EAGLE BANCORP INC
Form DEF 14A
April 03, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No._____)

Filed by Registrant x

Filed by Party other than Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

x Definitive Proxy Statement

o Soliciting Materials Pursuant to §240.14a-12

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

o Definitive Additional Materials

Eagle Bancorp, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):		
x	No fee required.	
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
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o	Fee paid previously with preliminary materials.	
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.	
	(1)	Amount previously paid:
	(2)	Form, Schedule or Registration Statement No.:
	(3)	Filing Party:
	(4)	Date Filed:

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The Annual Meeting Of Shareholders Will Be Held At:

The Bethesda Marriott Hotel

5151 Pooks Hill Road

Bethesda, Maryland 20814-2432

on Thursday, May 17, 2018 at 10:00 A.M. EDT

To The Shareholders of Eagle Bancorp, Inc.:

Proxy Statement

The Board of Directors of Eagle Bancorp, Inc. is soliciting your proxy for use at the Annual Meeting of Shareholders, to be held at 10:00 A.M. EDT on Thursday, May 17, 2018, and at any adjournment or postponement of the meeting. This proxy statement and proxy card are being sent to shareholders of the Company on or about April 3, 2018, to shareholders of record as of March 21, 2018, the record date for the meeting. A copy of the Company s Annual Report on Form 10-K for the year ended December 31, 2017, which includes our audited financial statements, also accompanies this proxy statement.

In this proxy statement, we refer to (a) Eagle Bancorp, Inc. as the Company, Eagle, we or us, (b) the Board of Directors as the Board or Board of Directors and (c) EagleBank, our wholly owned subsidiary, as EagleBank or the Bank.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 17, 2018. A copy of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2017, and our Report to Shareholders is available online at http://viewproxy.com/eaglebankcorp/2018.

This year, we are using the Notice and Access method of providing proxy materials to you via the Internet instead of mailing printed copies. We believe that this process will provide you with a convenient and quick way to access the proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2017. Also accessible, is our Report to Shareholders and an authorization for a proxy to vote your shares. This allows us to conserve natural resources, and reduce the costs of printing and distributing the proxy materials.

Most shareholders will not receive paper copies of the proxy materials unless they request them. Instead, the Important Notice Regarding Availability of Proxy Materials, which we refer to as the Notice and Access card, has been mailed to our shareholders to provide instructions regarding how to access and review all of the proxy materials on the Internet. The Notice and Access card also tells you how to submit your proxy vote via the Internet or telephone. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials printed on the Notice and Access card.

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Notice of Meeting:

The Annual Meeting of Shareholders of Eagle Bancorp, Inc. (the Company) will be held for the following purposes:

1. To elect nine directors to serve until the 2019 Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. To ratify the appointment of Dixon Hughes Goodman LLP as the Company s independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ended December 31, 2018;

3. To vote on a non-binding, advisory resolution approving the compensation of our named executive officers; and

4. To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

Shareholders of record as of the close of business on March 21, 2018 are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy in order to ensure the presence of a quorum.

Registered shareholders may vote:

- By Internet: go to **www.AALvote.com/EGBN**;
- By toll-free telephone: call **1 (866) 804-9616**; or
- By mail: mark, sign, date and promptly **mail the enclosed proxy card** in the enclosed postage-paid envelope.

If your shares are not registered in your name, please see the voting instructions provided by your recordholder (typically your broker) on how to vote your shares. You will need additional documentation from your recordholder in order to vote in person at the meeting.

	By Order of the Board of Directors,
	Jane E. Cornett, Corporate Secretary
April 3, 2018	

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Proxy Statement

When and where is the Annual Meeting of Shareholders being held?

The meeting is being held at 10:00 A.M., EDT on Thursday, May 17, 2018, at The Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Maryland 20814 (http://www.marriott.com/hotels/travel/wasbt-bethesda-marriott/). From the Capital Beltway (I-495), take Wisconsin Avenue (Route 355) south to the first traffic light. Turn right onto Pooks Hill Road. The Hotel is on the right.

What am I being asked to vote on at the meeting?

