



Annual Report  
2016

 EAGLE BANCORP, INC.



Ronald D. Paul, Chairman & CEO

# To Our Shareholders

This past year marked another period of success and record growth for our Company and its principal subsidiary, EagleBank. During 2016, our 19th year in operation, we reached our highest levels of net income, assets, market capitalization, stock price, return on average assets, efficiency, and Washington-area deposit market share.

This performance is the direct result of the cumulative efforts of over 475 team members, in both production teams and “heart-of-the-house” operations departments. Each employee pledges to put Relationships F-I-R-S-T, with our customers, the community, and each other. F-I-R-S-T stands for: Flexible, Involved, Responsive, Strong, Trusted. These values continue to serve as the basis of all we do at EagleBank and to differentiate us from our competitors.

EagleBank’s performance demonstrates its leadership position among local banks in metropolitan Washington. In 2016:

- **Our assets completed the year at nearly \$7 billion**
- **We earned record net income of \$97.7 million**
- **Our loan portfolio grew by \$680 million, attributable primarily to loans to businesses and real estate projects**
- **We generated \$558 million in net new deposits**
- **We held a 2.9% deposit market share, the highest of any local community bank, while still having numerous growth opportunities ahead of us**
- **We remained the largest and the most profitable Maryland-chartered bank**
- **Our credit quality remains quite sound—net charge-offs were only 0.09% of annual average loans**
- **Our market capitalization (NASDAQ: EGBN) topped \$2 billion**
- **To maintain our strong capital position, we successfully completed a subordinated debt offering of \$150 million**

Our nearly \$98 million of net income represents a 16% increase over an already very successful prior year. Earnings per Share (diluted) were \$2.86. In fact, for eight years in a row (32 consecutive quarters) your Company’s profits have reached quarter-over-quarter record levels. This string of increasing earnings dates back to the tumultuous fall of 2008. Our Return on Average Assets

for 2016 was a very favorable 1.52%. Eagle Bancorp’s five-year compounded growth rate on Earnings per Share (diluted) was 22%. If you bought one share of Eagle Bancorp when we went public in 1998, it was worth \$2.79 (adjusted for stock splits); on December 31, 2016, it was worth \$60.95.

No one factor was the main driver of this performance. Instead, and proudly so, it is the result of many areas of success across the board. The year 2016 is yet another in a long series of years of ever-increasing levels of success—all of them the result of our disciplined approach to the execution of our business strategy. We don’t grow simply to grow; our growth instead is the result of profitable execution on our vision of continuing to serve Washington-area customers with an unparalleled level of customer service. For example, loans are not pre-packaged products. We work with customers to listen to their needs, and only then do we fashion a customized credit solution. We enjoy sitting down and brainstorming with our customers and prospects, and with each other. We take pride in being able to offer a financial solution that fuels a company or a development project, and in seeing the results. Having our customers prosper enables EagleBank to prosper.

Total Shareholder Return in 2016, off of our already strong base, was 21%. And yet the opportunities ahead are bright. Our deposit base represents only a 2.9% market share among area banks; that’s more than any other local bank, but the runway ahead remains promising. Many of the large banks headquartered outside of our market (what we call the “1-800 phone number banks”) control over 70% of area deposits; that creates opportunities for us. The ability to make further inroads, together with our size and capacity, drives each of us daily.

Our \$5.67 billion loan portfolio makes us a market leader among area community banks. Our capital is well in excess of required regulatory levels. While we are extremely proud of our compounded annual loan growth over the past five years (of 23%), we will never grow by risking credit quality. For we are just as proud of our low level of net charge-offs as we are of our loan growth, as you will see in the charts that follow later in this Annual Report. Over the last five years, our loan portfolio (including former Virginia Heritage Bank loans) has grown over 175%. Net charge-offs, however,

generally continue to decline, and represent just 0.09% of annual average loans. At year-end, our Coverage Ratio of Allowance for Loan Losses to Nonperforming Loans remained quite strong, at 330%.

Deposit levels are strong too and are an ongoing focus for us, to match our continuing loan growth. Our cost of funds contributed to a highly favorable net interest margin, 4.16%. It's no accident. We actively manage the asset-liability process, maintaining discipline in pricing and managing our deposit composition. Noninterest-bearing deposit accounts comprise 31% of total deposits, similar to our historical levels. The Bank's asset-liability position is relatively neutral, so whether interest rates stay flat, rise, or fall, we are well positioned.

While we are proud of our past performance, it is the future that excites us, and challenges us. We continue to seek to harness technology to maximize efficiency without sacrificing our personalized customer service. And cybersecurity remains at the forefront of concerns. It is one of the industry's biggest challenges and one on which we continue to remain ever vigilant. We spend considerable attention and preventative dollars addressing these threats. We continually consider the right size and design of branches, to balance customer experience with customer needs. Use of technology has certainly minimized customer reliance on going into a branch. EagleBank branches average nearly twice the average deposits per branch as banks nationally, which helps us remain efficient. With online banking, mobile banking, and remote deposit capture, there's much less need for a customer to come into a branch.

It is with mixed feelings that I report that after a four-decade career in Washington banking, my dear friend, colleague, and partner Vice Chairman Bob Pincus retired at the end of 2016. Bob is known to many in Washington as the consummate community banker. He committed his career to helping our community; the people and businesses that he supported are legendary. I am happy to say that Bob remains a friend of the Company, and one of our best ambassadors. To Bob, I say: May retirement be just the next phase in a wonderful life. We know you won't be a stranger.

This year, CFO Jim Langmead will turn over the reins to Charles Levingston. Jim joined us as 2005 began, when our assets were just \$550 million, and has done a tremendous job leading our Finance functions, including asset-liability management. He has provided wise counsel to me and all of our senior staff. Although Jim will no longer be our Chief Financial Officer, we need not say goodbye yet. Jim will continue to serve us, as a consultant. We are excited to welcome Charles to

the role of CFO; he has been with the Company for five years, previously serving as Executive Vice President of Finance. Charles' background includes tenures in public accounting and as a bank examiner, so he is well versed in our heavily regulated industry.

