**PRESS RELEASE**
**FOR IMMEDIATE RELEASE**

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**EAGLE BANCORP, INC.**
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# EAGLE BANCORP, INC. ANNOUNCES ITS 31ST CONSECUTIVE QUARTER OF RECORD EARNINGS WITH THIRD QUARTER 2016 NET INCOME UP 14% OVER 2015

**BETHESDA, MD.** Eagle Bancorp, Inc. (the "Company") (NASDAQ:EGBN), the parent company of EagleBank, today announced record quarterly net income of $24.5 million for the three months ended September 30, 2016, a 14% increase over the $21.5 million net income for the three months ended September 30, 2015. Net income available to common shareholders for the three months ended September 30, 2016 increased 15% to $24.5 million as compared to $21.3 million for the same period in 2015.

Net income per basic common share for the three months ended September 30, 2016 was $0.73 compared to $0.64 for the same period in 2015, a 14% increase. Net income per diluted common share for the three months ended September 30, 2016 was $0.72 compared to $0.63 for the same period in 2015, a 14% increase.

For the nine months ended September 30, 2016, the Company's net income was $72.0 million, a 17% increase over the $61.8 million for the nine months ended September 30, 2015. Net income available to common shareholders was $72.0 million ($2.14 per basic common share and $2.11 per diluted common share), as compared to $61.3 million ($1.88 per basic common share and $1.84 per diluted common share) for the same nine month period in 2015, a 14% increase per basic share and a 15% increase per diluted share.

"We are very pleased to report a continued quarterly trend of balanced and consistently strong financial performance" noted Ronald D. Paul, Chairman and Chief Executive Officer of Eagle Bancorp, Inc. "Our net income has increased for 31 consecutive quarters dating back to the first quarter of 2009. This strong financial performance has resulted from a combination of balance sheet growth, revenue growth, solid asset quality, and favorable operating leverage." Mr. Paul added, "A lower level of net loan growth in the third quarter was due substantially to higher loan payoffs while loan originations and pipeline commitments remain very strong. Additionally, our regulatory capital levels were enhanced in July 2016 from an already well capitalized position as we completed the sale of $150 million in subordinated debt by our holding company. This raise, together with the strong quarter in deposit growth, served to both increase liquidity in the quarter and suppress earning asset yields. We estimate a 15 basis point negative impact on the net interest margin for the third quarter 2016 due to the $150 million sub-debt raise." The raise was accomplished at a favorable cost of capital and will be deployed over time into higher yielding assets.

The Company's financial performance in the third quarter of 2016 as compared to 2015 was highlighted by growth in total loans of 1.5% for the third quarter 2016 over 2015 and 15% over the nine month period ended September 30, 2016 versus the prior year; by growth in total deposits of 4% for the quarter and 13% over the prior year; and by 9% growth in total revenue for the quarter and 10% over the prior year. For the third quarter in 2016, the efficiency ratio was 40.54%. Mr. Paul added, "at a time when the net interest margin of banks is being challenged by the continuing low interest rate environment, the Company remains committed to cost management measures and strong productivity. Noninterest expenses increased 5% in the third quarter 2016 over 2015 and increased 4% for the nine months ended September 30, 2016 over the prior year. The annualized return on average assets ("ROAA") was 1.50% for the third quarter in 2016 and 1.54% for the nine months ended September 30, 2016. The annualized return on average common equity ("ROACE") was 12.04% for the third quarter in 2016 and 12.27% for the nine months ended September 30, 2016.

Loan growth for the first nine months of 2016 was 10% and averaged 17% higher as compared to the first nine months of 2015. Deposit growth was 8% for the first nine months of 2016 and averaged 13% higher for the first nine months of 2016 compared with the first nine months of 2015.

The net interest margin was 4.11% for the third quarter of 2016, as compared to 4.23% for the third quarter of 2015. As noted above, the sub-debt raise negatively impacted the net interest margin in the third quarter of 2016 by 15 basis points. For the nine month period ended September 30, 2016, the net interest margin was 4.23% as compared to 4.32% for the nine months ended September 30, 2015. The sub-debt raise in July 2016 negatively impacted the net interest margin in the nine month period ending September 30, 2016 by six basis points. Mr. Paul noted, "the persistently low interest rate environment has continued to challenge bank spread earnings. In the current environment, the Company has continued its emphasis on disciplined pricing for both new loans and funding sources, which has resulted in the Company maintaining a superior net interest margin."

Asset quality measures remained solid at September 30, 2016. Net charge-offs (annualized) were 0.14% of average loans for the third quarter of 2016, as compared to 0.16% of average loans for the third quarter of 2015. At September 30, 2016, the Company's nonperforming loans amounted to $22.3 million (0.41% of total loans) as compared to $14.5 million (0.30% of total loans) at September 30, 2015 and $13.2 million (0.26% of total loans) at December 31, 2015. Nonperforming assets amounted to $27.5 million (0.41% of total assets) at September 30, 2016 compared to $24.4 million (0.41% of total assets) at September 30, 2015 and $19.1 million (0.31% of total assets) at December 31, 2015.

Management continues to remain attentive to any signs of deterioration in borrowers' financial conditions and is proactive in taking the appropriate steps to mitigate risk. Furthermore, the Company is diligent in placing loans on nonaccrual status and believes, based on its loan portfolio risk analysis, that its September 30, 2016 allowance for credit losses, at 1.04% of total loans (excluding loans held for sale), is adequate to absorb potential credit losses within the loan portfolio as of the end of the quarter. The allowance for credit losses was 1.05% of total loans at both September 30, 2015 and December 31, 2015. The allowance for credit losses represented 255% of nonperforming loans at September 30, 2016.

