMMON EQUITY & CAPITAL RATIOS



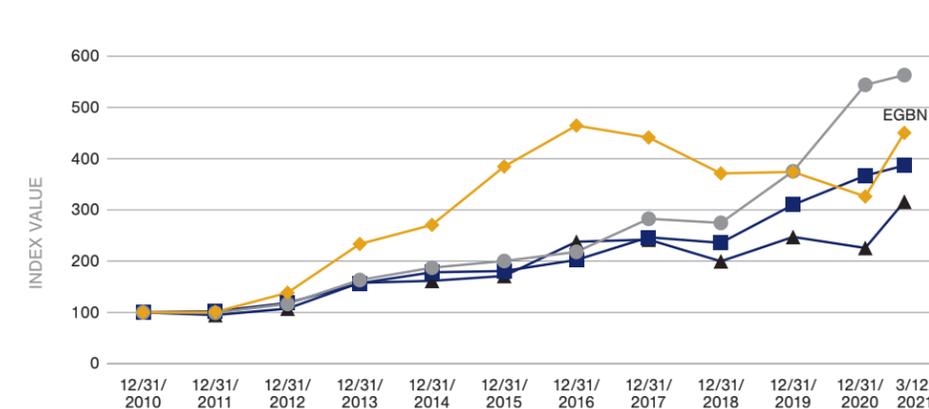
## NET INCOME & EPS (DILUTED)



## LOANS & ASSET QUALITY



## TOTAL SHAREHOLDER RETURN PERFORMANCE



## COMPOUNDED ANNUAL GROWTH RATE

	12/31/10 to 12/31/20	12/31/10 to 3/12/21
Eagle Bancorp, Inc.	12.6%	15.9%
NASDAQ Composite Index	18.5%	18.5%
S&P 500 Index	13.9%	14.2%
KBW NASDAQ Regional Banking Index	8.5%	12.0%

Source: S&P Global Market Intelligence

<sup>1</sup> Tangible book value per share, a non-GAAP financial measure, is defined as tangible common equity divided by common shares outstanding. See non-GAAP reconciliation on prior page.

## BOARD OF DIRECTORS \*

### Norman R. Pozez

Executive Chairman of Eagle Bancorp, Inc.  
Executive Chairman of EagleBank  
Chairman and Chief Executive Officer of Uniwest Companies

### Matthew D. Brockwell

(Retired) Audit Partner at PricewaterhouseCoopers LLP (PwC)

### Steven Freidkin

CEO and Founder of Ntiva, Inc.

### Ernest Drew Jarvis

Managing Principal of Jarvis Commercial Real Estate

### Theresa G. LaPlaca

(Retired) Executive Vice President at Wells Fargo

### Leslie Ludwig

Co-Founder of L&L Advisors

### Kathy A. Raffa, CPA

Office Managing Partner of Marcum LLP's Washington, DC, Region

### Susan G. Riel

President and Chief Executive Officer of Eagle Bancorp, Inc.  
President and Chief Executive Officer of EagleBank

### James A. Soltesz, P.E. \*\*

President and Chief Executive Officer of Soltesz, Inc.

### Benjamin M. Soto, Esquire

President and Chief Executive Officer of  
Premium Title & Escrow, LLC

## EXECUTIVE OFFICERS

### Susan G. Riel

President and Chief Executive Officer of Eagle Bancorp, Inc.,  
and EagleBank

### Jeff Curry

Executive Vice President of Eagle Bancorp, Inc.  
Executive Vice President & Chief Risk Officer of EagleBank

### Charles D. Levingston, CPA

Executive Vice President and Chief Financial Officer  
of Eagle Bancorp, Inc., and EagleBank

### Antonio F. Marquez

Executive Vice President of Eagle Bancorp, Inc.  
Senior Executive Vice President and President  
of Commercial Banking of EagleBank

### Lindsey S. Rheame

Executive Vice President of Eagle Bancorp, Inc.  
Executive Vice President and Chief Commercial  
& Industrial Lending Officer of EagleBank

### Paul Saltzman, Esquire

Executive Vice President and Chief Legal Officer  
of Eagle Bancorp, Inc., and EagleBank

### Janice L. Williams, Esquire

Executive Vice President of Eagle Bancorp, Inc.  
Senior Executive Vice President and Chief Credit Officer of EagleBank

## VIRTUAL ANNUAL MEETING

Thursday, May 20, 2021, at 10:00 a.m. EDT  
See Proxy Statement for details on virtual meeting.

## FORM 10-K

The Company's Form 10-K may be obtained, free of charge,  
by contacting:

### Jane E. Cornett

Vice President & Corporate Secretary, Eagle Bancorp, Inc.  
7830 Old Georgetown Road, Third Floor, Bethesda, MD 20814  
240.497.2041 jcornett@EagleBankCorp.com

For more 2020 financial information about Eagle Bancorp, Inc.,  
visit our Investor Relations page at [www.EagleBankCorp.com](http://www.EagleBankCorp.com).