At EagleBank, we never forget that "community" is the first word in "community bank." Our support for our area is at the root of our existence, from the day we opened our doors in 1998. We support groups large and small. We are particularly proud of our long-term support relationship with George Mason University. During 2016, we provided scholarships to business students, and had other students intern in our offices, while bank executives spoke in classes and before the business school. Our support of Mason Athletics is embodied in the name of the on-campus sports center, EagleBank Arena. We are equally proud of the dozens of local organizations we support at the grass-roots level. And over its 12-year history, the EagleBank Foundation has donated over \$3 million to support breast cancer research and patient services. This year, the Foundation announced it is funding a state-of-the-art Mammovan in partnership with George Washington University Hospital; you will find it on the streets of Washington's inner-city neighborhoods.

The outlook for our Company remains promising. We'll identify and seize opportunities, maintain our discipline, and continue to build relationships. As the local banking industry continues to consolidate, we look forward to continuing to stand out as the go-to local bank for area businesses, nonprofit associations, and local governments. We are proud of the entrepreneurial approach we take every day and the leadership we provide in an ever-changing market. What's next in the local economy's cycle? Time will tell, but we believe that our knowledge and understanding of our local market has and will continue to put us in good stead. The EagleBank signs you see around town truly are signs of the times for us. As we continue to build upon our base and the many relationships we have with you—our shareholders—and with customers, employees, and our community, the directors join me in thanking you for your support. Ever forward.



**Ronald D. Paul**

*Chairman of the Board  
President and Chief Executive Officer*

# Our Values: Relationships F-I-R-S-T

## Flexible

We begin our relationships based on our time-tested tradition of listening to our customer, collaborating with colleagues, and designing a comprehensive, creative solution that brings value to and appreciation from our customer. 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 customer 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.

## Trusted

We uphold our relationships with honesty, openness, and reliability. 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.

# Better able to serve.

*Our steady, disciplined growth is reassuring in times of change.*

In 2016, EagleBank continued to be one of the premier community banks in the Washington Metropolitan Area. That represents a fulfillment of our original promise when we established EagleBank nearly two decades ago—that we'd be there for our customers through good times and bad.

We all know that economic times are subject to change. Now, we are seeing more consolidation in the banking industry—along with the uncertainty that always comes to town with a change in administrations. That makes our local expertise and steady, strong performance more important than ever. Because our success has always been intertwined with that of our customers. Helping area businesses grow bigger and stronger has enabled us to do the same.

We have built and preserved a strong capital position, achieved eight consecutive years of increasing profitability, and delivered consistent balance-sheet growth. We maintain a strong credit culture, with conservative policies and disciplined processes. And we've built this record success by building strong relationships—such as our alliance with George Mason University, represented by the Patriot Center's rechristening as EagleBank Arena.

This continuing success means we are now a bigger bank. But the beauty isn't in being big; it's in being better able to do the kinds of large, complex deals that make a bigger impact on the area's economic vitality—and in the lives of our neighbors, from Northern Virginia to the District of Columbia to Suburban Maryland. Yet we are also still here for the emerging small business. That's the whole point of community banking.

Despite our increased size, we are still the same EagleBank. With the same values and passion. The same accessibility and flexibility. The same local focus and entrepreneurial spirit. And the same commitment to listening, carefully, to our customers.



# Doing bigger things for a better community.

## Helping to get The Parks at Walter Reed off the ground.

EagleBank has achieved the size and strength to help do bigger things than ever for our community. Complicated, large-scale, long-term things—such as The Parks at Walter Reed.

In 2016, the DC government acquired the historic 66-acre campus of the former Walter Reed Army Medical Center in Northwest Washington. A partnership of Hines, Urban Atlantic, and Triden Development Group was named Master Developers to transform the site over the next 10 to 15 years into a mixed-use community reconnected with surrounding neighborhoods.

Before any of that could happen, however, there was a lot of groundwork to do. Literally.

EagleBank earned the right to provide the land development loan, which enables what developers call the “horizontal development” of the site: the miles of infrastructure that must be put in place before individual plots can be assigned and buildings built.

“Long-term, phased developments involving land valuation are much more complicated and uncertain than your standard construction project,” says Katie Wiacek, Managing Director with Hines, a privately held, global real estate investment, development, and management firm. “Our team had spent years thinking through the complexities,” she says. “EagleBank immediately saw things our way, and helped us put together a creative financing structure.”

Vicki Davis agrees. She is president of Urban Atlantic, a DC area-based leader in urban real estate development, finance, and investment. “A big public-private project like Walter Reed represents the highest degree of difficulty,” she says, putting it in Olympic-event terms.

“Walter Reed has a tremendous variety of components,” Vicki explains. “Market-rate and affordable housing. Offices, shops, and medical facilities. Schools and nonprofit and cultural organizations. Preserving and

“Our team had spent years thinking through the complexities. EagleBank immediately saw things our way, and helped us put together a creative financing structure.”

—Katie Wiacek, Managing Director  
Hines



creating open green space.” Not to mention the need to respect historic-landmark restrictions. “The stack of closing documents was taller than I am,” she says, with no trace of exaggeration. “But with EagleBank,” she adds, “everything went smoothly.”

That was no surprise to Vicki or her colleagues at Urban Atlantic, who, unlike Hines, had worked with us before. In fact, you could say that EagleBank and Urban Atlantic grew up together. Our companies were both established in 1998 to serve the DC area.

“We were one of the very first depositors with EagleBank,” says Lois Fried, COO of Urban Atlantic, who led the developer team’s financing effort, building on her two-decade working relationship with EagleBank. Noting that her company has since established great relationships with several banks, including some of the largest national banks, she adds, “But we have a special relationship with EagleBank.”