"Total assets at September 30, 2016 were $6.76 billion, a 15% increase as compared to $5.89 billion at September 30, 2015, and an 11% increase as compared to $6.08 billion at December 31, 2015. Total loans (excluding loans held for sale) were $5.48 billion at September 30, 2016, a 15% increase as compared to $4.78 billion at September 30, 2015, and a 10% increase as compared to $5.00 billion at December 31, 2015. Loans held for sale amounted to $78.1 million at September 30, 2016 as compared to $35.7 million at September 30, 2015, a 119% increase, and $47.5 million at December 31, 2015, a 65% increase. The investment portfolio totaled $430.7 million at September 30, 2016, an 18% decrease from the $524.3 million balance at September 30, 2015. As compared to December 31, 2015, the investment portfolio at September 30, 2016 decreased by $57.2 million or 12%.

Total deposits at September 30, 2016 were $5.56 billion, compared to deposits of $4.93 billion at September 30, 2015, a 13% increase, and deposits of $5.16 billion at December 31, 2015, an 8% increase. Total borrowed funds (excluding customer repurchase agreements) were $266.4 million at September 30, 2016, $68.9 million at September 30, 2015 and $68.9 million at December 31, 2015.

Total shareholders' equity at September 30, 2016 increased 4%, to $815.6 million, compared to $786.1 million at September 30, 2015, and increased 10%, from $738.6 million at December 31, 2015. The smaller increase in shareholders' equity at September 30, 2016 compared to the same period in 2015 reflects increased retained earnings offset by the redemption during the fourth quarter of 2015 of all $71.9 million of the preferred stock issued under the Small Business Lending Fund ("SBLF"). The $150 million of qualifying capital raised in a ten year sub-debt issue in July 2016 enhanced the Company's capital position well in excess of regulatory requirements for well capitalized status. The total risk based capital ratio was 15.05% at September 30, 2016, as compared to 13.80% at September 30, 2015, and 12.75% at December 31, 2015. In addition, the tangible common equity ratio was 10.64% at September 30, 2016, compared to 10.46% at September 30, 2015 and 10.56% at December 31, 2015.

**Analysis of the three months ended September 30, 2016 compared to September 30, 2015**

For the three months ended September 30, 2016, the Company reported an annualized ROAA of 1.50% as compared to 1.47% for the three months ended September 30, 2015. The annualized ROACE for the three months ended September 30, 2016 was 12.04%, as compared to 11.95% for the three months ended September 30, 2015. The higher ratios are due to higher earnings.

Total revenue (net interest income plus noninterest income) for the third quarter of 2016 was $71.1 million, or 9% above the $65.2 million of total revenue earned for the third quarter of 2015 and was only slightly less than the $71.4 million of revenue earned in the second quarter of 2016.

Net interest income increased 10% for the three months ended September 30, 2016 over the same period in 2015 ($64.7 million versus $59.1 million), resulting from growth in average earning assets of 13%. The net interest margin was 4.11% for the three months ended September 30, 2016, as compared to 4.23% for the three months ended September 30, 2015. The Company believes its net interest margin remains favorable compared to peer banking companies and that its disciplined approach to managing the loan portfolio yield to 5.08% for the third quarter in 2016 has been a significant factor in its overall profitability.

The provision for credit losses was $2.3 million for the three months ended September 30, 2016 as compared to $3.3 million for the three months ended September 30, 2015. The lower provisioning in the third quarter of 2016, as compared to the third quarter of 2015, is primarily due to lower loan growth, as loan growth of $78.5 million in the three months ended September 30, 2016 was lower than loan growth of $226.1 million in the same period in 2015, and to overall improved asset quality. Net charge-offs of $2.0 million in the third quarter of 2016 represented an annualized 0.14% of average loans, excluding loans held for sale, as compared to $1.9 million, or an annualized 0.16% of average loans, excluding loans held for sale, in the third quarter of 2015. Net charge-offs in the third quarter of 2016 were attributable primarily to investment-commercial real estate loans ($1.7 million).

Noninterest income for the three months ended September 30, 2016 increased to $6.4 million from $6.1 million for the three months ended September 30, 2015, a 5% increase. This increase was primarily due to higher net gains on sales of residential mortgage loans of $532 thousand. Residential mortgage loans closed were $276 million for the third quarter in 2016 versus $175 million for the third quarter of 2015.

The efficiency ratio, which measures the ratio of noninterest expense to total revenue, was 40.54% for the third quarter of 2016, as compared to 42.04% for the third quarter of 2015. Noninterest expenses totaled $28.8 million for the three months ended September 30, 2016, as compared to $27.4 million for the three months ended September 30, 2015, a 5% increase. Cost increases for salaries and benefits were $1.7 million, due primarily to increased staff, merit increases and incentive compensation. Premises and equipment expenses were $188 thousand lower, due primarily to the closing of one branch office acquired in the merger, and transactions to reduce space in two additional offices. Marketing and advertising expense increased by $95 thousand primarily due to costs associated with digital and print advertising and sponsorships. Legal, accounting and professional fees decreased by $292 thousand primarily due to lower legal fees. FDIC insurance premium expense decreased by $165 thousand resulting from lower growth in total assets. Other expenses increased by $335 thousand primarily due to higher fees incurred to maintain OREO properties.

**Analysis of the nine months ended September 30, 2016 compared to September 30, 2015**

For the nine months ended September 30, 2016, the Company reported an annualized ROAA of 1.54% as compared to 1.49% for the nine months ended September 30, 2015. The annualized ROACE for the nine months ended September 30, 2016 was 12.27%, as compared to 12.41% for the nine months ended September 30, 2015, the lower ROACE due to the higher average capital position.

For the nine month periods ending September 30, total revenue was $211.4 million for 2016, as compared to $191.5 million in 2015, a 10% increase.

Net interest income increased 12% for the nine months ended September 30, 2016 over the same period in 2015 ($191.1 million versus $171.4 million), resulting from growth in average earning assets of 14%. The net interest margin was 4.23% for the nine months ended September 30, 2016 as compared to 4.32% for the same period in 2015. The Company believes its net interest margin remains favorable compared to peer banking companies and that its disciplined approach to managing the loan portfolio yield to 5.10% for the first nine months in 2016 has been a significant factor in its overall profitability.