## STOCK EXCHANGE LISTING

Common shares of Eagle Bancorp are traded on the  
Nasdaq Capital Market under the symbol EGBN.

## TRANSFER AGENT

### Computershare Trust Company, NA

#### By Regular Mail

P.O. Box 505000, Louisville, KY 40233-5000

#### By Overnight Delivery

462 South 4th Street, Suite 1600, Louisville, KY 40202

#### By Phone Toll Free

877.282.1168

## CORPORATE OFFICES

7830 Old Georgetown Road, Third Floor, Bethesda, MD 20814  
301.986.1800

## INVESTOR RELATIONS

### David G. Danielson

7830 Old Georgetown Road, Third Floor, Bethesda, MD 20814  
240.552.9534 ddanielson@EagleBankCorp.com

## COUNSEL

### Cleary Gottlieb Steen & Hamilton LLP

2112 Pennsylvania Avenue, NW, Washington, DC 20037

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

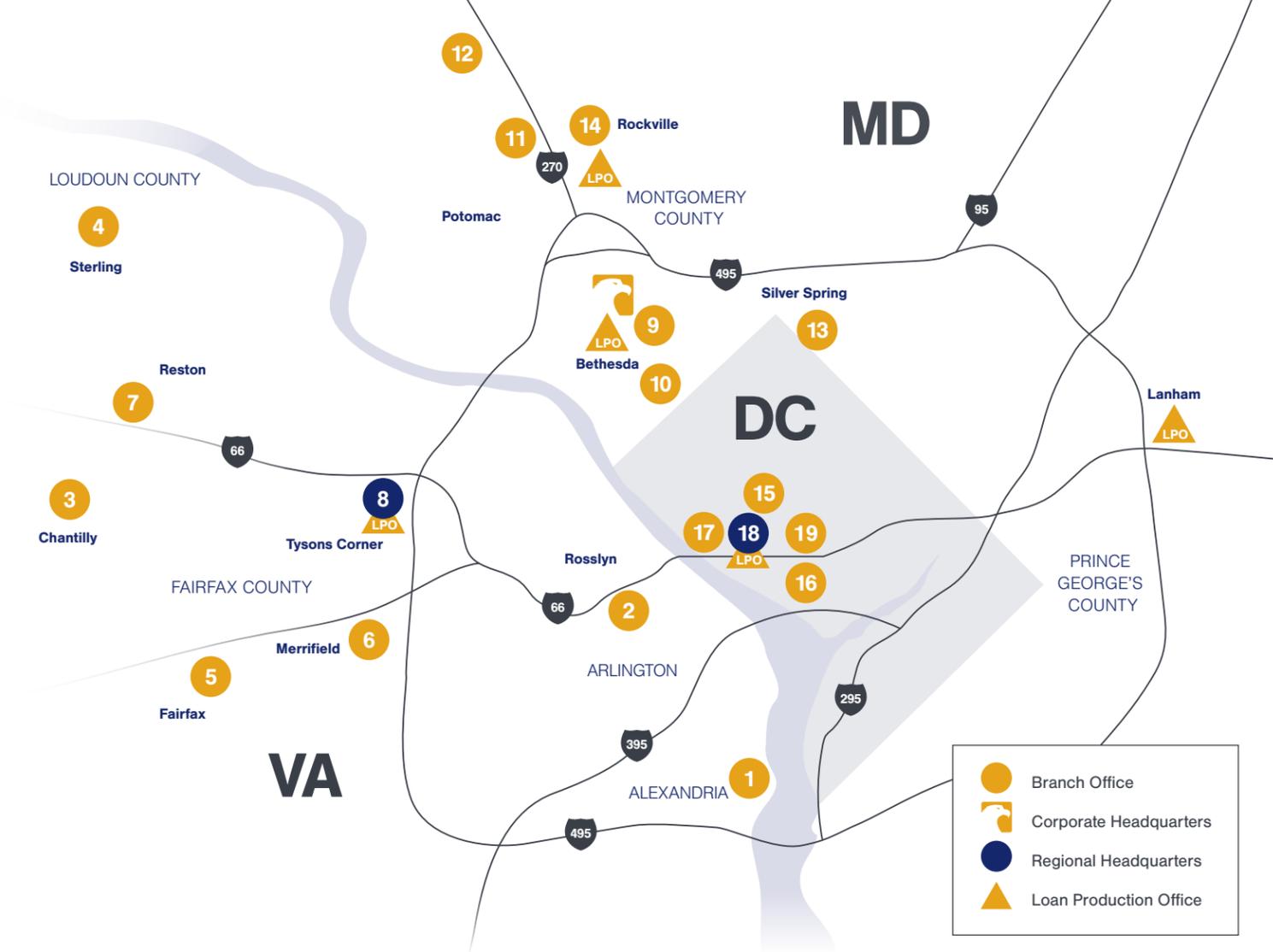
### Dixon Hughes Goodman LLP

4350 Congress Street, Suite 900, Charlotte, NC 28209

\* Directors of Eagle Bancorp, Inc. and EagleBank

\*\* Lead Independent Director

EagleBank: Member Federal Deposit Insurance Corporation, Equal Housing Lender, Member  
Federal Reserve System, Member Federal Home Loan Bank of Atlanta, Affirmative Action/Equal  
Opportunity Employer ©2021 Eagle Bancorp, Inc.



