



Eagle Bancorp, Inc. Proudly Announces Merger Agreement with Alliance Bankshares

Some very exciting news! Eagle Bancorp has announced an agreement to merge with Alliance Bankshares and Alliance Bank. This is a significant step for EagleBank in expanding our presence in Northern Virginia and in

rounding out our footprint in the entire Washington, DC Metropolitan Area.

Alliance Bank is a Northern Virginia based community bank with \$536 million in assets. It operates six branches in Arlington, Fairfax and Prince William Counties. Total deposits are \$412 million and total loans are \$321 million. We are excited about the merger and the ability to team with Alliance Bank because, like us, Alliance is a commercially oriented community bank. They share with us a common culture of providing outstanding customer service and always putting customer relationships first. Like EagleBank, Alliance Bank has a strong deposit base and offers specialized products and services for commercial transaction and escrow accounts. Alliance' loan portfolio represents an attractive blend of commercial and industrial loans and commercial real estate loans.

We hope to complete the merger by late in the 4th quarter of 2011. At that point, EagleBank will be a \$2.9 billion community bank with greater market share in the Washington, DC metropolitan market. The Alliance branches and lending group complement our existing lending and business development officers, and the branches we have under development in Ballston, Rosslyn, Reston and Merrifield. The Alliance branches give us access to new locations in Annandale, Fair Lakes and Manassas Park.

The merger is structured as a stock-for-stock transaction. Alliance shareholders will convert or exchange their shares for Eagle Bancorp shares at the time of closing. Based on the price of Eagle Bancorp common stock at the time of the announcement, the total value of the transaction was estimated at \$31.2 million or \$6.11 for each Alliance share. The final value at closing later this year may be higher or lower depending upon whether there is any change in the conversion ratio or change in the price of Eagle Bancorp common stock. We will be pleased to add the Alliance shareholders as members of the EagleBank family.

Over the coming months we will be working diligently with Alliance' Board of Directors, Officers and Employees to reach a successful integration and merger, and to provide a smooth transition for the Alliance customers to EagleBank.

Sincerely,

Ronald D. Paul
Chairman & CEO

Eagle Bancorp, Inc. Announces 67% Increase in Earnings for the Second Quarter of 2011, While Maintaining Solid Asset Quality

(Excerpts from the July 20, 2011 Press Release)

BETHESDA, MD. Eagle Bancorp, Inc. (the "Company") (NASDAQ:EGBN), the parent company of EagleBank, today announced record net income of \$5.8 million for the quarter ended June 30, 2011, a 67% increase over the \$3.4 million for the quarter ended June 30, 2010. Net income available to common shareholders increased 56% to \$4.9 million (\$0.25 per share basic and \$0.24 per share diluted common share), as compared to \$3.1 million (\$0.16 per basic and diluted common share) for the same three month period in 2010.

For the six months ended June 30, 2011, the Company's net income was \$10.9 million, a 59% increase over the \$6.8 million for the six months ended June 30, 2010. Net income available to common shareholders was \$9.7 million (\$0.49 per basic common share and \$0.48 per diluted common share), as compared to \$6.2 million (\$0.32 per basic

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Financial Release

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common share and \$0.31 per diluted common share) for the same six month period in 2010, a 56% increase.

"We are extremely pleased to report continuing trends of strong earnings and balance sheet growth through the second quarter of 2011. These results reflect substantial revenue growth, continued growth in loans and core deposits and continued solid asset quality," noted Ronald D. Paul, Chairman, and Chief Executive Officer of Eagle Bancorp, Inc. To read the complete release, visit the Investor Relations section of www.eaglebankcorp.com.

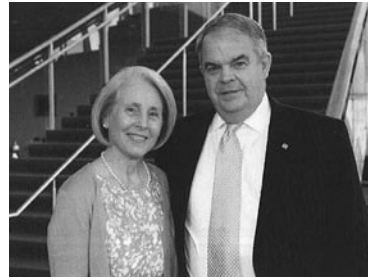
Trash It Securely!

Your responsibility for information security doesn't end when you're finished using the information. You must make sure that it's destroyed securely so that a hacker or criminal doesn't find a way to re-use it.