The provision for credit losses was $9.2 million for the nine months ended September 30, 2016 as compared to $10.0 million for the nine months ended September 30, 2015. The slightly lower provisioning in the first nine months of 2016, as compared to the first nine months of 2015, is due to lower charge-offs and to overall improved asset quality. Net charge-offs of $5.0 million in the first nine months of 2016 represented an annualized 0.13% of average loans, excluding loans held for sale, as compared to $5.8 million or an annualized 0.17% of average loans, excluding loans held for sale, in the first nine months of 2015. Net charge-offs in the first nine months of 2016 were attributable primarily to commercial ($2.7 million), investment-commercial real estate ($2.3 million), and consumer loans ($220 thousand) offset by a recovery of $207 thousand in construction-commercial and residential loans.

Noninterest income for the nine months ended September 30, 2016 was $20.3 million as compared to $20.1 million for the nine months ended September 30, 2015, a 1% increase. This increase was primarily due to an increase of $717 thousand in gains on SBA loan sales, a $712 thousand increase in other income, and an increase of $313 thousand in service charges on deposits offset by a decline of $2.0 million in gains on the sale of residential mortgage loans due to lower origination and sales volume. Residential mortgage loans closed were $622 million for the first nine months of 2016 versus $723 million for the first nine months of 2015.

Noninterest expenses totaled $85.2 million for the nine months ended September 30, 2016, as compared to $82.1 million for the nine months ended September 30, 2015, a 4% increase. Cost increases for salaries and benefits were $3.4 million, due primarily to increased staff, merit increases, and incentive compensation. Premises and equipment expenses were $637 thousand lower, primarily due to the closing of one branch acquired in the merger and to sublease arrangements. Marketing and advertising expense increased by $369 thousand primarily due to costs associated with digital and print advertising and sponsorships. Legal, accounting and professional fees decreased by $70 thousand primarily due to lower professional fees. Data processing expense increased $118 thousand primarily due to licensing agreements. FDIC insurance premium expense decreased by $155 thousand resulting from lower growth in total assets. For the first nine months of 2016, the efficiency ratio was 40.32% as compared to 42.86% for the same period in 2015.

The financial information which follows provides more detail on the Company's financial performance for the nine and three months ended September 30, 2016 as compared to the nine and three months ended September 30, 2015 as well as providing eight quarters of trend data. Persons wishing additional information should refer to the Company's Form 10-K for the year ended December 31, 2015 and other reports filed with the Securities and Exchange Commission (the "SEC").

**About Eagle Bancorp:** The Company is the holding company for EagleBank, which commenced operations in 1998. The Bank is headquartered in Bethesda, Maryland, and operates through twenty-one branch offices, located in Montgomery County, Maryland, Washington, D.C. and Northern Virginia. The Company focuses on building relationships with businesses, professionals and individuals in its marketplace.

**Conference Call:** Eagle Bancorp will host a conference call to discuss its third quarter 2016 financial results on Thursday, October 20, 2016 at 10:00 a.m. eastern daylight time. The public is invited to listen to this conference call by dialing 1.877.303.6220, conference ID Code is 93565935, or by accessing the call on the Company's website, www.EagleBankCorp.com. A replay of the conference call will be available on the Company's website through November 3, 2016.

**Forward-looking Statements:** This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Company operations and policies and regarding general economic conditions. In some cases, forward-looking statements can be identified by use of words such as "may," "will," "anticipates," "believes," "expects," "plans," "estimates," "potential," "continue," "should," and similar words or phrases. These statements are based upon current and anticipated economic conditions, nationally and in the Company's market, interest rates and interest rate policy, competitive factors, and other conditions which by their nature, are not susceptible to accurate forecast and are subject to significant uncertainty. Because of these uncertainties and the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results in the future may differ materially from those indicated herein. For details on factors that could affect these expectations, see the risk factors and other cautionary language included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and in other periodic and current reports filed with the SEC. Readers are cautioned against placing undue reliance on any such forward-looking statements. The Company's past results are not necessarily indicative of future performance.

# Eagle Bancorp, Inc.

**Consolidated Financial Highlights (Unaudited)**

(dollars in thousands, except per share data)

