

# RESULTS THROUGH RELATIONSHIPS



Annual Report 2006



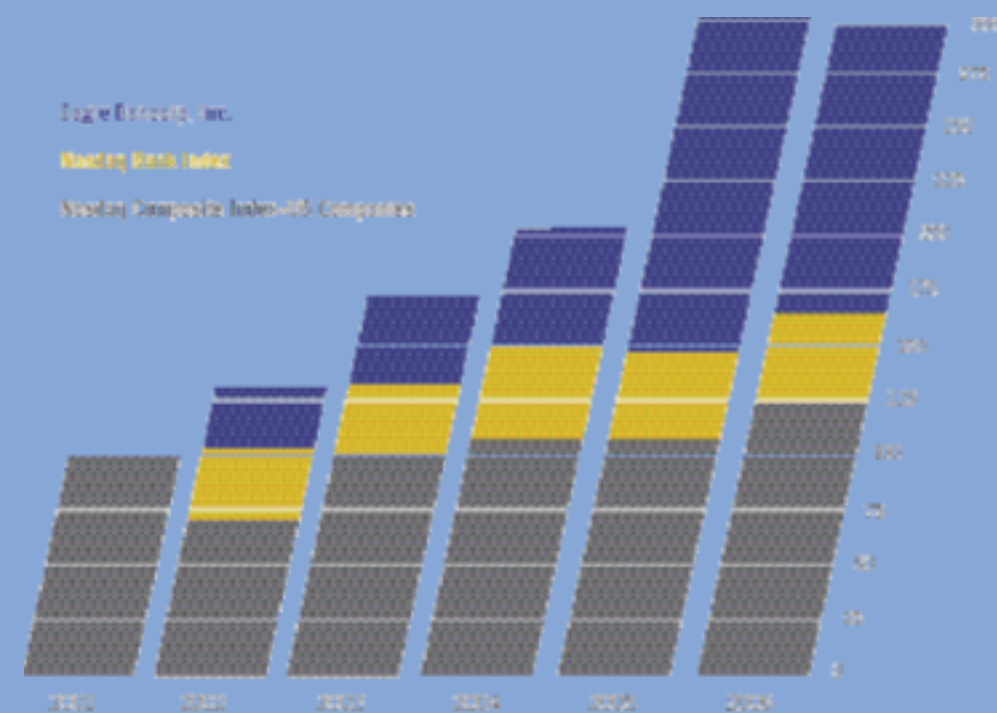
 **EAGLE BANCORP, INC.**



# TO OUR SHAREHOLDERS



## STOCK PERFORMANCE COMPARISON



	2001	2002	2003	2004	2005	2006
EAGLE BANCORP, INC.	\$100.0	\$134.6	\$174.1	\$201.9	\$300.2	\$297.0
NASDAQ COMPOSITE INDEX	100.0	68.5	102.7	111.5	113.1	123.8
NASDAQ BANK INDEX	100.0	104.5	135.8	150.7	144.2	160.1

(ASSUMING \$100 WAS INVESTED ON DECEMBER 31, 2001)

The year 2006 marked our Company's eighth successive year of increased growth and profitability since commencing banking operations in 1998. Net income increased 6.4% in 2006 over 2005 and total assets ended the year in excess of \$773 million.

Since our founding, the Company has enjoyed extraordinary success. We are proud of the excellent reputation we have earned in our marketplace. Earnings and assets have grown consistently over our history as we have demonstrated the ability to execute by maintaining high levels of customer service, entrepreneurial spirit, and an extremely capable group of employees and Board members.

The past year was one of the more difficult financial environments for banks in general. Total bank deposits as a percentage of assets, at the country's 8,700 insured banks, reached the lowest level since the F.D.I.C. was established in 1933. Through mid-year 2006, the Federal Reserve continued raising short-term interest rates, which caused interest rates on deposits to rise significantly. A strong stock market placed pressure on the ability to raise deposits, and caused more reliance on higher cost CD's and purchased funds. This was an industry-wide trend, and was reflected in many banks showing weaker earnings, with net interest margins continuing to contract. Eagle Bancorp's net interest margin declined in 2006 to 4.81% from 4.99% in 2005, but remains above our peer banks in the \$300 million to \$2.5 billion asset range, which have an average margin of 3.99% for 2006.

Earnings growth in 2006 was fueled by strong average loan growth of 20% and average deposit growth of 14%. While growth in non-interest income sources

continues to be a strategic goal, overall revenue in this area was flat in 2006 as compared to 2005. Our noninterest expenses rose 15% over 2005, as we continued growing staff and adding a branch in Chevy Chase in May 2006. We are committed to managing our operating costs relative to revenue (the efficiency ratio), which while up in 2006 to 60.15% over 57.95% in 2005, compares favorably to the 63.43% average ratio of our peer banks.

Asset quality remains an essential element of everything we do at EagleBank. For 2006, net credit losses were .06% of average loans as compared to the .08% ratio for our peer banks. Our loan loss reserve ended 2006 at 1.17%, the same as the ratio for our peer banks.

Our market area remains strong and as such has attracted the formation of new banks and increased competition from the larger regional banks. Competition for both deposits and loans has significantly increased. As such, our Company is intensely focused on acquiring new relationships and expanding existing ones. This is a primary thrust of our efforts over the next several years. Within this focus, technology plays a very prominent role. There is still tremendous opportunity for EagleBank in our current markets of Montgomery County and Washington, D.C. During 2006, we introduced our remote deposit system, which allows our commercial clients to scan their deposits through special equipment we provide, thus eliminating the need to physically take deposits to the bank.

Over the next few years, in addition to maintaining a strong focus on developing and growing relationships, the significant initiatives of the Company will be to:

- Better penetrate the overall D.C. market
- More fully develop fee-based businesses
- Recruit, develop and retain quality employees
- Improve efficiency by reviewing and modifying processes and procedures

During 2006, we were fortunate to add a new director to the EagleBank Board. Benjamin M. Soto, Esq., a well-known, active, and successful Washington D.C. businessman, joined our Board in December. We look forward to Ben's expertise.

Also, during the past year, we repositioned ourselves organizationally. Ron Paul, in addition to continuing in his roles as President, CEO and Director of Eagle Bancorp, and Chairman of EagleBank, also assumed the position of CEO of EagleBank. Reflecting our commitment to two distinct business regions, Mike Flynn became President of the D.C. Region and Tom Murphy became President of the Montgomery County Region. Susan Riel was named Chief Operating Officer of the Bank, and will continue to manage the operations, technology and human resources functions, as well as working closely with Ron on executing strategic initiatives. Bill Tinley, Chief Financial Officer of the Company, retired on December 31, 2006.



Leonard L. Abel  
Chairman, Eagle Bancorp, Inc.

Bill was a major factor in the growth of the Company and we are grateful for his many years of service. Jim Langmead is now the Chief Financial Officer of both the Company and the Bank.

In early 2007, we adopted a dividend reinvestment plan which will allow participating shareholders to reinvest their dividends at a 5% discount.

We're very proud of our community involvement. The EagleBank Foundation raised in excess of \$100,000 in 2006 for breast cancer research from its annual golf tournament. The proceeds of the 2006 tournament were awarded to Shady Grove Adventist Hospital and Suburban Hospital in Montgomery County. In Washington, D.C. the awards were given to Washington Hospital Center, Providence Hospital, George Washington University Cancer Institute, and The Wellness Center.