When Urban Atlantic and EagleBank were just starting out, “Working with a community-oriented bank was important to us,” says Scott Nordheimer, Senior Advisor at Urban Atlantic. “EagleBank’s mission was very much aligned with ours, and still is.”

# A developing relationship.

*With our growth, The JBG Companies gains a more capable local partner.*

A natural affinity can be felt in an instant. But, in business as in life, a mutually satisfying and productive relationship can take some time to develop. Take the case of EagleBank and The JBG Companies.

Based in Chevy Chase, MD, JBG is a leading real estate investor, owner, and developer throughout the DC area. Like EagleBank, JBG focuses exclusively on Northern Virginia, DC, and Suburban Maryland. And, like EagleBank, JBG is an actively engaged and responsible member of the communities in which it operates.

Unlike EagleBank, however, JBG has been around since 1960. So they saw EagleBank for several years as simply a local community bank whose lending capabilities did not measure up to the size of their needs.

That began to change about five years ago, says Elizabeth Morrison, SVP, Finance at JBG. “EagleBank

became a resource for a few smaller-scale deals,” she says, “but not for the large, complex projects we usually do.”

But EagleBank’s lending capacity grew exponentially over those last five years until, in 2016, EagleBank financed JBG’s The Signet, a walkable mixed-use community that represents a major transformation of downtown McLean, VA.

“From the term-sheet negotiations right through post-closing services,” Elizabeth says, “their whole team has been great to work with. They make decisions so much faster than other banks, because EagleBank just has fewer layers to deal with,” she says, adding, “It’s nice to be able to team up with partners on the same mission.”

At EagleBank, we feel the same way.

“The whole EagleBank team has been great to work with.”

—Elizabeth Morrison, SVP, Finance  
The JBG Companies





# Flexibility feeds organic growth.

## *Helping MOM's Organic Market thrive.*

Growing a business from the ground up is never easy. It takes brains, passion, good timing, and a little luck. Once the business takes root, credit is the sunshine that keeps it growing.

That's where MOM's Organic Market was in 2006. Established by Scott Nash in 1987 as a grocery home-delivery service in Rockville, MD, MOM's was ready for bricks and mortar. Scott obtained financing through John Richardson, then a lender at Fidelity & Trust Bank.

Kelly Moler, CFO of MOM's, picks up the story. "I had only been with MOM's for about a year," she recalls, "when Fidelity was acquired by EagleBank in 2008. Even though John was staying on, we were a bit skeptical about the changeover. We wanted to expand, so we asked a couple of other banks for a higher line of credit. They said we didn't qualify."

But EagleBank saw things differently. "Instead of taking that cookie-cutter approach," Kelly says, "EagleBank saw a successful business with a good growth story. They looked ahead, like a partner, not an impediment."

Today, that partnership based on mutual trust is stronger than ever. John Richardson, now EagleBank's DC C&I Lending team leader, continues to help MOM's expand into new markets, with 17 stores in four states and DC—and more on the way.

As Kelly puts it, "EagleBank provides a rational, human experience. They never cause me pain." In fact, she says, with a laugh: "I actually look forward to talking with my banker. I didn't know that was possible."

**"EagleBank provides a rational, human experience."**

—Kelly Moler, CFO  
MOM's Organic Market

# All aboard.

## *First-name banking makes a big difference for Historic Tours of America.*

When the Great Recession hit, the owner of Historic Tours of America, Edwin Swift III, called his children to his side. "I told them, 'This has turned everything on its head,'" Edwin recalls. "But EagleBank stuck with us."

EagleBank's relationship with Historic Tours started 13 years ago, in the booming pre-crash years. "EagleBank was energetic with their approach," Edwin recalls. "Ron [Paul] listened intently to our needs and what our goals were. They came forward with a proposal for a small-business loan, and we had no idea it was even possible. They always seem to have the tools, and it's nice to have a bank that's versatile."

**"Being in Washington, DC, you don't expect a hometown feel. But that's what you get with EagleBank."**

—Edwin Swift III, Owner  
Historic Tours of America

Throughout the relationship, EagleBank has built its offerings around listening to Historic Tours' needs. "Ron would always call us, ask how he could help," Edwin says. "When we needed to refinance our fleet, EagleBank came in with a unique seven-year structure that no one else offered. It saved us about \$2 million each year in payments, and it was significant to our growth."

That attention to detail and willingness to go the extra mile is what makes EagleBank stand out from the crowd. "Being in Washington, DC, you don't expect a hometown feel," Edwin says. "But that's what you get with EagleBank."





**“EagleBank asked a different question.”**

— Linda Cureton, Founder & CEO  
Muse Technologies

**“Bethesda, we have a problem.”**

*Muse Technologies partners with EagleBank to achieve liftoff.*

For Linda Cureton, the words “mission-critical” are more than business jargon. As the CIO for NASA, she was responsible for some of the most complex information management systems on (and orbiting around) Planet Earth. She built her career on a reputation for being in the right place when a problem needed to be solved—and after she left NASA, she looked for a bank that could do the same for her new business, Muse Technologies.

Just one problem: This technology pioneer could navigate cyberspace from outer space, but bootstrapping a small business was a completely different challenge. Linda needed help accessing lines of credit, and bigger banks were asking questions she didn’t know how to answer. “Other banks would ask me for a look at our competitive set,” Linda says. “I’m like, ‘I don’t have a marketing department, and I don’t have time to do that myself.’ EagleBank asked a different question. They asked me what my pipeline looked like. They were willing to work with me, and that made all the difference.”

There aren’t many technology firms that are both woman-owned and minority-owned. But then again, there aren’t many former NASA CIOs who want to start a business. Thanks to EagleBank’s entrepreneurial background, we were able to help Linda and Muse Technologies when other banks either wouldn’t or couldn’t—because at EagleBank, failure is not an option.