Your organization may have made arrangements for professional destruction of materials—if so, make sure that you use them. Otherwise:

- Make sure that all papers are burned or shredded using a cross-cut, particle or confetti shredder.
- Arrange for CDs, floppy disks and backup tapes to be professionally wiped and then physically destroyed by cutting them into fragments or shredding them.
- Don't throw computers out or give them away without arranging for the hard disk drives to be removed and destroyed.
- If you are provided separate recycling and shredding bins at your desk, make sure that you don't get them confused.

Denise & Tom Murphy Named Co-Chairs of Strathmore Circle's Program



Denise and Tom Murphy accept their appointments as Co-Chairs of "The Circle" program at the Music Center at Strathmore.

Energetic supporters and frequent attendees of the enriching cultural entertainment that is offered at the Music Center at Strathmore, Tom Murphy (EagleBank's President of Community Banking) and his wife, Denise, have been invited to serve as Co-Chairs of the Strathmore Circle program. The Circle is a group of devoted supporters who receive exclusive annual benefits and amenities directly related to their patronage and passion for arts, music, community and education offered at Strathmore. Tom and Denise will lead the way in expanding Circle membership by encouraging others who express similar passion for Strathmore and the arts to increase their support and patronage. Circle Members receive discounts, donor recognition, complimentary valet parking, invitations to various receptions, activities, gatherings and intermission "extras."

Congratulations, Ron and Bob



Ron Paul and Bob Pincus (center with their awards in-hand) at the DCBIA Achievement Awards Program.

Chairman and CEO Ron Paul and Vice Chairman Bob Pincus accepted a 27th Annual Achievement Award presented by the District of Columbia Building Industry Association, in recognition of significant contributions to the growth and vitality of our area. DCBIA's announcement stated: "Under Ron and Bob's leadership, EagleBank has grown to \$2 billion in assets. Along the way, EagleBank has consistently been cited for its superior financial performance by bank rating services and ranked among the Washington area's top SBA lenders. As reported by the Washington Business Journal, from June through December, 2010, EagleBank achieved the highest rate of loan growth of any bank in the region. A large portion of the Bank's loan portfolio comprises commercial, construction and commercial real estate loans, primarily made in the Washington, DC Metropolitan Area." The event was held at the Washington Hilton on May 19, 2011. Only four awards were given; the other two to Chairman, Council of the District of Columbia Kwame Brown and Senior Vice President William Alsop of Hines.

A Birthday Thank You

On July 20, 2011, we celebrated EagleBank's 13th year of financial service to this exciting and vibrant community of Metropolitan Washington, DC, and to the wonderful customers who honor us with their business. Loyal customers, dedicated shareholders, all of the talented employees who make it happen every day, and the community we are so proud to be a part of ... all are responsible for our growth, success and our reason to celebrate 13 incredible years. Thank you!

Active "EagleBankers"

Andy Bridge Graduates—Leadership Montgomery Program

On June 9th, 2011, Vice President/Business Development Officer Andrew S. Bridge graduated from Leadership Montgomery, a year-long program that educates, connects and inspires leaders throughout Montgomery County to promote relationships, integrity, awareness and involvement in Montgomery County, MD.

Joe Clarke Elected To Advisory Board Of Montgomery County Chapter Of Junior Achievement

In this capacity, Joe will work with volunteers in the local business community to provide elementary, middle and high school students with the skills to improve their financial literacy and instill entrepreneurial spirit. Joe oversees the Bank's branch network.

Tom Murphy Presents Awards

As part of our sponsorship of the recent SmartCEO Magazine's Circle of Excellence and CEO of the Year Awards, President/Community Banking Tom Murphy was one of the award presenters. This event honored organizations or individuals who have experienced significant success and growth, including several EagleBank clients.

Ron Paul Panelist

Chairman and CEO Ron Paul joined a prestigious group on Rosslyn's Red Carpet, June 27th, participating as a panelist at the Bisnow Rosslyn-Ballston Corridor Summit at the Renaissance Arlington Capital View Hotel. Over 700 people signed up for the Summit.

Randy McVey Installed

Commercial Loan Officer Randy McVey was installed on the 2011-2012 Board of Directors of The Greater Silver Spring Chamber of Commerce at the annual Awards & Installation Dinner in June. Randy was a board member from 1993 to 1999 and served as Chairman in 1997. In addition to his current duties as a Director, he will Chair the Chamber's Economic Development Committee and serve on the Executive Committee.