Thank you for your continued support of Eagle Bancorp, Inc. and EagleBank. We will strive to keep improving the value of your investment.



Ronald D. Paul  
President and CEO, Eagle Bancorp, Inc.  
Chairman and CEO, EagleBank

## SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

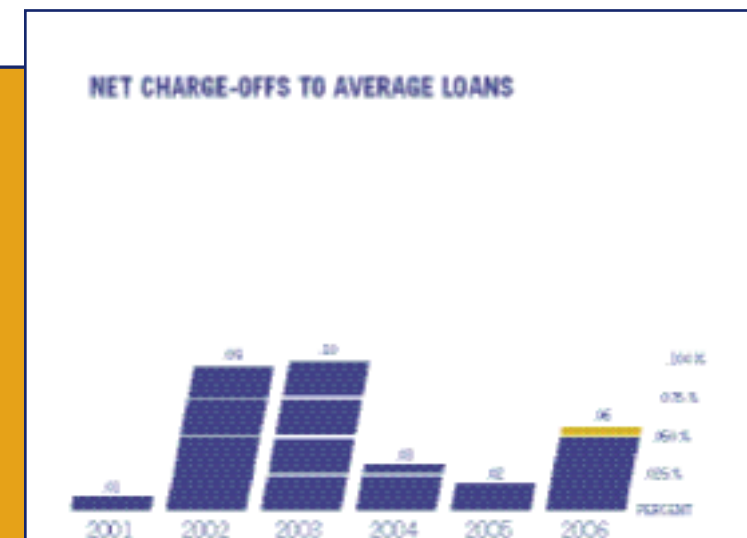
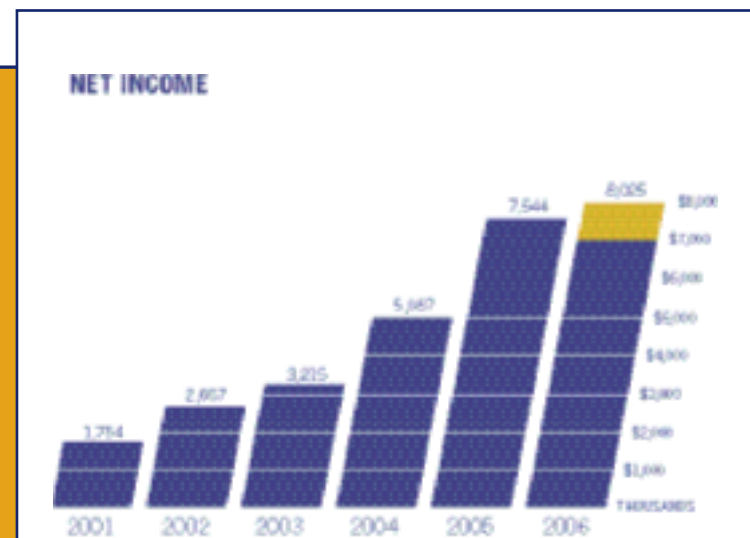
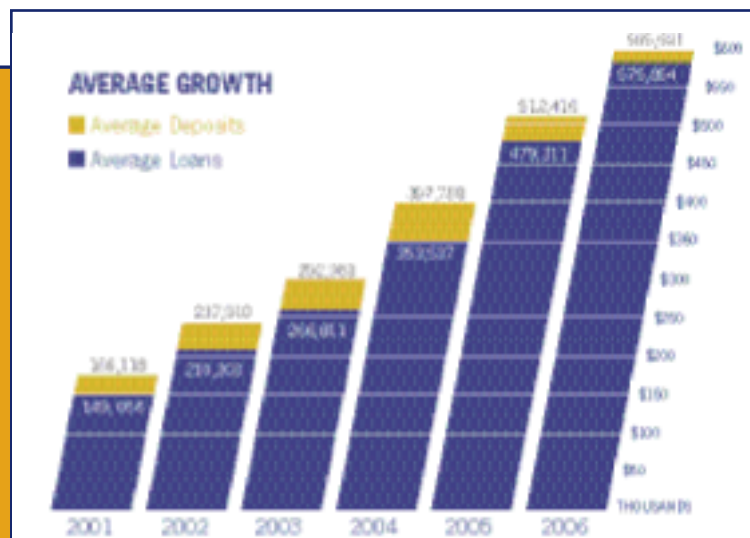
	2006	2005	2004	2003	2002	2001	5-Year Compound Growth Rate
<b>Selected Balances- Period End</b>							
Total assets	\$773,451	\$672,252	\$553,453	\$442,997	\$347,829	\$236,833	27%
Total stockholders' equity	72,916	64,964	58,534	53,012	20,028	17,132	34%
Total loans	625,773	549,212	415,509	317,533	236,860	182,256	28%
Total deposits	628,515	568,893	462,287	335,514	278,434	195,688	26%
<b>Selected Balances - Averages</b>							
Total assets	\$712,297	\$610,245	\$487,853	\$375,802	\$292,921	\$198,843	29%
Total stockholders' equity	68,973	61,563	55,507	34,028	18,381	16,615	33%
Total loans	575,854	479,311	353,537	266,811	210,303	149,056	31%
Total deposits	585,621	512,416	397,788	292,953	237,910	166,118	29%
<b>Results of Operations</b>							
Interest income	\$50,318	\$36,726	\$24,195	\$18,403	\$16,661	\$14,121	29%
Interest expense	17,880	8,008	4,328	3,953	5,170	5,998	24%
Net interest income	32,438	28,718	19,867	14,450	11,491	8,123	32%
Provision for credit losses	1,745	1,843	675	1,175	843	979	12%
Net interest income after provision for credit losses	30,693	26,875	19,192	13,275	10,648	7,144	34%
Noninterest income	3,846	3,998	3,753	2,850	2,107	1,324	24%
Noninterest expense	21,824	18,960	14,952	11,007	8,530	6,445	28%
Income before taxes	12,715	11,913	7,993	5,118	4,225	2,023	44%
Income tax expense	4,690	4,369	2,906	1,903	1,558	269	77%
Net income	8,025	7,544	5,087	3,215	2,667	1,754	36%
Dividends declared	2,147	1,994	-	-	-	-	-
<b>Per Share Data (1)</b>							
Net income, basic	\$0.85	\$0.82	\$0.56	\$0.49	\$0.54	\$0.36	19%
Net income, diluted	0.81	0.77	0.53	0.46	0.51	0.34	19%
Book value	7.69	6.95	6.38	5.85	4.09	3.50	17%
Dividends declared per share	0.23	0.22	-	-	-	-	-
Dividend payout ratio (2)	27.06%	26.83%	-	-	-	-	-
<b>Financial Ratios</b>							
Return on average assets	1.13%	1.24%	1.04%	0.86%	0.91%	0.88%	-
Return on average equity	11.63%	12.25%	9.16%	9.45%	14.51%	10.56%	-
Average equity to average assets	9.68%	10.09%	11.38%	9.05%	6.28%	8.36%	-
Net Interest Margin	4.81%	4.99%	4.35%	4.14%	4.16%	4.31%	-
Efficiency ratio (3)	60.15%	57.95%	63.30%	63.62%	62.73%	68.22%	-
Non-performing assets to total assets	0.26%	0.07%	0.03%	0.15%	0.28%	0.01%	-
Net charge-offs to average loans assets	0.06%	0.02%	0.03%	0.10%	0.09%	0.01%	-

(dollars in thousands except per-share data)

(1) Adjusted for all years presented giving retroactive effect to stock splits in the form of 30% stock dividends paid on July 5, 2006 and February 28, 2005 and a seven for five stock split in the form of a 40% stock dividend paid on June 15, 2001

(2) Computed by dividing dividends declared per share by net income per share

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



## RESULTS THROUGH RELATIONSHIPS IN THE YEAR 2006

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EagleBank builds a firm foundation of relationships – with customers, shareholders, employees, and with the community. Together we made 2006 a year of investing in the future, producing results, and meeting multiple banking needs. As we move forward, we continue to have the passion and the entrepreneurial spirit that drives us to excel.