# We need a partner, stat.

*GW Medical Faculty Associates chose EagleBank because of a shared commitment to the region’s future.*

Medicine and banking have a few things in common—prudence, a view toward the long term, and a need for individualized attention. EagleBank’s partnership with the GW Medical Faculty Associates proves how a meeting of the minds can be a positive for patients and shareholders alike.

Founded in 2000 at George Washington University in DC, the GW Medical Faculty Associates program is a nonprofit, physician-led group dedicated to providing both world-class care for patients and hands-on training for medical students. Financing this unique mission requires an understanding of what these doctors are trying to do.

“When they came to us, EagleBank didn’t just offer a list of services,” says Pam McClain, Chief Operating Officer at GW Medical Faculty Associates. “They were effective advisors, understanding our banking needs and guiding us through the process of a new banking relationship. EagleBank is invested in understanding the unique needs of a physician practice.”

The purpose of GW Medical Faculty Associates is twofold—both to provide medical care to Washingtonians and to train the next generation of medical providers for the nation’s capital. Thanks to EagleBank, these groundbreaking doctors now have a bank that shares their long-term vision.

Dr. Robert Kelly, CEO (left) and Stephen MacDonald, CFO, GW Medical Faculty Associates

“EagleBank is invested in understanding the unique needs of a physician practice.”

— Pam McClain, COO  
GW Medical Faculty Associates



# The **first names** of EagleBank.



*The team that makes first-name banking a pleasure.*

These are the people who make banking on a first-name basis not just a catch phrase, but a commitment to serving you. The ones who pick up the phone and call. Who smile through the teller's glass when you stop by. Who sit down to listen to your business needs over a blank sheet of paper.

Each and every member of our team understands the power of relationships. That's why we empower them to answer questions and help find solutions that work. And it's why they're so generous with their time and energy in support of local charities and all kinds of community organizations.

The people of EagleBank—now 475 strong—work here because they care about success—of businesses large and small, and of the community we all share. And because this is a thriving business, a place of opportunity where they can develop their abilities and advance their careers, to further their own success.



# A strong Foundation for the community.

The EagleBank Foundation: funding the fight against breast cancer.



Once again in 2016, the EagleBank Foundation's golf classic set a new record, raising over \$400,000 to help fund research and outreach programs of local hospitals and organizations fighting breast cancer.

The twelfth annual golf classic—held on October 10, 2016, at the Woodmont Country Club—this time included the First Annual Tennis Classic. Since its inception in 2005, the golf classic has now passed the \$3 million mark in funds generated to relieve suffering caused by breast cancer and ultimately to find a cure.

“Our golf tournament is one of the ways we give back to our community,” says Ron Paul, EagleBank Chairman and CEO. “We are thankful to everyone for their continued support of our efforts to save more lives.”

## Seeing more patients in more comfort

A portion of that \$400,000 raised at the 2016 event went to the MedStar Washington Hospital Breast Imaging Center for a complete renovation of its patient reception area. In addition to enhancing the comfort of patients and family members, the resulting increase in processing efficiency means that more people can receive treatment.

## Taking the fight to the streets

The EagleBank Foundation in 2016 took the fight against breast cancer to the streets, in the form of a grant to George Washington University Hospital. Soon, a brand new Mammovan will bring state-of-the-art 3-D breast imaging technology to underserved communities in DC.

“Washington, DC, has the highest death rate from breast cancer in the U.S.,” says Dr. Rachel Brem, Director of the Breast Imaging and Intervention Center at GW Medical Faculty Associates. “But when we find breast cancers early, they can be cured. The Mammovan is a lifeline to District residents who otherwise don't have access to regular mammograms.”

Dr. Brem praised the “extraordinary generosity” of the EagleBank Foundation, and everyone at EagleBank who does so much good for the community, saying, “They are really terrific people.”

From left to right: Don Rogers, EagleBank Foundation; Barbara Zickafoose, Anna H. Choi, MD, Alka Shah, and Dennis Boyle, MedStar Washington Hospital Center