Gallery Place Manager Fahed Arekat Organized a Book Drive in Arlington

"EagleBankers" Andrew Peters, Daniell Bohnett, Jim Chittock, Dave Paxton, Eric Camp, Youssef Diallo, Tima Seidu and Tim Foster joined in and



Eagle Helping Hands Members, back row, L to R: Andrew Peters, Fahed Arekat, James Chittock, Dani Bohnett, Dave Paxton, Eric Camp and Youssef Diallo; sitting in front, Tim Foster, and missing from the photo Tima Seidu.

collected and handed out summer reading books. They played lawn games with kids-to-teens at Columbia Grove Apartments in Arlington on a sunny July Saturday. Fun for all... and the event brought smiles to a lot of kids' faces!

Help for Small Businesses

EagleBank will participate in the Government's new Small Business Lending Fund (SBLF) designed to help qualifying community banks provide more loans for small businesses, which will help put more Americans back to work. EagleBank has received an investment of \$56.6 million in the Company's preferred stock from the U.S. Dept. of the Treasury under this program. Already a leader in meeting small business owners' credit needs, we now have the capital to ensure that we remain a leader among our community bank peers in lending to this vital segment of the local economy.

Meet and Greet Ted Leonsis



Ron Paul and Ted Leonsis pose at recent Bank event in Tysons Corner.

EagleBank hosted approximately 130 Northern Virginia customers and prospects to an exclusive talk with Washington Capitals and Wizards owner, Ted Leonsis. The luncheon was held at Maggiano's Restaurant in Tysons Corner on June 27th. Ted's shared insights on his life and his many accomplishments provided a lively discussion and interesting perspective on his incredible sports and business successes. He also presented excerpts from his latest book, *The Business of Happiness*.

Next Stop...Ballston!

Our newest Northern Virginia office may be open and ready to welcome you by the time this newsletter is delivered. If not, it's worth the short wait. The Ballston Branch is located at 4420 N. Fairfax Drive, Arlington, VA and will offer convenient Saturday Hours from 9 AM – Noon, a Drive-Up Window, ATM and Night Drop. A friendly staff of professional bankers, headed by Manager Dave Paxton, will greet you from 8:30 AM until 4 PM Monday through Thursday, and from 8:30 AM until 5 PM on Fridays. Additional Northern Virginia locations coming soon...Rosslyn, Reston and more!

Upcoming Fall Events Worthy of Your Calendar:

October 10, 2011: Time to think about the EagleBank Foundation's 7th Annual Fight Against Breast Cancer Golf Tournament. Funds raised go to local organizations providing breast cancer awareness, education, research and patient services. Three easy steps and you're part of it!

- 1) Save the date of October 10th.
- 2) Sign up as a golfer, sponsor, volunteer, raffle ticket buyer or donor.
- 3) Sign in to www.eaglebankfoundation.com or email golfinfo@eaglebankcorp.com for more information. The event will be held at the Trump National Golf Club in Northern Virginia.

October 15, 2011: Mark your calendar and plan to participate in the 10th Annual Ronald D. Paul Companies Kidney Walk to be held on Saturday, October 15th at the Georgetown Waterfront. For additional information, visit <http://donate.kidney.org>.

Celebrating the Small Businesses Who Drive the DC Economy

EagleBank was the proud "Event Sponsor" for "Chamber's Champions" Small Business Awards and Expo on June 14, 2011. This DC Chamber of Commerce celebration recognized major contributions of our city's small businesses. It was held at the National Museum of Women in the Arts. EagleBank Senior VP John Richardson served on the awards selection committee.

EagleBank Vice Chairman Bob Pincus presented several awards at the event and also spoke to those in attendance about EagleBank's commitment to the local small business community. Other EagleBank specialists were on hand to provide information on EagleBank's small business lending resources and additional financial services designed for small business owners.

More Banking Convenience at Falls Road and River Road

Our new free-standing ATM is now open in the Potomac Place Shopping Center!



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

Gallery Place, 700 7th St, NW
202.628.7300

Georgetown, 1044 Wisconsin Ave.
202.481.7025

K Street, 2001, 202.296.6886

McPherson Square, 1425 K St.
202.408.8411

Eagle Commercial Ventures
Larry Bensignor, 240.497.1788

Eagle Investment Advisory Services
Larry Bensignor, 240.497.1788

Operations Center, Tech Rd., Silver Spring
301.986.1800

Lending Center, Bethesda, 240.497.2049

Residential Mortgage Lending
301.738.7200

Eagle Insurance Services
Ken Van Valkenburgh, 240.497.2061

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