You are being asked to vote on three proposals at the meeting:

1. the election of nine directors for a one year term until the 2019 Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. the ratification of the appointment of Dixon Hughes Goodman LLP as the Company s independent registered public accounting firm for the year ended December 31, 2018; and

3. a non-binding, advisory resolution approving the compensation of our named executive officers.

How does the Board recommend I vote?

The Board unanimously recommends that you vote:

- **FOR** the election of all of the nominees for election as director (see Proposal 1 on page 12);

- **FOR** the ratification of accountants (see Proposal 2 on page 59); and

- **FOR** the nonbinding resolution approving our named executive officer compensation (see Proposal 3 on page 60).

Who is entitled to vote at the meeting?

Only shareholders of record of the Company s common stock, par value $0.01 per share (the common stock), at the close of business on March 21, 2018, will be entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. On that date, the Company had 34,307,680 shares of common stock outstanding, held by approximately 19,279 total shareholders, including 738 shareholders of record. The common stock is the only class of securities entitled to vote at the meeting.

If your shares are registered directly in your name with Computershare Trust Company, N.A., our transfer agent, then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting, or vote by proxy, using any of the following three methods to submit your proxy:

- by **Internet**: go to www.AALvote.com/EGBN and follow the instructions provided;
- by **toll-free telephone**: call 1 (866) 804-9616; or
- by **mail**: mark, sign, date and promptly mail the enclosed proxy card in the enclosed postage-paid envelope.

If your shares are held in an account at a broker, bank or other nominee (collectively, your broker), rather than in your name, then you are a beneficial owner of street name shares, and these proxy materials are being forwarded to you by your broker. Your broker is entitled to vote your shares at the meeting or submit a proxy. (*Please see the next question for important information regarding voting by your broker.*) As a beneficial owner, you are entitled to direct your broker how to vote your shares. You will need to follow the directions your broker provides you and give the broker instructions as to how the broker should vote your shares by following the instructions you received from your broker. If you want to vote your shares held in street name at the meeting, you will need to obtain a legal proxy from your broker authorizing you to vote your shares. A brokerage statement or the voting instruction form you received from your broker will not allow you to vote in person at the meeting. Please note that your broker may have a deadline for submitting voting instructions that is earlier than the voting deadline for recordholders.

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Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy, either by Internet, telephone or mail, or to instruct your broker how to vote, in order to ensure the presence of a quorum.

Will my broker vote my shares for me?

Under the rules of the New York Stock Exchange (NYSE) applicable to its member firms, your broker will not vote your shares on the election of directors or the advisory resolution on executive compensation unless they receive instructions from you. **If you hold your shares through a broker, it is extremely important that you instruct your broker how to vote your shares.** The election of directors (even if not contested) and the non-binding advisory vote on executive compensation are not considered routine matters. As such, your broker cannot vote your shares with respect to these proposals if you do not give instructions.

How many votes do I have?

You have one vote for each share of common stock you hold as of the record date on each matter submitted for the vote of shareholders. You do not have the right to cumulate votes in the election of directors.

What is the quorum requirement for the meeting?

The presence, in person or by proxy, of at least a majority of the total number of outstanding shares of common stock is necessary to constitute a quorum at the meeting.

How will proxies be voted and counted?

Properly executed proxies received by the Company in time to be voted at the meeting will be voted as you specify. If you do not specify how you want your shares voted, proxies will be voted:

- **FOR** the election of all the nominees for election as directors;
- **FOR** the ratification of the appointment of Dixon Hughes Goodman LLP; and
- **FOR** the non-binding, advisory resolution approving the compensation of our named executive officers.

We do not know of any other matters that will be brought before the meeting. If other matters are properly brought before the meeting, the persons named in the proxy intend to vote the shares to which the proxies relate in accordance with their best judgment.

The Inspector of Election appointed for the meeting will determine the presence of a quorum and will tabulate the votes cast at the meeting. Abstentions will be treated as present for purposes of determining a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the vote of shareholders. If a broker advises the Company that it cannot vote on a matter because the beneficial owner has not provided voting instructions and it does not have discretionary voting authority on a particular matter, this is a broker non-vote with respect to that matter. Shares subject to broker non-votes will be counted as shares present or represented at the meeting for purposes of determining whether a quorum exists; however, such shares will not be considered as present or voted with respect to the matters on which the broker does not have the power to vote.