## Six-Year Summary of Selected Financial Data

	Years Ended December 31						Five-Year Compound Growth Rate
	2016	2015	2014	2013	2012	2011	
<b>BALANCE SHEET - PERIOD END</b> (dollars in thousands)							
Securities	\$ 538,108	\$ 504,772	\$ 404,903	\$ 389,405	\$ 310,514	\$ 324,053	11%
Loans held for sale	51,629	47,492	44,317	42,030	226,923	176,826	-22%
Loans	5,677,893	4,998,368	4,312,399	2,945,158	2,493,095	2,056,256	23%
Allowance for credit losses	59,074	52,687	46,075	40,921	37,492	29,653	15%
Intangible assets, net	107,419	108,542	109,908	3,510	3,785	4,145	92%
Total assets	6,890,096	6,075,577	5,246,684	3,771,503	3,409,441	2,831,255	19%
Deposits	5,716,114	5,158,444	4,310,768	3,225,414	2,897,222	2,392,095	19%
Borrowings	285,390	141,284	279,224	119,771	140,638	152,662	13%
Total liabilities	6,047,297	5,336,976	4,625,925	3,377,640	3,059,465	2,564,544	19%
Preferred shareholders' equity	-	-	71,900	56,600	56,600	56,600	-
Common shareholders' equity	842,799	738,601	548,859	337,263	293,376	210,111	32%
Total shareholders' equity	842,799	738,601	620,759	393,863	349,976	266,711	26%
Tangible common equity <sup>1</sup>	735,380	630,059	438,951	333,753	289,591	205,966	29%
<b>STATEMENT OF OPERATIONS</b> (dollars in thousands)							
Interest income	\$ 285,805	\$ 253,180	\$ 191,573	\$ 157,294	\$ 141,943	\$ 119,124	19%
Interest expense	27,640	19,238	13,095	12,504	14,414	20,077	7%
Provision for credit losses	11,331	14,638	10,879	9,602	16,190	10,983	1%
Noninterest income	27,284	26,628	18,345	24,716	21,364	13,501	15%
Noninterest expense	115,016	110,716	99,728	84,579	76,531	63,276	13%
Income before taxes	159,102	135,216	86,216	75,325	56,172	38,289	33%
Income tax expense	61,395	51,049	31,958	28,318	20,883	13,731	35%
Net income	97,707	84,167	54,258	47,007	35,289	24,558	32%
Preferred dividends	-	601	614	566	566	1,511	-
Net income available to common shareholders	97,707	83,566	53,644	46,441	34,723	23,047	33%
Total Revenue	285,449	260,570	196,823	169,506	148,893	112,548	20%
<b>PER COMMON SHARE DATA</b> <sup>2</sup>							
Net income per share, basic	\$ 2.91	\$ 2.54	\$ 2.01	\$ 1.81	\$ 1.50	\$ 1.05	23%
Net income per share, diluted	2.86	2.50	1.95	1.76	1.46	1.04	22%
Book value	24.77	22.07	18.21	13.03	11.62	9.57	21%
Tangible book value <sup>3</sup>	21.61	18.83	14.56	12.89	11.47	9.38	18%
Common shares outstanding	34,023,850	33,467,893	30,139,396	25,885,863	25,250,378	21,948,128	9%
Weighted average common shares outstanding, basic	33,587,254	32,836,449	26,683,759	25,726,062	23,135,886	21,819,087	9%
Weighted average common shares outstanding, diluted	34,181,616	33,479,592	27,550,978	26,358,611	23,743,815	22,316,593	9%
<b>RATIOS</b>							
Net interest margin	4.16%	4.33%	4.44%	4.30%	4.32%	3.99%	
Efficiency ratio <sup>4</sup>	40.29%	42.49%	50.67%	49.90%	51.40%	56.22%	
Return on average assets	1.52%	1.49%	1.31%	1.37%	1.18%	0.97%	
Return on average common equity	12.27%	12.32%	13.50%	14.60%	14.14%	11.71%	
CET1 capital (to risk weighted assets) <sup>5</sup>	10.80%	10.68%	-	-	-	-	
Total capital (to risk weighted assets)	14.89%	12.75%	12.97%	13.01%	12.20%	11.84%	
Tier 1 capital (to risk weighted assets)	10.80%	10.68%	10.39%	11.53%	10.80%	10.33%	
Tier 1 capital (to average assets)	10.72%	10.90%	10.69%	10.93%	10.44%	8.21%	
Tangible common equity ratio	10.84%	10.56%	8.54%	8.86%	8.50%	7.29%	
<b>ASSET QUALITY</b> (dollars in thousands)							
Nonperforming assets and loans 90+ past due	\$ 20,569	\$ 19,091	\$ 35,667	\$ 33,927	\$ 35,983	\$ 36,019	
Nonperforming assets and loans 90+ past due to total assets	0.30%	0.31%	0.68%	0.90%	1.06%	1.27%	
Nonperforming loans to total loans	0.31%	0.26%	0.52%	0.84%	1.23%	1.59%	
Allowance for credit losses to loans	1.04%	1.05%	1.07%	1.39%	1.50%	1.44%	
Allowance for credit losses to nonperforming loans	330.49%	397.95%	205.30%	165.66%	122.19%	90.42%	
Net charge-offs	\$ 4,945	\$ 8,026	\$ 5,724	\$ 6,173	\$ 8,351	\$ 6,084	
Net charge-offs to average loans	0.09%	0.17%	0.17%	0.23%	0.37%	0.32%	

<sup>1</sup> Tangible common shareholders' equity, a non-GAAP financial measure, is defined as total common shareholders' equity reduced by goodwill and other intangible assets.

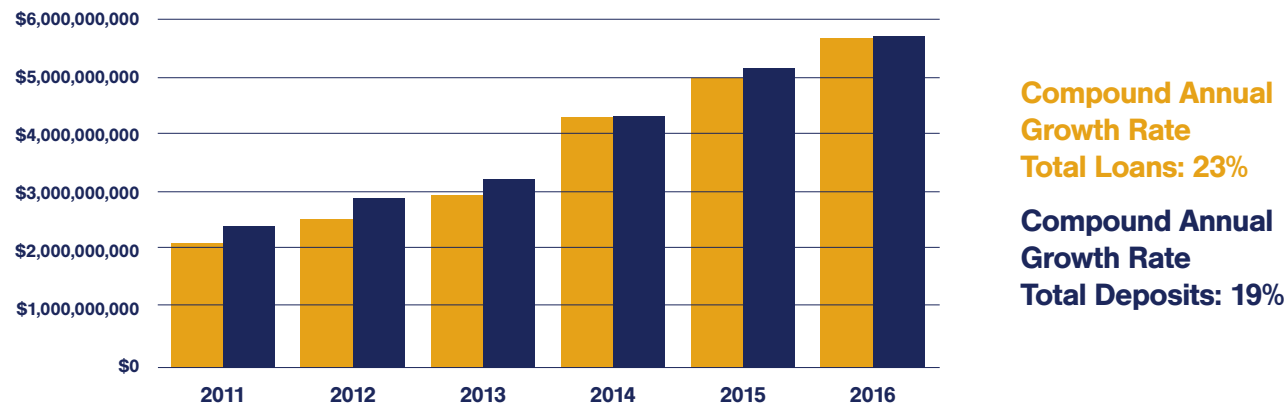
<sup>2</sup> Presented giving retroactive effect to the 10% stock dividend paid on the common stock on June 14, 2013.

<sup>3</sup> Tangible book value per common share, a non-GAAP financial measure, is defined as tangible common shareholders' equity divided by total common shares outstanding.