”

Ronald D. Paul  
Chairman and CEO, EagleBank

Everyday, every hour, EagleBank receives calls that are met with a quick response. At the other end are customers whose questions are answered and whose needs are fulfilled.

The bond between EagleBank and its valued customers builds relationships based on mutual trust and respect. Relationships that reflect EagleBank's enduring commitment to personal service, creative banking solutions, and local accessibility.

In 2006, our mutually beneficial relationships resulted in continued growth for the company.

Our profit increased 6.4% over 2005 and our total assets grew 15% to \$773 million.

As our asset quality continued to be strong, our net interest margin remained high relative to our peers, despite a flat yield curve and heavy price competition for deposits and loans. Our growth in assets, loans,

deposits, and, importantly, client relationships, thrived through 2006, making it yet another successful year for EagleBank.

Building on our strength, 2006 was a year of investing in our future. New branches, new products, and new employees positioned EagleBank, once more, as a market leader. We opened a branch in Chevy Chase giving us a total of nine branches in the Washington area. To better serve customers, our existing Silver Spring branch was relocated into a new, larger space. EagleBank led the local market in introducing its Remote Deposit service, the latest in business banking convenience. We also focused on the non-profit market, offering products tailored

to its specific needs, such as attractive checking accounts and customized financing packages.

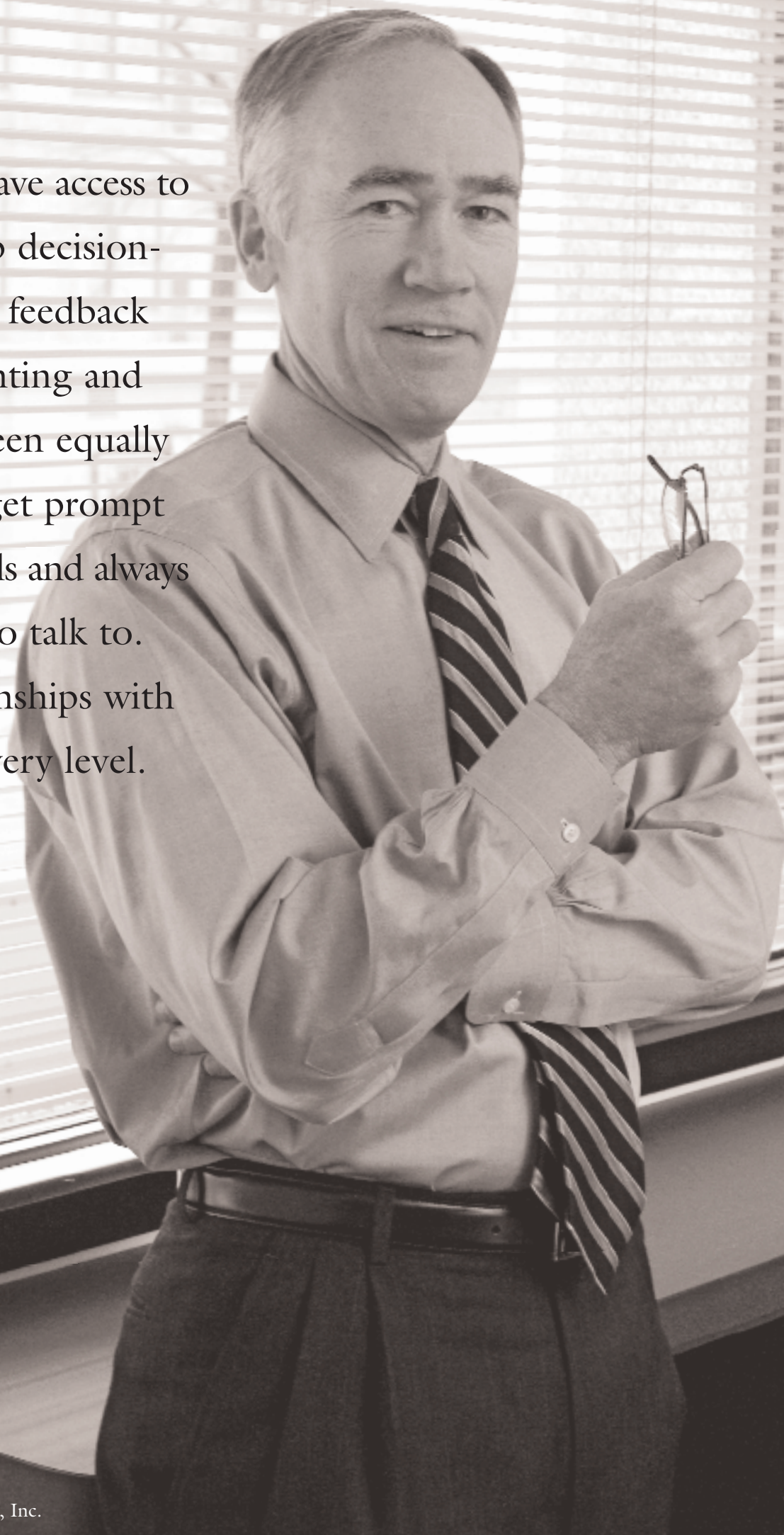
At EagleBank, we know that in fostering relationships, we are building trust. Our customers count on our skill as good listeners, our financial acumen, and our ability to anticipate and meet their needs. Our shareholders trust us to safeguard their valuable investments. And our employees rely on us to earn their loyalty, as we earn the confidence of the community where we all work and live. These relationships are, and will continue to be, the foundation of EagleBank's success.



“

Not only do I have access to EagleBank’s top decision-makers, but the feedback from my accounting and field staff has been equally positive. They get prompt return phone calls and always have someone to talk to. We have relationships with EagleBank at every level.

”



G. Thomas Borger  
President, Borger Management, Inc.  
Washington, DC

*“One of the things that we are most proud of, that has helped Borger Management, is EagleBank’s Commercial Real Estate Department. Our lenders have worked in this market for years and craft loans to meet a company’s particular needs.”*

Tom Murphy, President, EagleBank–Montgomery County



## HOW DOES EAGLEBANK’S LOCAL PRESENCE HELP MEET BORGER MANAGEMENT’S COMPLEX BANKING NEEDS ?

Eight years ago, G. Thomas Borger, President of Borger Management, Inc., decided that EagleBank could fulfill many of the banking needs of his respected, well-established real estate company. “We liked that they were local,” he explains. “The decisions are made here and by senior management. We transferred our accounts from banks that had become too big, where we had lost the connection with the people we were dealing with.”