Can I revoke my proxy after I submit it?

Yes. You may revoke your proxy or change your vote at any time before it is voted at the meeting by:

- granting a later proxy with respect to the same shares;

- sending written notice to Jane E. Cornett, Corporate Secretary of the Company, 7830 Old Georgetown Road, Third Floor, Bethesda, Maryland 20814 at any time prior to the proxy being voted; or

- voting in person at the meeting.

Your attendance at the meeting will not, in itself, revoke your proxy. If your shares are held in the name of your broker, please see the voting form provided by your broker for additional information regarding the voting of your shares.

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What votes are required to approve the election of directors and the other proposals?

Under our Articles of Incorporation and Bylaws, directors are elected at the Annual Meeting by a plurality of the votes cast in the election. Since this is not a contested election, nominees who do not receive more votes cast for their election than votes withheld or cast against their election must submit their resignation after certification of the vote. Approval of the proposals to ratify the appointment of our independent registered public accounting firm and to approve the nonbinding, advisory resolution on compensation of our named executive officers requires the affirmative vote of a majority of the votes cast on such matters.

How are proxies being solicited?

In addition to the use of these proxy materials, proxies may also be solicited personally or by telephone by officers, employees or directors of the Company or its subsidiary, EagleBank, who will not receive any special compensation for their services in soliciting proxies. Additionally, we have engaged Alliance Advisors, LLC (Alliance), a proxy solicitation firm, to assist us in the distribution of proxy materials and the solicitation of votes. We will pay Alliance a base fee of $6,000, plus per-call fees and reimbursement of its out-of-pocket expenses for its services. We may also reimburse brokers, custodians, nominees and other fiduciaries for their reasonable out-of-pocket and clerical costs for forwarding proxy materials to their principals. The cost of this proxy solicitation is being paid by the Company.

How can I find out the results of the voting at the annual meeting?

Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days after the day final results are available.

What does it mean if I receive more than one set of materials?

This most likely means you hold shares of common stock in more than one way. For example, you may own some shares directly as a shareholder of record and other shares through a broker, or you may own shares through more than one broker. In these situations, you may receive multiple sets of proxy materials or Notice and Access cards. In order to vote all the shares you own, you must either complete, sign, and return all of the proxy cards or voting instruction forms, or follow the instructions for any alternative voting procedure on each of the Notice and Access cards or voting forms you receive. Each proxy card or voting instruction form you receive should come with its own prepaid return envelope. If you vote by mail, make sure you return each voting form in the return envelope that accompanied that voting form.

Why aren t all of the shareholders who are in my household getting their own copy of the proxy materials?

In some cases, only one set of the proxy materials is delivered to multiple shareholders sharing an address. However, this delivery method, called householding, is not used if we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and the Annual Report to a shareholder at a shared address to which a single copy of the documents were delivered. To request a separate delivery of these materials now or in the future, you should submit a written request to: Jane E.

Cornett, Corporate Secretary, at the Company s executive offices, 7830 Old Georgetown Road, Bethesda, Maryland 20814, or by calling (301) 986-1800. Additionally, any shareholders who are presently sharing an address and receiving multiple copies of shareholder mailings and who would prefer to receive a single copy of such materials may let us know by directing that request to us in the manner provided above.

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Proxy Statement Summary

Introduction

Eagle Bancorp, Inc. is the parent company of EagleBank. The Bank operates as a community bank alternative to the super-regional financial institutions, which dominate its primary market area. The cornerstone of the Bank s philosophy is to provide superior, personalized service to its clients. The Bank focuses on relationship banking, providing each client with a number of services, familiarizing itself with, and addressing, client needs in a proactive, personalized fashion. Management believes that the Bank s target market segments, including small, medium and large-sized for profit and non-profit businesses and the consumer base working or living in and near the Bank s market area, demand the convenience and personal service that an independent, locally based financial institution such as the Bank can offer. It is these themes of proactive personal and ease of access service that form the basis for the Bank s business development strategies.