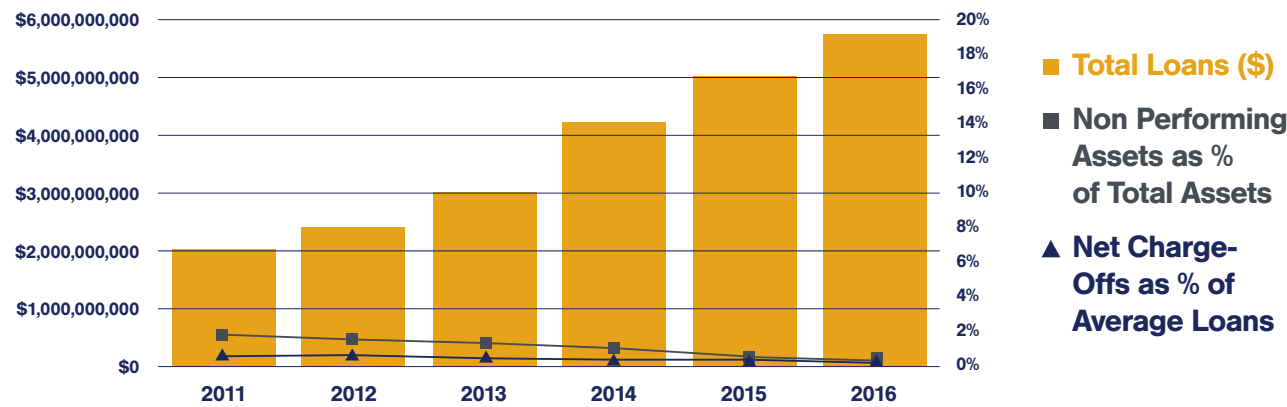
<sup>4</sup> Computed by dividing noninterest expense by the sum of net interest income and noninterest income.

<sup>5</sup> Not applicable to fiscal years prior to 2015.