## VIRGINIA

- 1 **Alexandria** 277 S. Washington Street, Alexandria, VA 22314
- 2 **Ballston** 4420 N. Fairfax Drive, Arlington, VA 22203
- 3 **Chantilly** 13986 Metrotech Drive, Chantilly, VA 20151
- 4 **Dulles Town Center** 45745 Nokes Boulevard, Suite 150, Sterling, VA 20166
- 5 **Fairfax** 11166 Fairfax Boulevard, Fairfax, VA 22030
- 6 **Merrifield** 2905 District Avenue, Suite 190, Fairfax, VA 22031
- 7 **Reston** 12011 Sunset Hills Road, Reston, VA 20190
- 8 **Tysons Corner** 8245 Boone Boulevard, Tysons Corner, VA 22182

## MARYLAND

- 9 **Bethesda** 7735 Old Georgetown Road, Suite 100, Bethesda, MD 20814
- 10 **Chevy Chase** 5480 Wisconsin Avenue, Suite 5476B, Chevy Chase, MD 20815
- 11 **Park Potomac** 12505 Park Potomac Avenue, Potomac, MD 20854
- 12 **Shady Grove** 9600 Blackwell Road, Rockville, MD 20850
- 13 **Silver Spring** 8665-B Georgia Avenue, Silver Spring, MD 20910
- 14 **Twinbrook** 12300 Twinbrook Parkway, Suite 100, Rockville, MD 20852

## WASHINGTON, DC

- 15 **Dupont Circle** 1228 Connecticut Avenue, NW, Washington, DC 20036
- 16 **Gallery Place** 700 K Street, NW, Suite 60, Washington, DC 20001
- 17 **Georgetown** 3143 N Street, NW, Washington, DC 20007
- 18 **K Street** 2001 K Street, NW, Washington, DC 20006
- 19 **McPherson Square** 1425 K Street, NW, Washington, DC 20005

## LOAN PRODUCTION OFFICES

- LPO 7830 Old Georgetown Road, Bethesda, MD 20814
- LPO 4550 Forbes Boulevard, Lanham, MD 20706
- LPO 2001 K Street, NW, Suite 150, Washington, DC 20006
- LPO 8245 Boone Boulevard, Suite 820, Tysons Corner, VA 22182
- LPO 6010 Executive Boulevard, Suite 300, Rockville, MD 20852

## OTHER OFFICES

- Premier Banking**  
2001 K Street, NW, Suite 150, Washington, DC 20006
- Eagle Insurance Services, LLC**  
7830 Old Georgetown Road, Bethesda, MD 20814
- Investment Advisory Services**  
7830 Old Georgetown Road, Bethesda, MD 20814

---

# Our Mission

---

We have a mission to be the most respected and profitable community bank. To do this, we put relationships first, to the delight of our customers, employees, and shareholders, and relentlessly deliver the most compelling service and value.

---

## Our Values

### RELATIONSHIPS **F·I·R·S·T**

**Flexible** We begin our relationships based on our time-tested tradition of listening to each customer, collaborating with colleagues, and designing a comprehensive, creative solution that brings value to and appreciation from our customers. We enhance the relationship with empowered, “Yes, We Can” service and live up to our strong belief that formulas don’t make good banking sense, relationships do. Being entrepreneurial—it is our differentiator.

**Involved** We build our relationships by developing a rapport that is based on partnership, mutual respect, and a desire to delight. We are unwavering in our commitment to the goals and growth of our customers, colleagues, and community through volunteerism. We believe that doing the little extras and staying involved with our customers demonstrates our difference.

**Responsive** We shape our relationships by taking ownership for being ever-responsive, from beginning to end, day in and day out. We understand that reliable, accurate, and time-sensitive communication is fundamental to preserving reputation and relationships, internally and externally.

**Strong** We strengthen our relationships each time we are called upon for our expertise and know-how. We are committed to enhancing our professional knowledge in order to remain credible, current, and strong partners with our customers, colleagues, and community. Our history of sustaining a well-capitalized and profitable position emphasizes our strength and reinforces our relationships. We believe that diversity of talent equals diversity of thought, and only serves to strengthen our role as community builders.

**Trusted** We uphold our relationships with honesty, openness and reliability. Our actions reflect our values, and underscore our commitment to a diverse and inclusive environment. We can be counted on to do “the right thing.” We understand that underlying a sound, long-lasting relationship is the essential element of trust. Trust can be lost in a moment, so we are vigilant in our actions and words.