Our Mission

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

Our Values: Relationships F I R S T

Flexible

We **begin** our relationships based on our time-tested tradition of listening to 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 do not make good banking sense, relationships do. We are 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.

Our Commitment to the Community

At EagleBank, we are proud of our role as a commercially oriented bank and equally proud of our track record as an active lender to the small business and real estate communities in the Washington metropolitan area. We consistently hold a higher percentage of our assets in loans than our peer banks, and believe that it is extremely important for EagleBank to be an active, committed lender in its community, rather than out of the area, or investing the funds in a securities portfolio.

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We are locally focused, with 96% of our loan portfolio in Washington, DC, Maryland and Virginia. We are passionate about our role as a lender to local small businesses. We know that both nationally and locally, small businesses are the source of the vast majority of new job creation. By lending to these small businesses, we help build and grow our employment base and our local economy.

In addition to our general lending activities, we have developed cooperative economic development programs with several state and local government entities. About five years ago, we worked with officials in Montgomery County, Maryland to develop a program in which the county places deposits in locally based community banks, and in return, those banks commit to make loans to local businesses. The program has been very successful, as the county has placed $50 million in deposits with the participating banks and the banks have far exceeded that amount in loans originated. However, the most important outcome has been that over 1,350 jobs in the county have been created through the program. Since our goal was to build the deposits to generate the loans that stimulate the local economy, we are very excited and proud of what the program has accomplished.

Programs like the one created in Montgomery County have gained support with other jurisdictions and agencies. More recently, EagleBank worked with the Washington Suburban Sanitary Commission (WSSC) to help create that agency s Business Investment and Growth (BIG) Program. Under this initiative, WSSC has placed $10 million of deposits with 5 local community banks. The program allows the participating banks to increase lending to small businesses in the WSSC s bi-county area, including local small and minority-owned businesses that have a relationship with WSSC.

EagleBank has consistently been among the leading originators of SBA guaranteed loans issued by community banks in the Washington, DC region. In addition, through selected tax credit investments, we have been involved in the redevelopment of historically significant properties in Washington, DC, and the development and redevelopment of affordable housing in the area.

And finally, we are pleased to note that that the EagleBank Foundation has, over the last 9 years, raised and contributed in excess of $3.5 million to medical research and treatment agencies in our local community, primarily to support the fight against breast cancer.

Eagle Bancorp, Inc. at a Glance 2017

How Did We Perform?	• Assets grew to $7.5 billion. EagleBank is a large community bank founded in the Washington, DC area. • 2017 continued a trend of strong and sustained underlying financial performance across each line of business (diluted EPS growth of 2%, or 17% on an operating basis, excluding the impact of the reduction in the corporate income tax rate). • Return on Average Assets grew to 1.41% last year (1.62% on an operating basis). • Maintained market capitalization of approximately $2 billion.
How Did We Pay our Named Executive Officers (NEOs)?	• Utilized a double trigger provision in our senior executives employment agreements. • Paid our named executive officers (NEOs) commensurate with 2017 performance and appropriately situated relative to peers.

	• Utilized a performance-vested share component as part of our Long Term Incentive Plan (LTIP).
What are Our Pay Practices and Perspective?	• NEO compensation components are decided through goal-based cash bonuses and equity-based compensation that align our executives interests with shareholder interests. • Executives do not receive any significant special perks or gross-ups. • Compensation is subject to strong corporate governance and independent board oversight. • Compensation plans reflect valued feedback from shareholder engagement efforts. • Pay policies are consistent with best practices, including maintaining a sound set of compensation principles, managing our equity awards responsibly and closely monitoring competitors and market opportunities for our executives.
How Do We Address Risk?	• We impose clawback/recovery provisions. • We continue our extensive risk assessment process. • We maintain Share Ownership, Anti-Hedging and Pledging Policies.

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Eagle Bancorp, Inc. at a Glance 2017 (*cont.*)

Why Should our Shareholders Approve our Say on Pay Advisory Vote?	• Our 2017 performance represents outstanding performance compared to our performance goals and peer group performance. (See Peer Group tables on page 42-43) • Pay is commensurate with Company and individual performance, and peers. • Pay programs were revised in 2017 and continue to evolve in 2018 in response to prior shareholder feedback. • Pay practices and policies are aligned with interests of shareholders. • Pay is subject to extensive risk and control features.