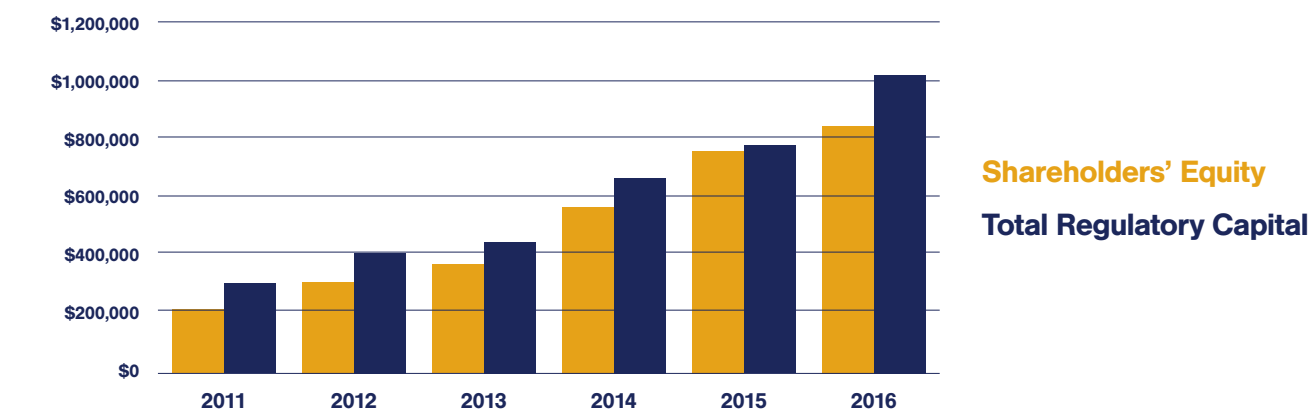
## Balanced Loan and Deposit Growth



## Asset Quality

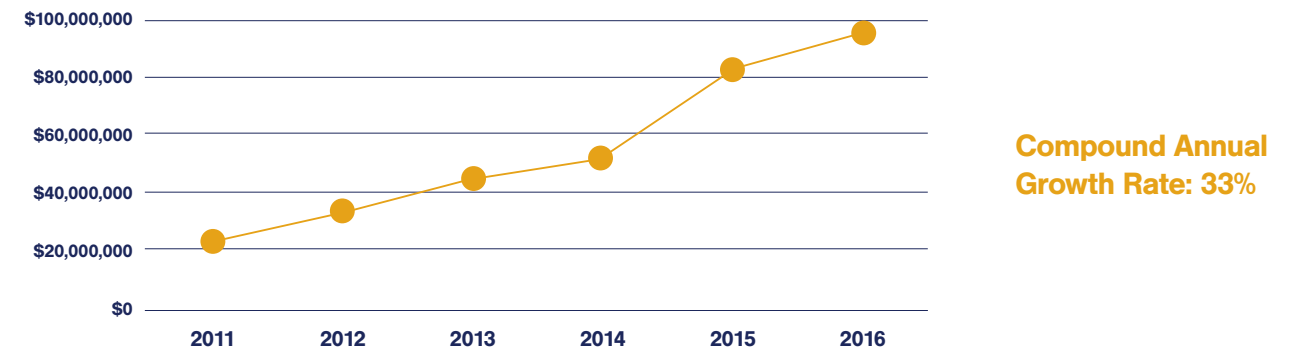


## Capital Levels

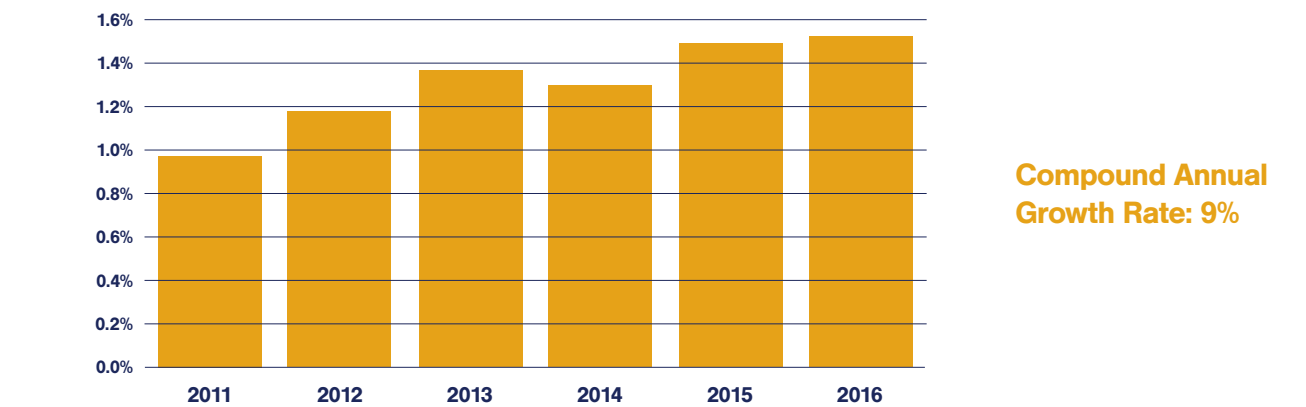


**NOTES**  
Regulatory Capital consists of Shareholders' Equity plus Allowance for Loan Losses plus Qualifying Debt (i.e. Subordinated Notes) less Intangibles.  
2012 - Raised \$45 million of Common Stock at \$17.31 per share.  
2014 - Raised \$70 million of Subordinated Notes due 2024 at 5.75%.  
2015 - Raised \$100 million of Common Stock at \$35.50 per share.  
2016 - Raised \$150 million of Subordinated Notes due 2026 at 5.00%.

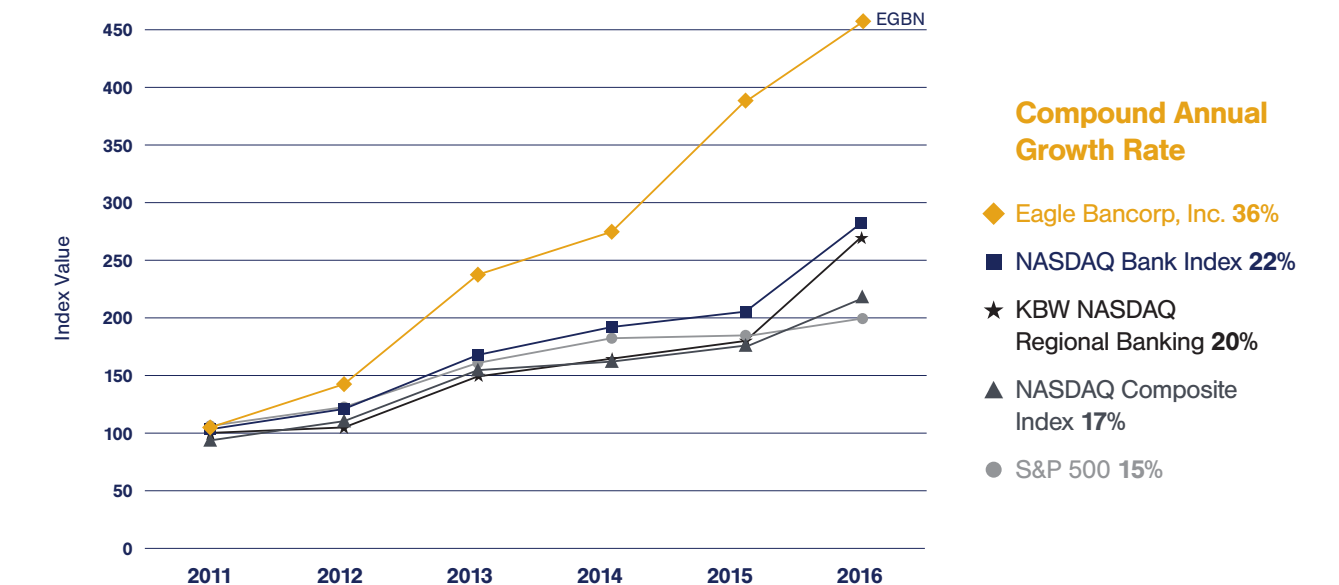
## Net Income Available to Common Shareholders for Years Ending



## Return on Average Assets



## Total Shareholder Return Performance



## Board of Directors

### **Ronald D. Paul \***

Chairman, President & Chief Executive Officer of Eagle Bancorp, Inc.

Chairman & Chief Executive Officer of EagleBank  
President of Ronald D. Paul Companies

### **Leslie M. Alperstein, Ph.D. \***

President & Chief Executive Officer of Washington Analysis, LLC

### **Thomas E. Burdette, CPA \*\***

Managing Partner of Burdette Smith and Bish LLC

### **Joann Kay DiMeglio \*\***

Principal of JKD Management, LLC

### **Dudley C. Dworken \***

Principal of Dworken Associates, LLC

### **Steven L. Fanaroff \*\***

Managing Director of Fanaroff & Steppa, LLC and Bedrock Asset Management

### **Harvey M. Goodman \***

President & Chief Executive Officer of Goodman-Gable-Gould/Adjusters International

### **Lynn Hackney \*\***

Chief Executive Officer of Urban Pace

### **Benson Klein, Esquire \*\***

Principal of Ward & Klein, Chartered

### **Bruce H. Lee \*\***

President & Chief Executive Officer of Lee Development Group

### **Leslie Ludwig \*\***

Partner of The JBG Companies

### **Norman R. Pozez \***

Chairman & Chief Executive Officer of Uniwest Companies

### **Kathy A. Raffa, CPA \*\***

Vice President & Partner of Raffa, PC

### **Donald R. Rogers, Esquire \***

Principal of Shulman Rogers Gandal Pordy & Ecker, P.A.