Tom Murphy, President, EagleBank–Montgomery County, adds, “We were already familiar with Borger Management. If EagleBank has an industry concentration it is real estate. It made them comfortable that we share customers and relationships.”

Dealing with bankers that, like him, have long-standing community roots is important to Tom Borger. “I know and respect EagleBank’s Chairman, Ron Paul, and the other bank officers. It is natural that my company, with such a history in this market, would gravitate to a bank with strong local ties.”

EagleBank is founded on the principle of relationship banking. This means, as Tom Murphy notes, “that a customer such as Tom Borger can pick up the phone and talk to

our chairman, talk to any bank official, and know that we are here and are available to meet his needs.”

To have a bank fulfill multiple banking roles is also important to Borger Management. “EagleBank is one of our primary banks for deposits and checking accounts, as well as for money market accounts and certificates of deposit,” Borger remarks. “And EagleBank has provided us with loans customized for our specific requirements.”

Serving local real estate lending needs is a true niche for EagleBank. As Murphy explains, “One of the things that we are most proud of, that has helped Borger Management, is our Commercial Real Estate Department. We have lending officers who have been in this market for years. They know the borrower, they know the property, and they can streamline the entire process.”

While many banks offer similar products, what differentiates EagleBank is their method of delivery. “We work diligently with Tom Borger’s people to meet their complex banking needs,” Murphy reports. “On the cash management side, we appreciate that they have numerous accounts and transactions. We are working to

maximize their use of our ExecuBank service, and to put their monthly account statements on a CD. Our Remote Deposit product is also being discussed.”

“Efficient banking is the key to a smooth operation,” Borger concurs. “EagleBank communicates directly with my accounting office. We open and close escrow accounts, buy certificates of deposit, and invest clients’ money on a short term . . . painlessly.”

EagleBank’s downtown Washington, DC locations have also been an asset to Borger Management. “Accessibility is the key here,” Borger notes. “The opening of EagleBank’s K Street and McPherson Square branches enables us to have our checking accounts with them.”

Being accessible to clients – branches where they need them, bank officers to talk to when they need them – are hallmarks of EagleBank’s commitment to customer service. As Tom Murphy says, “Our local presence and availability is what distinguishes us. We know the players, we know the market . . .”

Tom Borger interjects, “You know your customers.”



## HOW DOES EAGLEBANK TEAM UP WITH DATAPRISE TO HELP THIS INNOVATIVE INFORMATION TECHNOLOGY COMPANY INCREASE SALES AND BECOME MORE COMPETITIVE ?

When David Eisner, President and CEO of Dataprise, Inc., began looking for a local bank for his growing company, he knew exactly what he wanted. "I needed a bank that could see the opportunity we presented . . . a community bank that offered immediate access to decision makers and would have the foresight to provide us with the financial support we required."

From the minute EagleBank stepped up to fill that role in 2001, the mutually beneficial relationship between the Bank and Dataprise has been one of respect, trust, and open communication. As David Eisner notes, "When we first went with

EagleBank, they were young and had an open ear. Now, years later, they still do."

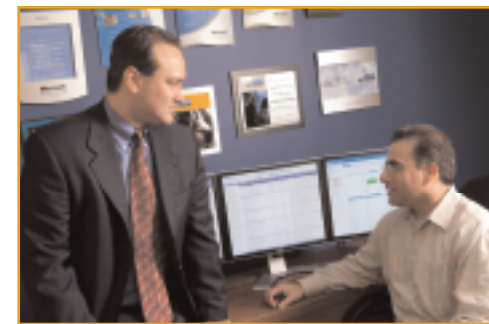
EagleBank is uniquely positioned to provide flexible, asset-based financing to growing companies. John Bettini, the bank officer who works with Dataprise explains, "We are able to customize our financial products and strategize the best way to meet a company's present and future lending needs."

In the case of Dataprise, what they required was a creative, two-pronged approach to financing. As a provider of IT services to small and medium-sized companies in the

Mid-Atlantic region, they needed the resources to support their expansion into new markets, as well as to meet their continuing demand for working capital.

"We were able respond quickly with both a term loan and a line of credit that was tailor-made for Dataprise," Bettini relates.

EagleBank's Lock Box is one product that's been particularly beneficial to Dataprise. This cash management service saves time and money by making it the Bank's responsibility to collect a company's receivables from a post office box and deposit the checks daily in their account. "We



*"We customize our financial products and strategize the best way to meet Dataprise's present and future lending needs. At EagleBank, we don't make the customer fit our product, we make our products and services fit the customer."*

John Bettini, Vice President and Commercial Lender, EagleBank

get the money several days earlier and that makes a big difference in our business," says David Eisner.

According to Bettini, "Dataprise was actually the first one to use our Lock Box service for their line of credit. When there is a lag between when receivables come in and when they're collected, our financing enables them to continue their operations and to grow."

"Using our receivables to support our growing cash flow requirements was the solution we needed, a solution that was not offered by our former bank. It's the critical reason we came to EagleBank," adds David Eisner.

When Dataprise saw a chance to acquire a smaller company in a new market, EagleBank was right there with them. "Without the Bank's quick response to step up to the table to help us we would have lost that opportunity," Eisner confirms. "They validated our decision and provided the term loan to finance the deal."

It is understandable that a CEO like David Eisner, an Ernst & Young Entrepreneur of the Year, whose company builds its success on relationships, would want to do business with a bank with the same culture. EagleBank's entrepreneurial spirit, commitment to corporate

citizenship, and dedication to forming bonds with customers, makes it easy to relate.

As Eisner concludes, "We were what they were looking for in a customer, and they were what we were looking for in a banking relationship. They've helped us become more competitive and we've helped each other grow. It's a good match."



“

EagleBank has the foresight and ability to provide us with the financial support we require. They understand our business and are always there when we need them.

”

David Eisner  
President and Chief Executive Officer, Dataprise, Inc.  
Rockville, Maryland



“ At EagleBank, if our customers succeed, so will we. From developing products to opening branches, EagleBank takes initiative to help the Bank and its customers grow. ”

Michael T. Flynn  
President, EagleBank-Washington

## RELATIONSHIPS BUILT BY MEETING NEEDS AND SHARING GOALS

The EagleBank story is best told by our customers and the dedicated people who serve them. Their relationships are forged by meeting shared goals and being a part of each other's growth. At EagleBank, no one takes our customer relationships for granted. Whether we approve a loan, manage a branch, cash a check, or answer the phone, all of our employees continually renew our commitment to customer service.

Anticipating and meeting customers' needs is paramount at EagleBank. In 2006, we developed new ways to make their banking easier and more convenient. With EagleBank's Remote Deposit service, checks are deposited at the customer's office using a desk-top scanner. Deposits are accepted as late as 6 PM, get into accounts sooner, and save multiple trips to the bank. As one of the first banks in the area to offer this service, our Remote Deposit product affirms

our role as industry leaders. With 200 scanners in our customers' offices, this technology has improved our ability to compete with banks with larger branch networks.

Another product that makes banking easier for our customers is our Business Check Card. Designed to help business owners manage expenses, control spending, and streamline purchasing, the Business Check Card is used to pay for everyday business needs. EagleBank customers are also enjoying the convenience of the Allpoint ATM network, with thousands of locations both locally and nationally.