Shareholder Engagement and How We ve Responded

Our Engagement Process

Our Board and management are committed to engaging with our shareholders and soliciting their views and input on important performance, governance, executive compensation, and other matters.

Year-Round Engagement and Board Reporting. Our investor relations team conducts shareholder outreach throughout the year and informs our management and our Board about the issues that our shareholders tell us matter most to them.

Transparency and Informed Governance Enhancements. Our Board regularly reviews our governance practices and policies, including our shareholder engagement practices, with an eye toward continual improvement. Shareholder input is shared with our Board and its committees, facilitating a dialogue that provides shareholders with insight into our governance practices and informs them of our Company s enhancement of those practices. In addition to considering shareholder sentiments, our Board regularly reviews the voting results of our Annual Meetings, the governance practices of our peers and other companies, and current trends in governance.

The Shareholder Engagement Process

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Investor Outreach

We value the opinion of our shareholders and look forward to a continued, open dialogue on compensation and governance matters relevant to our business. Following 2017 s advisory Say-on-Pay vote, which received the support of over 96% of votes cast (a substantial improvement from the vote in 2016) we continued our enhanced shareholder outreach. In 2017, we again reached out to our top 30 shareholders in order to gather feedback regarding our executive compensation program and disclosures, and had substantive discussions with many of them.

Some of the positive feedback reflected our meaningful level of insider ownership and alignment with shareholders, with some investors noting having particular comfort that our Chief Executive Officer holds a significant number of shares. (In fact, Ronald D. Paul, our Chairman and Chief Executive Officer, and his family s interests and trusts own or control shares representing, as of December 31, 2017, over 100 times his 2017 base salary.) He and his family s interests and family trusts collectively are our 4th largest shareholder and together they control over 4.6% of the Company. There was general support that total direct compensation, including that of our Chief Executive Officer, aligns with performance. There was also acknowledgement and appreciation of the changes we made in the last few years.

We also held a conversation with a prominent shareholder advisory firm to appreciate further its policies and perspectives.

We listened carefully and over the last few years have made many substantial changes to our compensation and governance practices based on the Say-on-Pay votes and to the subsequent shareholder engagements. Below we summarize the feedback over the last several years, and how we responded. Greater detail can be found later in this proxy statement, in the Compensation Discussion and Analysis section starting on page 25.

Board and Shareholder Engagement

The Board maintains a process for shareholders and interested parties to communicate with the Board. Shareholders and interested parties may write or call our Board as provided below:

WRITE	CALL	EMAIL	WEB
Corporate Secretary	**(301) 986-1800**	**jcornett@eaglebankcorp.com**	**http://ir.eaglebankcorp.com**
Eagle Bancorp, Inc.			**click Contact Us in the upper right hand corner**

7830 Old Georgetown Road, 3rd Floor
Bethesda, Maryland 20814

WHAT WE HEARD in 2015-2017:	WHAT WE DID:
Compensation Program, Practices and Disclosure	
Adopt a **pure double trigger** provision to the employment agreements of senior executives including the Chief Executive Officer.	All senior executive agreements were revised in 2017 to utilize a pure double trigger in the event of a change in control.
Reduce the component of the Chief Executive Officer s incentive plan that is **discretionary** in nature.	The incentive plan of the Chief Executive Officer now provides for only 25% of the award payout to be determined by non-objective factors.