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| **Income Statements:** | | | | |
| Total interest income | $ 210,010 | $ 185,869 | $ 72,431 | $ 63,981 |
| Total interest expense | 18,870 | 14,503 | 7,703 | 4,896 |
| Net interest income | 191,140 | 171,366 | 64,728 | 59,085 |
| Provision for credit losses | 9,219 | 10,043 | 2,288 | 3,262 |
| Net interest income after provision for credit losses | 181,921 | 161,323 | 62,440 | 55,823 |
| Noninterest income (before investment gains and extinguishment of debt) | 19,147 | 19,042 | 6,404 | 6,039 |
| Gain on sale of investment securities | 1,123 | 2,224 | 1 | 60 |
| Loss on early extinguishment of debt | - | (1,130) | - | - |
| Total noninterest income | 20,270 | 20,136 | 6,405 | 6,099 |
| Total noninterest expense | 85,235 | 82,076 | 28,838 | 27,405 |
| Income before income tax expense | 116,956 | 99,383 | 40,007 | 34,517 |
| Income tax expense | 44,966 | 37,564 | 15,484 | 13,054 |
| Net income | 71,990 | 61,819 | 24,523 | 21,463 |
| Preferred stock dividends | - | 539 | - | 180 |
| Net income available to common shareholders | $ 71,990 | $ 61,280 | $ 24,523 | $ 21,283 |
| | | | | |
| **Per Share Data:** | | | | |
| Earnings per weighted average common share, basic | $ 2.14 | $ 1.88 | $ 0.73 | $ 0.64 |
| Earnings per weighted average common share, diluted | $ 2.11 | $ 1.84 | $ 0.72 | $ 0.63 |
| Weighted average common shares outstanding, basic | 33,565,863 | 32,625,379 | 33,590,183 | 33,400,973 |
| Weighted average common shares outstanding, diluted | 34,161,890 | 33,277,542 | 34,187,171 | 34,026,412 |
| Actual shares outstanding at period end | 33,590,880 | 33,405,510 | 33,590,880 | 33,405,510 |
| Book value per common share at period end | $ 24.28 | $ 21.38 | $ 24.28 | $ 21.38 |
| Tangible book value per common share at period end **(1)** | $ 21.08 | $ 18.10 | $ 21.08 | $ 18.10 |
| | | | | |
| **Performance Ratios (annualized):** | | | | |
| Return on average assets | 1.54% | 1.49% | 1.50% | 1.47% |
| Return on average common equity | 12.27% | 12.41% | 12.04% | 11.95% |
| Net interest margin | 4.23% | 4.32% | 4.11% | 4.23% |
| Efficiency ratio **(2)** | 40.32% | 42.86% | 40.54% | 42.04% |
| | | | | |
| **Other Ratios:** | | | | |
| Allowance for credit losses to total loans **(3)** | 1.04% | 1.05% | 1.04% | 1.05% |
| Allowance for credit losses to total nonperforming loans | 255.29% | 347.82% | 255.29% | 347.82% |
| Nonperforming loans to total loans **(3)** | 0.41% | 0.30% | 0.41% | 0.30% |
| Nonperforming assets to total assets | 0.41% | 0.41% | 0.41% | 0.41% |
| Net charge-offs (annualized) to average loans **(3)** | 0.13% | 0.17% | 0.14% | 0.16% |
| Common equity to total assets | 12.06% | 12.13% | 12.06% | 12.13% |
| Tier 1 capital (to average assets) | 11.12% | 11.96% | 11.12% | 11.96% |
| Total capital (to risk weighted assets) | 15.05% | 13.80% | 15.05% | 13.80% |
| Common equity tier 1 capital (to risk weighted assets) | 10.83% | 10.48% | 10.83% | 10.48% |
| Tangible common equity ratio **(1)** | 10.64% | 10.46% | 10.64% | 10.46% |
| | | | | |
| **Loan Balances - Period End (in thousands):** | | | | |
| Commercial and Industrial | $ 1,130,042 | $ 1,007,659 | $ 1,130,042 | $ 1,007,659 |
| Commercial real estate - owner occupied | $ 590,427 | $ 489,657 | $ 590,427 | $ 489,657 |
| Commercial real estate - income producing | $ 2,551,186 | $ 2,022,950 | $ 2,551,186 | $ 2,022,950 |
| 1-4 Family mortgage | $ 154,439 | $ 147,720 | $ 154,439 | $ 147,720 |
| Construction - commercial and residential | $ 838,137 | $ 927,265 | $ 838,137 | $ 927,265 |
| Construction - C&I (owner occupied) | $ 104,676 | $ 60,487 | $ 104,676 | $ 60,487 |
| Home equity | $ 106,856 | $ 115,346 | $ 106,856 | $ 115,346 |
| Other consumer | $ 6,212 | $ 5,881 | $ 6,212 | $ 5,881 |
| | | | | |
| **Average Balances (in thousands):** | | | | |
| Total assets | $ 6,252,867 | $ 5,537,401 | $ 6,492,274 | $ 5,775,283 |
| Total earning assets | $ 6,026,357 | $ 5,307,848 | $ 6,264,531 | $ 5,545,398 |
| Total loans | $ 5,253,742 | $ 4,505,092 | $ 5,422,677 | $ 4,636,298 |
| Total deposits | $ 5,225,804 | $ 4,611,324 | $ 5,353,834 | $ 4,842,706 |
| Total borrowings | $ 215,851 | $ 167,926 | $ 300,083 | $ 128,015 |
| Total shareholders’ equity | $ 783,499 | $ 732,156 | $ 809,973 | $ 778,279 |

(1) Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per common share are non-GAAP financial measures derived from GAAP based amounts. The Company calculates the tangible common equity ratio by excluding the balance of intangible assets from common shareholders' equity and dividing by tangible assets. The Company calculates tangible book value per common share by dividing tangible common equity by common shares outstanding, as compared to book value per common share, which the Company calculates by dividing common shareholders' equity by common shares outstanding. The Company considers this information important to shareholders as tangible equity is a measure that is consistent with the calculation of capital for bank regulatory purposes, which excludes intangible assets from the calculation of risk based ratios and as such is useful for investors, regulators, management and others to evaluate capital adequacy and to compare against other financial institutions. The table below provides a reconciliation of these non-GAAP financial measures with financial measures defined by GAAP.

**GAAP Reconciliation (Unaudited)**
(dollars in thousands except per share data)

| | Nine Months Ended September 30, 2016 | Twelve Months Ended December 31, 2015 | Nine Months Ended September 30, 2015 |
|---|---|---|---|
| Common shareholders' equity | $ 815,639 | $ 738,601 | $ 714,169 |
| Less: Intangible assets | (107,694) | (108,542) | (109,498) |
| **Tangible common equity** | $ 707,945 | $ 630,059 | $ 604,671 |
| Book value per common share | $ 24.28 | $ 22.07 | $ 21.38 |
| Less: Intangible book value per common share | (3.20) | (3.24) | (3.28) |
| **Tangible book value per common share** | $ 21.08 | $ 18.83 | $ 18.10 |
| Total assets | $ 6,762,132 | $ 6,075,577 **(4)** | $ 5,887,855 |
| Less: Intangible assets | (107,694) | (108,542) | (109,498) |
| **Tangible assets** | $ 6,654,438 | $ 5,967,035 | $ 5,778,357 |
| **Tangible common equity ratio** | 10.64% | 10.56% | 10.46% |

(2) Computed by dividing noninterest expense by the sum of net interest income and noninterest income.