In 2006, EagleBank decided to focus on non-profits by offering products tailored just for them. We met with members of the non-profit community, and together we explored ways to meet their banking and business needs. EagleBank now provides Non-Profit Relationship Banking and Checking – sweep accounts that are specifically

designed to meet the requirements of both large and small non-profit organizations.

EagleBank branches continue to serve our existing customers and attract new ones. Our ninth location in Chevy Chase, opened in May 2006, is exceeding expectations. Our internal restructuring, with a Bank President designated for each of our markets, Montgomery County and Washington, D.C., enables us to enhance our local presence.

Whether it is developing new products or opening new branches, EagleBank takes the initiative to help the Bank and its customers grow. We know if our customers succeed, so will we, and we are gratified that we have been so successful in achieving our mutual goals.



## RELATIONSHIPS BUILT BY IMPROVING OUR COMMUNITY

Living and working in the same community strengthens the bond between EagleBank and its customers. It also benefits the community itself. EagleBank, and the businesses and individuals it serves, frequently join together in support of many philanthropic organizations and activities.

EagleBank employees work hand-in-hand with our customers, neighbors, and friends in events such as the Susan G. Komen Race for the Cure and the Special Olympics. They also volunteer for organizations like the Joslin Diabetes Centers, Habitat for Humanity, and the National Kidney Foundation.

In 2006, we created the EagleBank Foundation, funded by our Fight Breast Cancer Golf Classic held

annually at Woodmont Country Club in Rockville, Maryland. For the second year, our customers joined us for this sold-out event, raising in excess of \$100,000 for breast cancer support. Donations were awarded to Suburban Hospital and Shady Grove Adventist Hospital in Montgomery County. In Washington, DC, donations went to Washington Hospital Center, Providence Hospital, George Washington University Cancer Institute, and The Wellness Center.

It is no coincidence that many of our customers first become acquainted with EagleBank, not during business hours, but as they work with our directors, officers, and employees in efforts to improve our community. For EagleBank,

corporate citizenship extends far beyond just writing a check. While we do generously contribute our financial support, our people willingly roll up their sleeves to do the work necessary to make Montgomery County and the District of Columbia better places to live.

Giving back to our community, providing exemplary service to our customers, and nurturing loyalty among our employees are all part of EagleBank's mission to be the Washington area's leading community bank. We are grateful for the relationships that contributed to our success in 2006.

We are committed to an even more successful 2007 for our shareholders, customers, community, and for ourselves.



*“The loyalty and satisfaction that we foster among our employees is transferred to our customers. We are committed to not only serving large medical practices, but to meeting the complete banking needs of individual physicians like Dr. Kim.”*

Tom Murphy, President, EagleBank–Montgomery County



## HOW DOES A RELATIONSHIP WITH EAGLEBANK THAT’S “LIKE FAMILY” BENEFIT SOLE PRACTITIONER DR. SUZANNE H. KIM ?

For Suzanne H. Kim, a successful dentist with her own practice, a relationship with EagleBank is a natural extension of her own commitment to her patients and her community. “I wanted a bank who shares my values of personal service and community involvement. That’s why I started with EagleBank in 2001, and I’ve been happy ever since.”

Dr. Kim first met EagleBank officers at community events and “got to know them and the kind of people they are.” She also heard that the bank was “up and coming” and went “above and beyond” for its customers. “From the lending officers to the tellers, I immediately felt comfortable there. The relationship I have with EagleBank is like family.”

According to Tom Murphy, President, EagleBank–Montgomery County, Suzanne H. Kim is the kind of customer the bank was created to serve. “From the beginning, we wanted to meet the banking needs of the medical community. We do business with large medical groups, but we are also very effective with sole practitioners like Suzanne.”

Dr. Kim is pleased with her operating account at EagleBank,

and she raves about the “warm, friendly atmosphere” at her branch where she knows everyone. But it is when she describes her experience with EagleBank’s lenders, that she uses words like “phenomenal” and “outstanding.”

“The interest rates had come down on the condo where my practice is,” Kim recalls, “and I wanted to refinance my commercial mortgage loan. All it took was one phone call to my lender, and it was done within 24 hours! He knew my financial background, so there was no additional paperwork. I asked and he did it.”

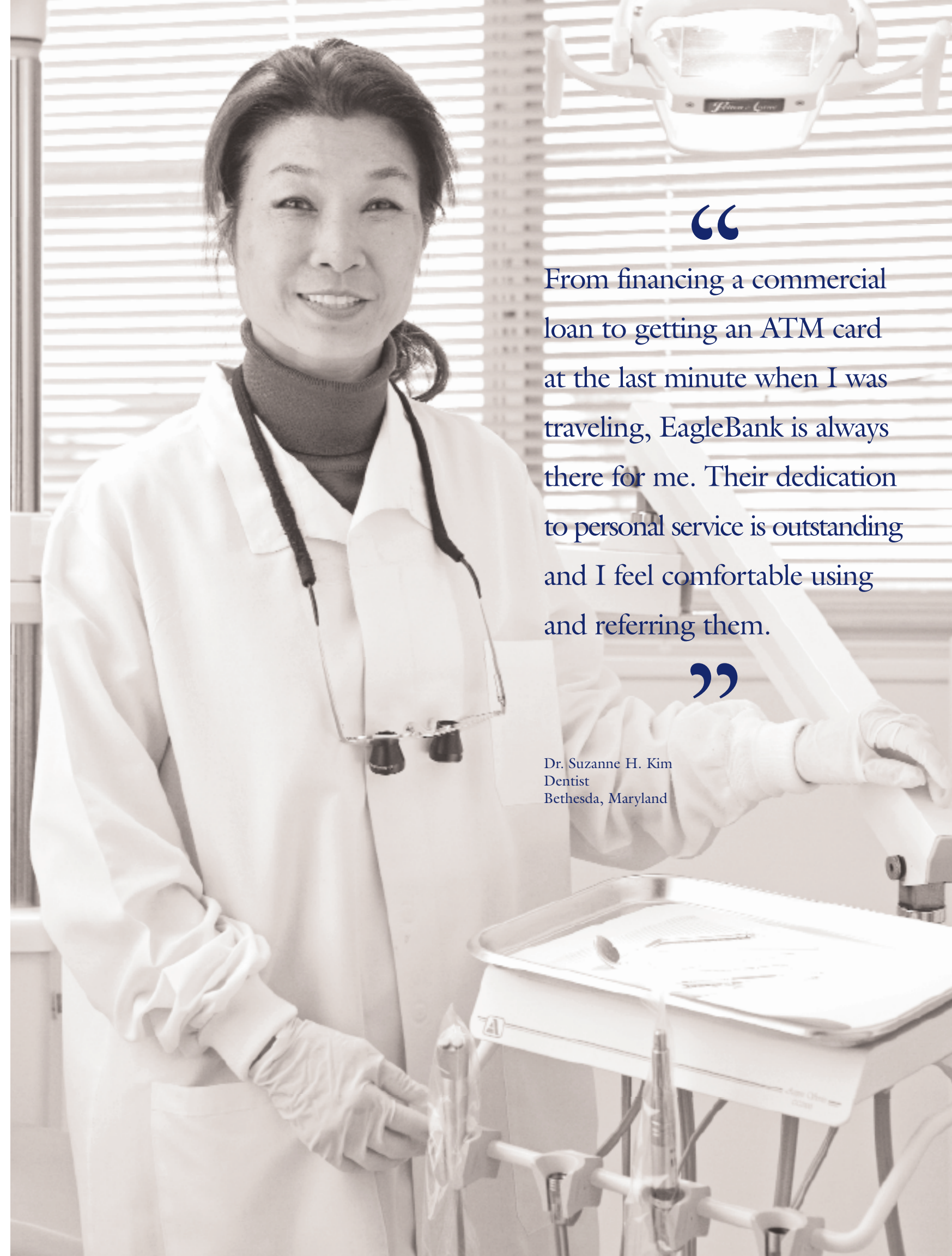
Dr. Kim also benefited from EagleBank’s customer service when she needed to finance a residential property. “Again, I just picked up the phone. It was a Friday night, but the loan officer was still there. I faxed him the mortgage information and, within an hour, he faxed back an approval. That kind of commitment, that kind of turn-around, is exceptional.”