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WHAT WE HEARD in 2015-2017 (*cont.*):	WHAT WE DID (*cont.*):
Compensation Program, Practices and Disclosure (cont.)	
Add a **performance-based component** to our Long Term Incentive Plan for executive officers.	In 2016, the Compensation Committee adopted a performance-based component to the Long Term Incentive Plan (LTIP) incorporating performance shares beginning with the 2016 equity grants. Performance shares awarded for 2016 and 2017 are based on our relative performance as compared to the banks comprising the KBW NASDAQ Regional Banking Index (KRX) (the Index) over a three year period for: • Earnings Per Share (EPS) growth, • Return on Average Assets (ROAA), and • Total Shareholder Return (TSR). For 2018, the LTIP utilizes two metrics for Performance shares: ROAA versus the Index, and Earnings Per Share versus the Company budget. Performance shares awarded in 2018 represent approximately 50% of a named executive officer s total equity compensation, up from 35% in 2016 and 42.5% in 2017.
The short term Senior Executive Incentive Plan should include **absolute caps on bonuses** eligible to be earned, to minimize the risk of decisions being made at the expense of long term perspectives.	We have adopted caps in the SEIP.
The short term Senior Executive Incentive Plan should not have **a line item for discretionary awards**, although the Compensation Committee always has the right outside of the Plan to exercise its discretion.	We eliminated the line item inside the SEIP for a discretionary component. (No discretionary awards were made to the named executive officers for 2017 performance.)
The proxy statement should **explain the process of compensation awarded** to each named executive officer in greater detail than in previous years.	This year s proxy statement continues to describe the philosophy and procedures utilized again by the Compensation Committee in making awards.

The proxy statement should not just state whether a **named executive officer s goal** was met or exceeded, but include the underlying details and rationale to allow shareholders to independently reach the conclusion that a NEO met or exceeded the stated goal.	This year s proxy statement again includes greater details and the rationale for our pay decisions.
Company directors and all executive officers should be subject to certain **minimum Company stock ownership requirements**, affording each of them time to satisfy the requirement.	In 2016, the Company adopted a policy requiring the following ownership requirements: • CEO: 6 times base salary • Directors: 3 times annual retainer/base fee • Executive Officers: 2 times base salary Directors and executive officers subject to the policy have five years after they commence service to satisfy the requirement; those serving as of the implementation of the policy have until December 31, 2020. See page 10 for current insider ownership levels.

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WHAT WE HEARD in 2015-2017 (*cont.*):	WHAT WE DID (*cont.*):
Board/Governance Practices	
Positive feedback on our **enhanced proxy disclosure** in 2016.	The 2018 Proxy maintains the level of transparency contained in recent proxies.
In light of the combined position of Chairman and Chief Executive Officer, the Board should elect a **Lead Director**.	The Board has created the position of Lead Director and the independent directors elected Compensation Committee Chair Leland Weinstein to the position. The Board also re-established the position of Vice Chairman and the directors elected Governance and Nominating Committee Chair Norman Pozez to the position.
Directors in uncontested elections should require a **majority vote** to be elected.	The Company s Articles of Incorporation were amended to require the resignation of director nominees who do not receive more votes cast for their election than are withheld or cast against their election in an uncontested election.
Company directors and all executive officers should be subject to a **policy addressing hedging of Company stock**.	The Company adopted a policy prohibiting hedging by directors and executive officers.
Company directors and all executive officers should be subject to a **policy addressing pledging of Company stock.**	The Company adopted a policy limiting pledging by directors and executive officers to one-half of applicable holdings, and that the value of such pledged stock cannot exceed 25% of the person s net worth.
There should be **diversity on the Company Board of Directors**, with an emphasis on gender diversity.	The Company desires to increase diversity on the Company Board of Directors. It uses the EagleBank Board of Directors as a means for directors to learn about EagleBank and the industry, and gain experience and knowledge, with the opportunity to be nominated later for service on the Company Board of Directors. We note the recent addition to the Company Board of Kathy A. Raffa and Susan G. Riel.

We found the shareholder engagement to be a valuable exercise for the Company, and we will continue such efforts during 2018 and beyond.