(3) Excludes loans held for sale.

(4) As adjusted for debt issuance cost reclassification.

# Eagle Bancorp, Inc.

**Consolidated Balance Sheets (Unaudited)**

(dollars in thousands, except per share data)

| **Assets** | **September 30, 2016** | **December 31, 2015** | **September 30, 2015** |
|---|---|---|---|
| Cash and due from banks | $ 10,615 | $ 10,270 | $ 10,080 |
| Federal funds sold | 5,262 | 3,791 | 4,076 |
| Interest bearing deposits with banks and other short-term investments | 503,150 | 284,302 | 291,898 |
| Investment securities available for sale, at fair value | 430,668 | 487,869 | 524,326 |
| Federal Reserve and Federal Home Loan Bank stock | 19,920 | 16,903 | 16,865 |
| Loans held for sale | 78,118 | 47,492 | 35,713 |
| Loans | 5,481,975 | 4,998,368 | 4,776,965 |
| Less allowance for credit losses | (56,864) | (52,687) | (50,320) |
| Loans, net | 5,425,111 | 4,945,681 | 4,726,645 |
| Premises and equipment, net | 19,370 | 18,254 | 17,070 |
| Deferred income taxes | 41,065 | 40,311 | 35,426 |
| Bank owned life insurance | 59,747 | 58,682 | 58,284 |
| Intangible assets, net | 107,694 | 108,542 | 109,498 |
| Other real estate owned | 5,194 | 5,852 | 9,952 |
| Other assets | 56,218 | 47,628 | 48,022 |
| **Total Assets** | $ 6,762,132 | $ 6,075,577 | $ 5,887,855 |
| | | | |
| **Liabilities and Shareholders' Equity** | | | |
| Deposits: | | | |
| Noninterest bearing demand | $ 1,668,271 | $ 1,405,067 | $ 1,402,447 |
| Interest bearing transaction | 297,973 | 178,797 | 207,716 |
| Savings and money market | 2,802,519 | 2,835,325 | 2,514,310 |
| Time, $100,000 or more | 452,015 | 406,570 | 439,248 |
| Other time | 337,371 | 332,685 | 362,867 |
| Total deposits | 5,558,149 | 5,158,444 | 4,926,588 |
| Customer repurchase agreements | 71,642 | 72,356 | 64,893 |
| Other short-term borrowings | 50,000 | - | - |
| Long-term borrowings | 216,419 | 68,928 | 68,897 |
| Other liabilities | 50,283 | 37,248 | 41,408 |
| **Total liabilities** | 5,946,493 | 5,336,976 | 5,101,786 |
| | | | |
| **Shareholders' Equity** | | | |
| Preferred stock, par value $.01 per share, shares authorized 1,000,000, Series B, $1,000 per share liquidation preference, shares issued and outstanding -0- at September 30, 2016 and December 31, 2015, and 56,600 at September 30, 2015; Series C, $1,000 per share liquidation preference, shares issued and outstanding -0- at September 30, 2016 and December 31, 2015, and 15,300 at September 30, 2015 | - | - | 71,900 |
| Common stock, par value $.01 per share; shares authorized 100,000,000, shares issued and outstanding 33,590,880, 33,467,893 and 33,405,510 respectively | 333 | 331 | 330 |
| Warrant | 946 | 946 | 946 |
| Additional paid in capital | 509,707 | 503,529 | 500,334 |
| Retained earnings | 305,593 | 233,604 | 211,318 |
| Accumulated other comprehensive (loss) income | (940) | 191 | 1,241 |
| **Total Shareholders' Equity** | 815,639 | 738,601 | 786,069 |
| **Total Liabilities and Shareholders' Equity** | $ 6,762,132 | $ 6,075,577 | $ 5,887,855 |

# Eagle Bancorp, Inc.

**Consolidated Statements of Operations (Unaudited)**

(dollars in thousands, except per share data)

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|---|---|---|---|---|
| **Interest Income** | **2016** | **2015** | **2016** | **2015** |
| Interest and fees on loans | $ 202,002 | $ 178,063 | $ 69,869 | $ 61,006 |
| Interest and dividends on investment securities | 7,121 | 7,189 | 2,177 | 2,745 |
| Interest on balances with other banks and short-term investments | 856 | 604 | 376 | 228 |
| Interest on federal funds sold | 31 | 13 | 9 | 2 |
| Total interest income | 210,010 | 185,869 | 72,431 | 63,981 |
| **Interest Expense** | | | | |
| Interest on deposits | 13,513 | 10,668 | 4,840 | 3,739 |
| Interest on customer repurchase agreements | 115 | 94 | 39 | 33 |
| Interest on short-term borrowings | 727 | 54 | 383 | - |
| Interest on long-term borrowings | 4,515 | 3,687 | 2,441 | 1,124 |
| Total interest expense | 18,870 | 14,503 | 7,703 | 4,896 |
| **Net Interest Income** | 191,140 | 171,366 | 64,728 | 59,085 |
| **Provision for Credit Losses** | 9,219 | 10,043 | 2,288 | 3,262 |
| **Net Interest Income After Provision For Credit Losses** | 181,921 | 161,323 | 62,440 | 55,823 |
| | | | | |
| **Noninterest Income** | | | | |
| Service charges on deposits | 4,303 | 3,990 | 1,431 | 1,374 |
| Gain on sale of loans | 8,464 | 9,364 | 3,009 | 2,483 |
| Gain on sale of investment securities | 1,123 | 2,224 | 1 | 60 |
| Loss on early extinguishment of debt | - | (1,130) | - | - |
| Increase in the cash surrender value of bank owned life insurance | 1,171 | 1,191 | 391 | 395 |
| Other income | 5,209 | 4,497 | 1,573 | 1,787 |
| Total noninterest income | 20,270 | 20,136 | 6,405 | 6,099 |
| **Noninterest Expense** | | | | |
| Salaries and employee benefits | 49,157 | 45,772 | 17,130 | 15,383 |
| Premises and equipment expenses | 11,419 | 12,056 | 3,786 | 3,974 |
| Marketing and advertising | 2,551 | 2,182 | 857 | 762 |
| Data processing | 5,716 | 5,598 | 1,879 | 1,976 |
| Legal, accounting and professional fees | 2,845 | 2,915 | 771 | 1,063 |
| FDIC insurance | 2,193 | 2,348 | 629 | 794 |
| Merger expenses | - | 139 | - | 2 |
| Other expenses | 11,354 | 11,066 | 3,786 | 3,451 |
| Total noninterest expense | 85,235 | 82,076 | 28,838 | 27,405 |
| **Income Before Income Tax Expense** | 116,956 | 99,383 | 40,007 | 34,517 |
| **Income Tax Expense** | 44,966 | 37,564 | 15,484 | 13,054 |
| **Net Income** | 71,990 | 61,819 | 24,523 | 21,463 |
| **Preferred Stock Dividends** | - | 539 | - | 180 |
| **Net Income Available to Common Shareholders** | $ 71,990 | $ 61,280 | $ 24,523 | $ 21,283 |
| | | | | |
| **Earnings Per Common Share** | | | | |
| Basic | $ 2.14 | $ 1.88 | $ 0.73 | $ 0.64 |
| Diluted | $ 2.11 | $ 1.84 | $ 0.72 | $ 0.63 |