Tom Murphy explains how EagleBank can respond so quickly to a customer’s needs. “That’s the advantage of a local, community bank. All the decision makers are here and it simplifies the process.”

EagleBank’s personal banking relationship with Dr. Kim is also a factor. “She is right here in the market and we see her smiling face at the branch. It is a complete banking relationship, so we know how successful she is. We are comfortable expediting a loan with someone like Suzanne.”

The comfort level that Dr. Kim and EagleBank have with each other extends beyond business hours. “Suzanne supports many charitable community events,” Murphy remarks. She is not only a sponsor, she is there as a volunteer. Kim adds, “It’s nice to read in their newsletter that EagleBank shares my commitment to the community. Each month they do something different.”

Whether it is service to the community or service to customers, Suzanne H. Kim couldn’t be happier with her experience with EagleBank. “Going the extra mile is what I always see EagleBank doing. For a sole proprietor like me, that’s the kind of service you can’t beat.”



“  
From financing a commercial loan to getting an ATM card at the last minute when I was traveling, EagleBank is always there for me. Their dedication to personal service is outstanding and I feel comfortable using and referring them.

”  
Dr. Suzanne H. Kim  
Dentist  
Bethesda, Maryland



## HOW DOES EAGLEBANK'S PROACTIVE STRATEGY HELP WAYNE DRYWALL FULFILL ITS POTENTIAL AS A MAJOR FORCE IN THE MARKETPLACE ?



*“As seasoned bankers with extensive financial backgrounds, we can advise customers how to maximize their growth. We knew what Wayne Drywall was capable of and supported them with our strategic planning and financing.”*

Martha Foulon-Tonat, Executive Vice President and Chief Lending Officer, EagleBank

When Kevin Shoemaker, President of Wayne Drywall, came to EagleBank seven years ago, his company was poised for growth. “We wanted a bank that would not only understand our goals, but be aggressive in helping us achieve them. While other banks struggled for a way to meet our needs, EagleBank found the right avenue and made it work.”

Helping growing companies realize their potential is EagleBank’s primary focus. “I met Kevin and I knew that Wayne Drywall had what it took to succeed,” recalls Martha Foulon-Tonat, EagleBank’s Chief

Lending Officer. “They just needed us to believe in them and support them with our strategic planning and financing.”

Kevin Shoemaker is quick to express how EagleBank’s knowledge of the local real estate industry has been invaluable to his company. “EagleBank looked at our list of blue chip clients and saw that we were a diamond in the rough. They knew a lot of the prominent builders that were our customers and saw things in us that we didn’t even see.”

To turn this promising company’s balance sheet “upside down to right

side up,” Martha Foulon-Tonat restructured their debt, substantially improving their cash flow. As Shoemaker explains “EagleBank gave us term loans to get rid of some old debt, and lines of credit to help us move forward to garner new business.”

What really impresses Shoemaker is EagleBank’s proactive approach to banking. “They monitor what we are doing and anticipate our needs. When they see we are in a growth curve and need to extend our line of credit, they are there to do it for us.” Foulon-Tonat adds, “It’s easy to respond to an immediate

financial need if you have anticipated it months before.”

With all of the EagleBank products and services that Wayne Drywall uses – operating accounts as well as a term loan and line of credit – the Bank keeps looking for new ways to fulfill their business needs. It is another advantage EagleBank offers its customers – the ability to meet many different banking requirements.

“I know they always have new products we can benefit from,” says Shoemaker.”

One product of interest to Wayne Drywall is EagleBank’s Remote

Deposit. “You scan your checks at the office and they are deposited right in your account, explains Foulon-Tonat. “Deposits are accepted until 6 pm – extending the business day and speeding up your cash flow.” “That would make our comptroller very happy,” Shoemaker replies.

Having a bank be proactive in fulfilling their needs has meant a lot to Wayne Drywall. “Within four or five years of starting with EagleBank we had pretty much doubled our revenue,” notes Shoemaker. “Without the Bank’s support, we couldn’t have grown

like we did. I truly believe they care about us.”

“That’s what makes a community banker,” concludes Foulon-Tonat. “We really want to know our customers. We want the personal contact. And we want to be a part of their growth.”



“EagleBank has earned my loyalty and trust. They are an integral part of our success and have a personal investment in our company. They know our industry and always respond quickly to our needs.”

Kevin Shoemaker  
President, Wayne Drywall  
Olney, Maryland



## BOARD OF DIRECTORS



This image of the Board of Directors was taken in the lobby of EagleBank's newest branch which is located at the Chevy Chase Center in Friendship Heights.

**Leonard L. Abel \***

Chairman of Eagle Bancorp, Inc. Until retiring in 1993, Mr. Abel was partner-in-charge of the certified public accounting firm of Kershenbaum, Abel, Kernus and Wychulis, Rockville, Maryland.

**Ronald D. Paul \***

President and CEO, Eagle Bancorp, Inc. Chairman and CEO, EagleBank President of Ronald D. Paul Companies and RDP Management. Chairman of Bethesda Investments, Inc., a private venture capital fund.

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

President of Washington Analysis Corporation, a leading governmental policy institutional investment research brokerage firm.

**Arthur H. Blitz**

Principal in the Bethesda law firm of Paley, Rothman, Goldstein, Rosenberg, Eig & Cooper, Chartered.

**Harold Brazil**

Principal of Harold Brazil & Associates, PC.

**Dudley C. Dworken \***

Owner of Curtis Chevrolet-Kia, an automobile dealer in Washington, DC; Chairman of the Washington Area Better Business Bureau; Managing Partner, JDJ Investments.

**Steven L. Fanaroff**

Vice President and Chief Financial Officer of Magruder Holdings, Inc., a regional supermarket chain.

**Michael T. Flynn \***

President, EagleBank – Washington Executive Vice President and COO, Eagle Bancorp, Inc.

**Eugene F. Ford, Jr.**

Chairman of the Board of Edgewood Management Corp.

**Eugene F. Ford, Sr. \*\***

Engaged in the business of property management and development; Chairman of Mid-City Financial Corporation, an apartment developer.

**Harvey M. Goodman \***

President of Goodman-Gable-Gould/Adjusters International, a Maryland-based public insurance adjusting firm.