Governance Highlights

The Company believes good governance is integral to achieving long term shareholder value. We are committed to governance policies and practices that serve the interests of the Company and its shareholders. The Board of Directors monitors developments in governance best practices to assure that it continues to meet its commitment to thoughtful and independent representation of shareholder interests. The following table summarizes certain corporate governance practices and facts:

ü	7 of our 9 Director Nominees are Independent
ü	Active Board Participation in CEO Succession Planning
ü	Active Shareholder Engagement
ü	Annual Say on Pay Advisory Votes
ü	Annual Board and Committee Evaluation Process
ü	Annual Election of Directors
ü	Board and Committee Authority to Retain Independent Advisors
ü	Board Oversight of Company Strategy
ü	Executive Sessions of Independent Directors
ü	Longstanding Commitment to Corporate Responsibility
ü	Majority Voting for All Directors
ü	No Shareholder Rights Plan (Poison Pill)

ü Policies Prohibiting Hedging, Short Sales and Limiting Pledging of Company Stock

ü Policy Providing for Return of Incentive Compensation (Clawback Policy)

ü Position of Vice Chair Re-Established with Appointment of a Highly Qualified Independent Director

ü Position of Independent Lead Director Created

ü Risk Oversight by Full Board and Committees

ü Code of Ethics

ü Share Ownership Requirements for Executives and Directors

ü Strong Independent Vice Chair and Strong Independent Lead Director

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Evolution of Equity Awards

In response to shareholder engagement, the Company enhanced its Long Term Incentive Plan starting in 2016 to include performance-vested shares. A similar plan was adopted in 2018 for the three-year period 2018-2020.

	2015	2016	2017	2018
Form of Grant	100% Time-vested restricted stock	35% Performance-vested restricted stock units 65% Time-vested restricted stock	42.5% Performance-vested restricted stock units 57.5% Time-vested restricted stock	50% Performance-vested restricted stock units 50% Time-vested restricted stock
Performance Metrics for Long Term Equity Award	N/A	Relative to KRX Index: EPS growth ROAA Total Shareholder Return (TSR)	Relative to KRX Index: EPS growth ROAA Total Shareholder Return (TSR)	EPS versus Budget ROAA versus KRX Index
Performance Assessment	Company 2014 performance was considered in award grants, but no future performance metrics were included	Average performance relative to the KRX Index over a single 3 year period, 2016-2018	Average performance relative to the KRX Index over a single 3 year period, 2017-2019	Average performance relative to the Budget and KRX Index, respectively, over a single 3 year period, 2018-2020
Vesting Period	*Time-vested*: 3 equal annual installments *Performance-vested*: N/A	*Time-vested*: 3 equal annual installments *Performance-vested*: Single 3 year period	*Time-vested*: 3 equal annual installments *Performance-vested*: Single 3 year period	*Time-vested*: 3 equal annual installments *Performance-vested*: Single 3 year period

Performance-Vested Shares

For awards of performance-vested shares made in February 2018 relating to 2017 performance, the Company s performance in the following performance measures will determine whether the awards are earned at the end of the 2018-2020 three-year period.

Metric	Percentage of Total Award	Threshold	Target	Maximum
Average Annual Earnings Per Share versus Company Budget	50%	75%	100%	125%
Average Annual Return on Average Assets versus KRX Index	50%	Median	62.5% Percentile	75% Percentile
Payout Range (% of Target)	100%	50%	100%	150%

Voting Securities and Principal Shareholders

Securities Ownership of Directors, Nominees, Officers and Certain Beneficial Owners

The following table sets forth certain information concerning the number and percentage of whole shares of the Company s common stock beneficially owned by its directors, its executive officers whose compensation is disclosed in this proxy statement, and by its directors and all executive officers as a group, as of March 21, 2018. Except as otherwise indicated, all shares are owned directly, the named person possesses sole voting and sole investment power with respect to all such shares, and none of such shares are pledged as security. Unvested shares of restricted stock (time-vested only) are included in ownership

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amounts. Except as set forth below, the Company knows of no other person or persons who may beneficially own in excess of five percent of the Company s common stock. Further, the Company is not aware of any arrangement which at a subsequent date may result in a change in control of the Company.