# Eagle Bancorp, Inc.

**Consolidated Average Balances, Interest Yields And Rates (Unaudited)**

(dollars in thousands)

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | | 2015 | | |
| | Average Balance | Interest | Average Yield/Rate | Average Balance | Interest | Average Yield/Rate |
| **ASSETS** | | | | | | |
| Interest earning assets: | | | | | | |
| Interest bearing deposits with other banks and other short-term investments | $ 336,741 | $ 376 | 0.44% | $ 375,341 | $ 228 | 0.24% |
| Loans held for sale **(1)** | 66,791 | 586 | 3.51% | 38,373 | 374 | 3.90% |
| Loans **(1) (2)** | 5,422,677 | 69,283 | 5.08% | 4,636,298 | 60,632 | 5.19% |
| Investment securities available for sale **(2)** | 429,207 | 2,177 | 2.02% | 491,800 | 2,745 | 2.21% |
| Federal funds sold | 9,115 | 9 | 0.39% | 3,586 | 2 | 0.22% |
| Total interest earning assets | 6,264,531 | 72,431 | 4.60% | 5,545,398 | 63,981 | 4.58% |
| | | | | | | |
| Total noninterest earning assets | 283,564 | | | 279,425 | | |
| Less: allowance for credit losses | 55,821 | | | 49,540 | | |
| Total noninterest earning assets | 227,743 | | | 229,885 | | |
| TOTAL ASSETS | $ 6,492,274 | | | $ 5,775,283 | | |
| | | | | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | | |
| Interest bearing liabilities: | | | | | | |
| Interest bearing transaction | $ 269,230 | $ 193 | 0.29% | $ 202,885 | $ 97 | 0.19% |
| Savings and money market | 2,641,863 | 2,976 | 0.45% | 2,453,141 | 2,092 | 0.34% |
| Time deposits | 784,834 | 1,671 | 0.85% | 797,472 | 1,550 | 0.77% |
| Total interest bearing deposits | 3,695,927 | 4,840 | 0.52% | 3,453,498 | 3,739 | 0.43% |
| Customer repurchase agreements | 73,749 | 39 | 0.21% | 56,624 | 33 | 0.23% |
| Other short-term borrowings | 50,013 | 383 | 3.00% | 3 | - | - |
| Long-term borrowings | 176,321 | 2,441 | 5.42% | 71,388 | 1,124 | 6.16% |
| Total interest bearing liabilities | 3,996,010 | 7,703 | 0.77% | 3,581,513 | 4,896 | 0.54% |
| | | | | | | |
| Noninterest bearing liabilities: | | | | | | |
| Noninterest bearing demand | 1,657,907 | | | 1,389,208 | | |
| Other liabilities | 28,384 | | | 26,283 | | |
| Total noninterest bearing liabilities | 1,686,291 | | | 1,415,491 | | |
| | | | | | | |
| Shareholders' equity | 809,973 | | | 778,279 | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 6,492,274 | | | $ 5,775,283 | | |
| | | | | | | |
| Net interest income | | $ 64,728 | | | $ 59,085 | |
| Net interest spread | | | 3.83% | | | 4.04% |
| Net interest margin | | | 4.11% | | | 4.23% |
| Cost of funds | | | 0.49% | | | 0.35% |

(1) Loans placed on nonaccrual status are included in average balances. Net loan fees and late charges included in interest income on loans totaled $4.1 million and $3.2 million for the three months ended September 30, 2016 and 2015, respectively.

(2) Interest and fees on loans and investments exclude tax equivalent adjustments.