**Neal R. Gross**

Chairman and Chief Executive Officer of Neal R. Gross & Company, Inc., a Washington, DC-based court reporting service.

**Benson Klein**

Principal of Maryland-based law firm Ward & Klein, Chartered.

**Bruce H. Lee**

President of Lee Development Group; General Manager of Acorn Self-Storage; General Partner of Montgomery 1936 Land Company, LLC; and Principal Broker of Montgomery Land Company, LLC.

**Philip N. Margolius \***

Partner in the Margolius Law Firm, and managing member of The Margolius Firm, LLC, a consulting firm.

**Thomas D. Murphy**

President, EagleBank – Montgomery County

**Kim Natovitz**

President of The Natovitz Group, Inc., an independent life and health insurance agency.

**Don R. Rogers \***

Partner in the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A.

**Benjamin M. Soto, Esq.**

President and CEO of Paramount Title & Escrow, LLC, a high-volume, full service title company licensed in Washington, D.C., Maryland and Virginia.

**Worthington H. Talcott, Jr.**

Partner in the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A.

**Charles F. Tate**

Managing Partner of Tate & Tryon, CPAs and Consultants in Washington, DC.

**Leland M. Weinstein \***

President of Syscom Services, Inc., a technology consulting firm that specializes in providing federal and state agencies as well as Fortune 1000 businesses with technology products and services that help streamline communications and operations.

**Eric H. West**

Founding principal of West, Lane & Schlager, specializing in tenant representation and strategic real estate consulting.

\* Director of EagleBank and Eagle Bancorp, Inc.

\*\* Director Eagle Bancorp, Inc. only



# EAGLEBANK MISSION STATEMENT

EagleBank is committed to providing quality financial services and successful solutions that consistently achieve a high degree of customer satisfaction. We will distinguish our company from other institutions in our ability to provide superior service while creating stockholder value, building our community, and encouraging the growth and well-being of our people. We are dedicated to being the leading community bank in our market, recognized and respected for our banking knowledge, customer service, business ethics, and corporate citizenship.

## OFFICERS

**Ronald D. Paul**  
**Michael T. Flynn**  
**Thomas D. Murphy**

Chairman/CEO  
President/EagleBank – Washington  
President/EagleBank -  
Montgomery County

**Martha Foulon-Tonat**  
**James H. Langmead**  
**Susan G. Riel**

EVP/Chief Lending Officer  
EVP/Chief Financial Officer  
EVP/Chief Operating Officer

## EXECUTIVE OFFICERS

**Kim Natovitz, Chair**  
**Chris Busky**  
**Raul Cano-Rogers**

The Natovitz Group, Inc.  
Heart Rhythm Society  
Washington Consulting  
Corporation  
Association Trends  
Cole, Raywid & Braverman, LLP  
Lincoln Financial Advisors  
Meiwah Restaurant

**Anne Mosle**  
**Jeffrey Pargament, Esq.**  
**Preston Sacks, M.D.**  
**Earl Segal, Esq.**  
**Howard Slavit, Esq.**  
**Yeni Wong**

Washington Area's Women's  
Foundation  
Piliero, Mazza, & Pargament  
Columbia Fertility Associates  
Newmark Knight Frank  
Saul Ewing, LLP  
Riverdale International, Inc.

## DC ADVISORY BOARD

**Benson Klein, Chair**  
**Mark Birns, M.D.**

Ward & Klein, Chartered  
Birns, Gloger & Witten,  
MD P.C.

**Bruce Bortnick, M.D.**

Shady Grove Radiological  
Consultants

**Daniel Esposito, M.D.**

Internal Medicine Center, P.A.

**Joanne Genevish, RN, MBA**

Montgomery General Hospital  
Sport and Spine Rehab

**Jay Greenstein**

Private Dental Practice

**Alan Levine, D.D.S.**

**Sharon Ann Peters, CPA**

Peters, Kearney & Associates,  
P.A.

**David Pinsky, D.D.S.**

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**Larry Walker**

The Walker Group

**Michael Weber, D.D.S.**

Endodontic Associates of  
Greater Washington

**Jeffrey Weintraub, CPA**

Kamerow, Weintraub, &  
Swain, LLP

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Officer Silver Spring

**Richard E. Buterbaugh II**

SVP/Senior Operations Officer

**Deborah L. Colliton**

SVP/Business Development  
Officer Bethesda

**Richard D. Corrigan**

SVP/Senior Real Estate Lender

**Robert R. Hoffmann**

SVP/Senior Commercial Lender

**Deborah C. Kahley**

SVP/Marketing and Sales Liaison

**Linda M. Lacy**

SVP/Information Technology  
Manager

**R. Frederick Marsden**

SVP/Senior Consumer Lender

**Joan Y. S. Pawloski**

SVP/Loan Administration  
Manager

**Guy J. Tegler**

SVP/Commercial Lender

**Janice L. Williams**

SVP/Chief Credit Officer

**Allan L. Acree**

VP/Commercial Real Estate Lender

**John A. Beck, Jr.**

VP/Commercial Lender

**John A. Bettini**

VP/Commercial Lender

**Judy L. Callaway**

VP/Deposit Operations Manager

**Linda A. Dawkins**

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Officer Shady Grove

**Michael L. Devito**

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**Paula L. Flynn**

VP/Credit Analyst

**Effrossini Georgiou**

VP/Business Development  
Officer Dupont Circle

**Stephen I. Greene**

VP/Residential Lending Manager

**Timothy D. Hamilton**

VP/Commercial Lender

**Kai M. Hills**

VP/Business Development  
Officer Bethesda

**Malcolm S. Karl**

VP/Non-Profit Specialist

**Deborah J. Keller**

VP/Business Development  
Officer Silver Spring

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VP/Compliance Director

**Susan M. Lewis**

VP/Branch Administration Manager

**Matthew B. Leydig**

VP/Commercial Real Estate  
Lender

**Ivy Lim-Jui**

VP/Controller

**Thomas A. Mee**

VP/Commercial Real Estate  
Lender

**Cheryl Payne**

VP/Business Development  
Officer Rockville

**Rob D. Powell**

VP/Commercial Lender DC

**Ryan A. Riel**

VP/Commercial Real Estate  
Lender

**Kenneth S. Scales**

VP/Commercial Lender

**Janette S. Shaw**

VP/Marketing and Advertising  
Manager

**Louis Slifker, Jr.**

VP/Director of Audit

**Jackie L. Staff**

VP/Business Development  
Officer McPherson Square

**Garry K. Tyran**

VP/Business Development  
Officer Chevy Chase

**Ngozi V. Agugua**

AVP/Construction Loan  
Administrator

**Michele Capone**

AVP/Workout, Liquidation and  
Recovery Manager

**Terry L. Clarke**

AVP/Project Manager

**Rejeanna T. Foster**

AVP/SBA Lender

**Sharon A. Gray**

AVP/Loan Operations Manager

**Yulissa Guerra**

AVP/Branch Manager Bethesda

**Michael G. Himmel**

AVP/Commercial Lender

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AVP/Business Development  
Officer Rockville Pike