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

President & Chief Executive Officer of Soltesz, Inc.

### **Benjamin M. Soto, Esquire \*\***

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

### **Leland M. Weinstein \* \*\*\***

Chief Executive Officer of Newbridge-Turing, LLC

\*Director of EagleBank and Eagle Bancorp, Inc.

\*\*Director of EagleBank only

\*\*\*Lead Director of Eagle Bancorp, Inc.

## Executive Officers

### **Ronald D. Paul**

Chairman, President & Chief Executive Officer of Eagle Bancorp, Inc.

Chairman & Chief Executive Officer of EagleBank

### **Susan G. Riel**

Executive Vice President of Eagle Bancorp, Inc.

Senior Executive Vice President & Chief Operating Officer of EagleBank

### **Laurence E. Bensignor, Esquire**

Executive Vice President & General Counsel of Eagle Bancorp, Inc. and EagleBank

### **James H. Langmead, CPA**

Executive Vice President & Chief Financial Officer of Eagle Bancorp, Inc. and EagleBank (Retiring April 2017)

### **Charles D. Levingston, CPA**

Executive Vice President & Chief Financial Officer of Eagle Bancorp, Inc. and EagleBank (Effective April 2017)

### **Antonio F. Marquez**

Executive Vice President of Eagle Bancorp, Inc.

Executive Vice President & Chief Commercial Real Estate Lending Officer of EagleBank

### **Lindsey S. Rheame**

Executive Vice President of Eagle Bancorp, Inc.

Executive Vice President & Chief Commercial & Industrial Lending Officer of EagleBank

### **Janice L. Williams, Esquire**

Executive Vice President of Eagle Bancorp, Inc.

Executive Vice President & Chief Credit Officer of EagleBank

## 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.

## Annual Meeting

### **Bethesda Marriott Hotel**

5151 Pooks Hill Road

Bethesda, MD 20814

Thursday, May 18, 2017, at 10:00 a.m.

## 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](mailto:jcornett@EagleBankCorp.com)

For more 2016 financial information about Eagle Bancorp, 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 and Registrar**

Computershare Trust Company, NA

P.O. Box 30170

College Station, TX 77842-3170

1.877.282.1168

[www.computershare.com](http://www.computershare.com)

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

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## Corporate Offices

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Bethesda, MD 20814

301.986.1800

## Investor Relations

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240.497.2040

[investorrelations@EagleBankCorp.com](mailto:investorrelations@EagleBankCorp.com)

## Counsel

### **Buckley Sandler LLP**

1250 24th Street, NW

Suite 700

Washington, DC 20037

## Independent Registered Public Accounting Firm

### **Dixon Hughes Goodman LLP**

809 Glen Eagles Court

Suite 200

Baltimore, MD 21286

## Virginia

### Alexandria

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Alexandria, VA 22314  
703.956.5075

### Ballston

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Arlington, VA 22203  
571.319.4800

### Chantilly

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Chantilly, VA 20151  
703.378.0010

### Dulles Town Center

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Suite 150  
Sterling, VA 20166  
703.230.1515

### Fairfax

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Fairfax, VA 22030  
703.359.4100

### Merrifield

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Fairfax, VA 22031  
571.319.4900

### Reston

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Reston, VA 20190  
571.319.4848

### Rosslyn

1919 N. Lynn Street  
Arlington, VA 22209  
571.319.4855

### Tysons Corner

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Tysons Corner, VA 22182  
703.752.9360

## Maryland

### Bethesda

7815 Woodmont Avenue  
Bethesda, MD 20814  
240.497.2044

### Chevy Chase

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Chevy Chase, MD 20815  
301.280.6800

### Park Potomac

12505 Park Potomac Avenue  
Potomac, MD 20854  
301.444.4520

### Rockville

110 North Washington Street  
Rockville, MD 20850  
301.738.9600

### Rollins Avenue

130 Rollins Avenue  
Rockville, MD 20852  
301.287.8500

### Shady Grove

9600 Blackwell Road  
Rockville, MD 20850  
301.762.3076

### Silver Spring

8665-B Georgia Avenue  
Silver Spring, MD 20910  
301.588.6700

## Washington, DC

### Dupont Circle

1228 Connecticut Avenue, NW  
Washington, DC 20036  
202.466.3161

### Gallery Place

700 7th Street, NW  
Washington, DC 20001  
202.628.7300

### Georgetown

3143 N Street, NW  
Washington, DC 20007  
202.481.7025

### K Street

2001 K Street, NW  
Washington, DC 20006  
202.296.6886

### McPherson Square

1425 K Street, NW  
Washington, DC 20005  
202.408.8411

## Other Offices

### Commercial Deposit Services

2001 K Street, NW  
Suite 150  
Washington, DC 20006  
202.292.1630

### Commercial Lending

7830 Old Georgetown Road  
Bethesda, MD 20814  
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2001 K Street, NW  
Suite 150  
Washington, DC 20006  
202.292.1624

8245 Boone Boulevard  
Suite 820  
Tysons Corner, VA 22182  
703.277.2200

### FHA Multifamily Lending

8245 Boone Boulevard  
Suite 820  
Tysons Corner, VA 22182  
703.277.2200

### Residential Real Estate Lending

6010 Executive Boulevard  
Suite 300  
Rockville, MD 20852  
301.738.7200

12011 Sunset Hills Road  
Reston, VA 20190  
571.447.5356

### Eagle Insurance Services, LLC

7830 Old Georgetown Road  
Bethesda, MD 20814  
240.497.2061

### Investment Advisory Services

7830 Old Georgetown Road  
Bethesda, MD 20814  
240.497.1788



**HQ**  
Corporate Headquarters

**RHQ**  
Regional Headquarters



[EagleBankCorp.com](http://EagleBankCorp.com)