# Eagle Bancorp, Inc.

**Consolidated Average Balances, Interest Yields and Rates (Unaudited)**

(dollars in thousands)

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | | 2015 | | |
| | Average Balance | Interest | Average Yield/Rate | Average Balance | Interest | Average Yield/Rate |
| **ASSETS** | | | | | | |
| Interest earning assets: | | | | | | |
| Interest bearing deposits with other banks and other short-term investments | $ 252,871 | $ 856 | 0.45% | $ 336,989 | $ 604 | 0.24% |
| Loans held for sale **(1)** | 47,786 | 1,288 | 3.59% | 45,863 | 1,288 | 3.74% |
| Loans **(1) (2)** | 5,253,742 | 200,714 | 5.10% | 4,505,092 | 176,775 | 5.25% |
| Investment securities available for sale **(2)** | 462,408 | 7,121 | 2.06% | 412,912 | 7,189 | 2.33% |
| Federal funds sold | 9,550 | 31 | 0.43% | 6,992 | 13 | 0.25% |
| Total interest earning assets | 6,026,357 | 210,010 | 4.65% | 5,307,848 | 185,869 | 4.68% |
| | | | | | | |
| Total noninterest earning assets | 281,697 | | | 277,793 | | |
| Less: allowance for credit losses | 55,187 | | | 48,240 | | |
| Total noninterest earning assets | 226,510 | | | 229,553 | | |
| TOTAL ASSETS | $ 6,252,867 | | | $ 5,537,401 | | |
| | | | | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | | |
| Interest bearing liabilities: | | | | | | |
| Interest bearing transaction | $ 234,481 | $ 445 | 0.25% | $ 178,256 | $ 208 | 0.16% |
| Savings and money market | 2,656,638 | 8,324 | 0.42% | 2,379,643 | 6,066 | 0.34% |
| Time deposits | 764,099 | 4,744 | 0.83% | 778,375 | 4,394 | 0.75% |
| Total interest bearing deposits | 3,655,218 | 13,513 | 0.49% | 3,336,274 | 10,668 | 0.43% |
| Customer repurchase agreements | 71,973 | 115 | 0.21% | 54,945 | 94 | 0.23% |
| Other short-term borrowings | 38,873 | 727 | 2.46% | 27,492 | 54 | 0.26% |
| Long-term borrowings | 105,005 | 4,515 | 5.65% | 85,489 | 3,687 | 5.69% |
| Total interest bearing liabilities | 3,871,069 | 18,870 | 0.65% | 3,504,200 | 14,503 | 0.55% |
| | | | | | | |
| Noninterest bearing liabilities: | | | | | | |
| Noninterest bearing demand | 1,570,586 | | | 1,275,050 | | |
| Other liabilities | 27,713 | | | 25,995 | | |
| Total noninterest bearing liabilities | 1,598,299 | | | 1,301,045 | | |
| | | | | | | |
| Shareholders' equity | 783,499 | | | 732,156 | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 6,252,867 | | | $ 5,537,401 | | |
| | | | | | | |
| Net interest income | | $ 191,140 | | | $ 171,366 | |
| Net interest spread | | | 4.00% | | | 4.13% |
| Net interest margin | | | 4.23% | | | 4.32% |
| Cost of funds | | | 0.42% | | | 0.36% |

(1) Loans placed on nonaccrual status are included in average balances. Net loan fees and late charges included in interest income on loans totaled $11.7 million and $8.9 million for the nine months ended September 30, 2016 and 2015, respectively.

(2) Interest and fees on loans and investments exclude tax equivalent adjustments.

# Eagle Bancorp, Inc.

**Statements of Income and Highlights Quarterly Trends (Unaudited)**

(dollars in thousands, except per share data)