**Linda S. Licata**

AVP/Branch Manager  
Dupont Circle

**Courtney W. Michel**

AVP/Human Resources Officer

**Barbara I. Millard**

AVP/Branch Manager  
Silver Spring

**Mardi S. Novik**

AVP/Branch Manager  
Shady Grove

**Alexis Santin**

AVP/Branch Manager K Street

**Jenny A. Shtipelman**

AVP/Business Development  
Officer K Street

**Deborah C. Shumaker**

AVP/Cash Management Specialist

**Dana M. Thomas**

AVP/Training Officer

**Jane N. Willis**

AVP/Credit Analyst

**Christine Andrukitis**

Consumer Loan Officer

**Carolyn Arndt**

Branch Manager/Officer  
Rockville Pike

**Michael S. Betton**

Audit Officer

**Robert C. Cortez**

Residential Mortgage Officer

**Shari Craig**

Senior Portfolio Management  
Officer

**Earl Franklin**

Branch Manager/Officer  
McPherson Square

**Olga Jean-Claude**

Assistant Branch Manager/Officer  
Silver Spring

**Patrick T. McCalley**

Senior Residential Mortgage  
Officer

**Marlyn Newton**

Asst. Corporate Secretary

**Zandra D. Nichols**

Corporate Secretary/Officer

**Ann-Marie Z. Robinson**

Branch Manager/Officer  
Rockville

**Lynne K. Shaer**

Assistant Controller/Officer

**Harvey L. Spicer III**

Residential Mortgage Officer

**Marshelle R. Taylor**

Audit Officer

**Teresa V. Trinh**

Portfolio Monitoring  
Specialist/Officer

**Christie Washington**

Senior Portfolio Management  
Officer



# CORPORATE INFORMATION

## Annual Meeting

Annual Meeting  
Bethesda Marriott  
5151 Pooks Hill Road  
Bethesda, MD 20814  
Tuesday, May 15, 2007, at 10:00 a.m.

## Form 10-K

The Company's Form 10-K may be obtained, free of charge, by contacting:  
Zandra D. Nichols  
Corporate Secretary  
EagleBank  
7815 Woodmont Avenue  
Bethesda, MD 20814  
240-497-2041  
znichols@eaglebankmd.com  
www.eaglebankmd.com

## Stock Exchange Listing

Common shares of Eagle Bancorp are traded on the NASDAQ Capital Market Small Cap under the symbol EGBN.

## Transfer Agent and Registrar

Computershare Trust Company, N.A.  
P.O. Box 43078  
Providence, RI 02940-3078  
www.computershare.com

## Corporate Headquarters

7815 Woodmont Avenue  
Bethesda, MD 20814  
301-986-1800

## Investor Relations

James H. Langmead  
EVP, Chief Financial Officer  
EagleBank  
7815 Woodmont Avenue  
Bethesda, MD 20814  
240-497-1678  
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www.eaglebankmd.com

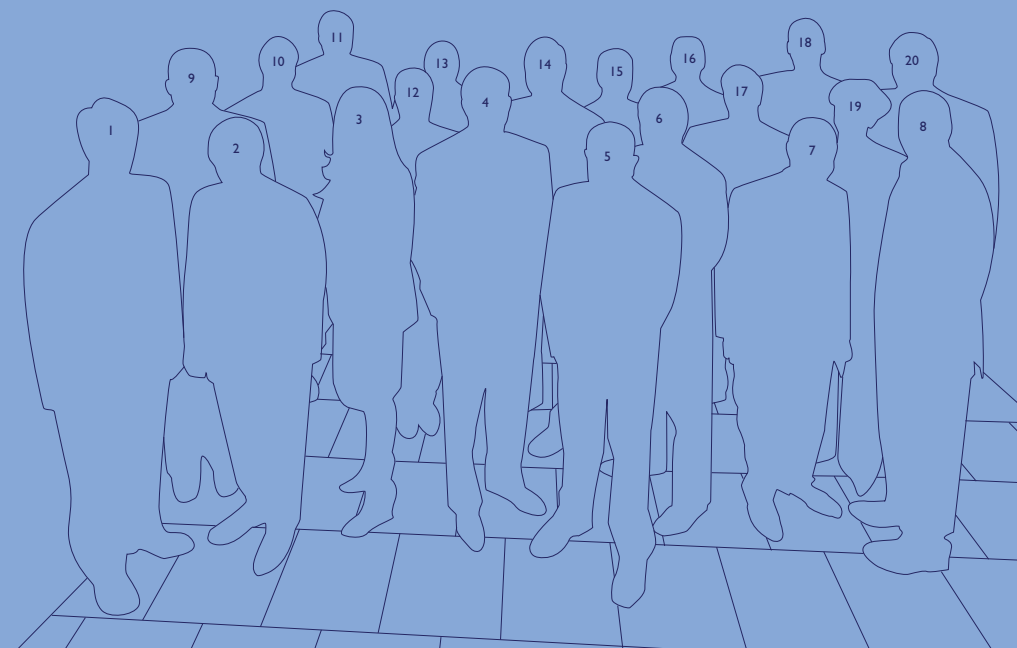
Member Federal Deposit Insurance Corporation  
Equal Housing Lender  
Member Federal Reserve System  
Affirmative Action/Equal Opportunity Employer

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## BOARD OF DIRECTORS

- 1 Charles F. Tate
- 2 Neal R. Gross
- 3 Zandra D. Nichols,  
Corporate Secretary
- 4 Ronald D. Paul
- 5 Leonard L. Abel
- 6 Thomas D. Murphy
- 7 Dudley C. Dworken
- 8 Donald R. Rogers
- 9 Benjamin M. Soto, Esq.
- 10 Eric H. West
- 11 Harold Brazil
- 12 Harvey M. Goodman
- 13 Arthur H. Blitz
- 14 Michael T. Flynn
- 15 Eugene F. Ford, Sr.
- 16 Philip N. Margolius
- 17 Worthington H. Talcott, Jr.
- 18 Leland M. Weinstein
- 19 Kim Natovitz
- 20 Steven L. Fanaroff

Not Pictured:  
Leslie M. Alperstein, Ph.D.,  
Eugene F. Ford, Jr., Benson  
Klein, and Bruce H. Lee





**BETHESDA**

7815 Woodmont Avenue  
Bethesda, MD 20814  
T: 301-986-1800  
F: 301-986-8529

**CHEVY CHASE**

15 Wisconsin Circle  
Chevy Chase, MD 20815  
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F: 301-280-6810

**DUPONT CIRCLE**

1228 Connecticut Avenue, N.W.  
Washington, DC 20036  
T: 202-466-3161  
F: 202-466-4931

**K STREET**

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Washington, DC 20006  
T: 202-296-6886  
F: 202-296-0212

**McPHERSON SQUARE**

1425 K Street, N.W.  
Washington, DC 20005  
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F: 202-408-8644

**ROCKVILLE**

110 North Washington Street  
Rockville, MD 20850  
T: 301-738-9600  
F: 301-738-1210

**ROCKVILLE PIKE**

11921 Rockville Pike  
Rockville, MD 20852  
T: 301-230-9260  
F: 301-230-9164

**SHADY GROVE**

9600 Blackwell Road  
Rockville, MD 20850  
T: 301-762-3076  
F: 301-762-2234

**SILVER SPRING**

8677 Georgia Avenue  
Silver Spring, MD 20910  
T: 301-588-6700  
F: 301-589-5064