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Income Statements:** | **September 30, 2016** | **June 30, 2016** | **March 31, 2016** | **December 31, 2015** | **September 30, 2015** | **June 30, 2015** | **March 31, 2015** | **December 31, 2014** |
| Total interest income | $ 72,431 | $ 69,772 | $ 67,807 | $ 67,311 | $ 63,981 | $ 62,423 | $ 59,465 | $ 56,091 |
| Total interest expense | 7,703 | 5,950 | 5,217 | 4,735 | 4,896 | 4,873 | 4,734 | 4,275 |
| Net interest income | 64,728 | 63,822 | 62,590 | 62,576 | 59,085 | 57,550 | 54,731 | 51,816 |
| Provision for credit losses | 2,288 | 3,888 | 3,043 | 4,595 | 3,262 | 3,471 | 3,310 | 3,700 |
| Net interest income after provision for credit losses | 62,440 | 59,934 | 59,547 | 57,981 | 55,823 | 54,079 | 51,421 | 48,116 |
| Noninterest income (before investment gains & extinguishment of debt) | 6,404 | 7,077 | 5,666 | 6,462 | 6,039 | 6,233 | 6,770 | 5,298 |
| Gain on sale of investment securities | 1 | 498 | 624 | 30 | 60 | - | 2,164 | 12 |
| Loss on early extinguishment of debt | - | - | - | - | - | - | (1,130) | - |
| Total noninterest income | 6,405 | 7,575 | 6,290 | 6,492 | 6,099 | 6,233 | 7,804 | 5,310 |
| Salaries and employee benefits | 17,130 | 15,908 | 16,119 | 15,977 | 15,383 | 14,683 | 15,706 | 15,703 |
| Premises and equipment | 3,786 | 3,807 | 3,826 | 3,970 | 3,974 | 4,072 | 4,010 | 3,747 |
| Marketing and advertising | 857 | 920 | 774 | 566 | 762 | 735 | 685 | 578 |
| Merger expenses | - | - | - | 2 | 2 | 26 | 111 | 3,239 |
| Other expenses | 7,065 | 7,660 | 7,383 | 8,125 | 7,284 | 7,082 | 7,561 | 6,085 |
| Total noninterest expense | 28,838 | 28,295 | 28,102 | 28,640 | 27,405 | 26,598 | 28,073 | 29,352 |
| Income before income tax expense | 40,007 | 39,214 | 37,735 | 35,833 | 34,517 | 33,714 | 31,152 | 24,074 |
| Income tax expense | 15,484 | 15,069 | 14,413 | 13,485 | 13,054 | 12,776 | 11,734 | 9,347 |
| Net income | 24,523 | 24,145 | 23,322 | 22,348 | 21,463 | 20,938 | 19,418 | 14,727 |
| Preferred stock dividends | - | - | - | 62 | 180 | 179 | 180 | 180 |
| Net income available to common shareholders | $ 24,523 | $ 24,145 | $ 23,322 | $ 22,286 | $ 21,283 | $ 20,759 | $ 19,238 | $ 14,547 |
| **Per Share Data:** | | | | | | | | |
| Earnings per weighted average common share, basic | $ 0.73 | $ 0.72 | $ 0.70 | $ 0.67 | $ 0.64 | $ 0.62 | $ 0.62 | $ 0.51 |
| Earnings per weighted average common share, diluted | $ 0.72 | $ 0.71 | $ 0.68 | $ 0.65 | $ 0.63 | $ 0.61 | $ 0.61 | $ 0.49 |
| Weighted average common shares outstanding, basic | 33,590,183 | 33,588,141 | 33,518,998 | 33,462,937 | 33,400,973 | 33,367,476 | 31,082,715 | 28,777,778 |
| Weighted average common shares outstanding, diluted | 34,187,171 | 34,183,209 | 34,104,237 | 34,069,786 | 34,026,412 | 33,997,989 | 31,776,323 | 29,632,685 |
| Actual shares outstanding | 33,590,880 | 33,584,898 | 33,581,599 | 33,467,893 | 33,405,510 | 33,394,563 | 33,303,467 | 30,139,396 |
| Book value per common share at period end | $ 24.28 | $ 23.48 | $ 22.71 | $ 22.07 | $ 21.38 | $ 20.76 | $ 20.11 | $ 18.21 |
| Tangible book value per common share at period end **(1)** | $ 21.08 | $ 20.27 | $ 19.48 | $ 18.83 | $ 18.10 | $ 17.46 | $ 16.82 | $ 14.56 |
| **Performance Ratios (annualized):** | | | | | | | | |
| Return on average assets | 1.50% | 1.57% | 1.54% | 1.50% | 1.47% | 1.51% | 1.49% | 1.21% |
| Return on average common equity | 12.04% | 12.40% | 12.39% | 12.08% | 11.95% | 12.18% | 13.24% | 11.67% |
| Net interest margin | 4.11% | 4.30% | 4.31% | 4.38% | 4.23% | 4.33% | 4.41% | 4.42% |
| Efficiency ratio **(2)** | 40.54% | 39.63% | 40.80% | 41.47% | 42.04% | 41.70% | 44.89% | 51.38% |
| **Other Ratios:** | | | | | | | | |
| Allowance for credit losses to total loans **(3)** | 1.04% | 1.05% | 1.06% | 1.05% | 1.05% | 1.07% | 1.07% | 1.07% |
| Nonperforming loans to total loans **(3)** | 0.41% | 0.40% | 0.43% | 0.26% | 0.30% | 0.33% | 0.44% | 0.52% |
| Allowance for credit losses to total nonperforming loans | 255.29% | 264.44% | 249.03% | 397.95% | 347.82% | 328.98% | 244.12% | 205.30% |
| Nonperforming assets to total assets | 0.41% | 0.39% | 0.42% | 0.31% | 0.41% | 0.44% | 0.58% | 0.68% |
| Net charge-offs (annualized) to average loans **(3)** | 0.14% | 0.15% | 0.09% | 0.18% | 0.16% | 0.21% | 0.15% | 0.26% |
| Tier 1 capital (to average assets) | 11.12% | 11.24% | 11.01% | 10.90% | 11.96% | 12.03% | 12.19% | 10.69% |
| Total capital (to risk weighted assets) | 15.05% | 12.71% | 12.87% | 12.75% | 13.80% | 13.75% | 13.90% | 12.97% |
| Common equity tier 1 capital (to risk weighted assets) | 10.83% | 10.74% | 10.83% | 10.68% | 10.48% | 10.37% | 10.37% | n/a |
| Tangible common equity ratio **(1)** | 10.64% | 10.88% | 10.86% | 10.56% | 10.46% | 10.34% | 10.39% | 8.54% |
| **Average Balances (in thousands):** | | | | | | | | |
| Total assets | $ 6,492,274 | $ 6,191,164 | $ 6,072,533 | $ 5,907,023 | $ 5,775,283 | $ 5,561,069 | $ 5,270,301 | $ 4,844,409 |
| Total earning assets | $ 6,264,531 | $ 5,967,008 | $ 5,844,915 | $ 5,675,048 | $ 5,545,398 | $ 5,332,397 | $ 5,039,748 | $ 4,654,423 |
| Total loans | $ 5,422,677 | $ 5,266,305 | $ 5,070,386 | $ 4,859,391 | $ 4,636,298 | $ 4,499,871 | $ 4,376,248 | $ 3,993,020 |
| Total deposits | $ 5,353,834 | $ 5,178,501 | $ 5,143,670 | $ 4,952,282 | $ 4,842,706 | $ 4,655,234 | $ 4,330,403 | $ 4,025,900 |
| Total borrowings | $ 300,083 | $ 207,221 | $ 139,324 | $ 168,652 | $ 128,015 | $ 127,582 | $ 249,516 | $ 237,401 |
| Total shareholders' equity | $ 809,973 | $ 783,318 | $ 756,916 | $ 757,199 | $ 778,279 | $ 755,541 | $ 661,364 | $ 561,467 |

(1) Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per common share are non-GAAP financial measures derived from GAAP based amounts. The Company calculates the tangible common equity ratio by excluding the balance of intangible assets from common shareholders' equity and dividing by tangible assets. The Company calculates tangible book value per common share by dividing tangible common equity by common shares outstanding, as compared to book value per common share, which the Company calculates by dividing common shareholders' equity by common shares outstanding. The Company considers this information important to shareholders as tangible equity is a measure that is consistent with the calculation of capital for bank regulatory purposes, which excludes intangible assets from the calculation of risk based ratios and as such is useful for investors, regulators, management and others to evaluate capital adequacy and to compare against other financial institutions.

(2) Computed by dividing noninterest expense by the sum of net interest income and noninterest income.

(3) Excludes loans held for sale.