Name	Position	Shares	Percentage(1)
Directors			
Leslie M. Alperstein	Director of Company and Bank	89,852	0.26%
Dudley C. Dworken	Director of Company and Bank	239,990(2)	0.70%
Harvey M. Goodman	Director of Company and Bank	129,683(3)	0.38%
Ronald D. Paul	Chairman, President and Chief Executive Officer of Company, Chairman and Chief Executive Officer of Bank	1,621,867(4)	4.72%
Norman R. Pozez	Director of Company and Bank	50,667(5)	0.15%
Kathy A. Raffa	Director of Company and Bank	6,015	0.02%
Susan G. Riel	Director, Executive Vice President of Company; Director, Senior Executive Vice President, Chief Operating Officer of Bank	186,323(6)	0.54%
Donald R. Rogers	Director of Company and Bank	111,512(7)	0.33%
Leland M. Weinstein	Director of Company and Bank	117,473(8)	0.34%
Other Named Executive Officers			
Charles D. Levingston	Executive Vice President, Chief Financial Officer of Company and Bank	4,247	0.01%

Antonio F. Marquez	Executive Vice President of Company; EVP, Chief Lending Officer Commercial Real Estate of Bank	23,623(9)	0.07%
Janice L. Williams	Executive Vice President of Company; EVP, Chief Credit Officer of Bank	58,889	0.17%
All Directors and Executive Officers as a Group (13 persons)		***2,649,311*(10)**	***7.71%***
Other 5% Shareholders			
BlackRock		2,132,141(11)	6.24%
Vanguard		2,677,068(12)	7.83%
Wasatch Advisors, Inc.		2,631,962(13)	7.70%

Footnotes:

(1) Represents the percentage of 34,307,680 shares issued and outstanding as of March 21, 2018, except with respect to: (a) individuals holding options exercisable within 60 days of that date, in which event, represents the percentage of shares issued and outstanding plus the number of shares for which that person holds options exercisable within 60 days of March 21, 2018, and (b) all directors and executive officers of the Company as a group, in which case represents the percentage of shares issued and outstanding plus the number of shares for which those persons hold such options. Certain shares beneficially owned by the Company s directors and executive officers may be held in accounts with third party firms, where such shares may from time to time be subject to a security interest for margin credit provided in accordance with such firm s policies.

(2) Includes 74,461 shares held in a trust of which Mr. Dworken is beneficiary, 23,544 shares held jointly, 34,062 shares held in pension or retirement accounts, 68,092 shares held by relatives sharing the same household and 16,216 shares held by or in trust for the benefit of a member of his family.

(3) Includes shares held jointly with Mr. Goodman s spouse, 3,000 shares held for members of his family, 4,818 shares held in profit or retirement accounts for his benefit, 2,330 shares held by an estate over which Mr. Goodman has voting power, and 306 shares held as trustee.

(4) Includes options to purchase 39,561 shares of common stock. An aggregate of 319,480 shares are pledged as collateral, which represents approximately 20% of holdings by Mr. Paul and his family and family trusts. Includes 118,856 shares held by a charitable foundation over which Mr. Paul shares voting and investment power. Includes 15,000 shares held by a defined benefit plan over which Mr. Paul shares voting and investment power. Includes 75,406 shares of common stock held by trusts in which members of Mr. Paul s family have discretionary interests, over which he does not have voting or investment power, and as to which he disclaims beneficial ownership. Does not include 119,037 shares of common stock contributed to Charitable Lead Annuity Trusts in which Mr. Paul has a residual interest, but as to which he does not have or share voting or dispositive power.

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(5) Includes 26,164 shares held by pension or retirement plans.

(6) Includes options to purchase 35,200 shares of common stock. Approximately 8,170 shares are owned by Ms. Riel and her spouse and pledged as collateral, which represents approximately 5% of holdings by Mr. and Mrs. Riel.

(7) Includes 24,537 shares held for the benefit of Mr. Roger s children and 29,552 shares held by his spouse.

(8) Includes 52,662 shares held jointly and 57,321 shares held in a retirement account.

(9) Includes 1,567 shares held jointly with Mr. Marquez s spouse.

(10) Includes options to purchase 74,671 shares of common stock. An aggregate of 327,650 shares are pledged by members of this group as collateral, which represents 12.41% of their aggregate holdings.

(11) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G/A filed on January 29, 2018. BlackRock s address is 55 East 52nd Street, New York, New York 10055.

(12) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G/A filed on February 9, 2018. Vanguard Group s address is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

(13) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G filed on February 14, 2018. Wasatch Advisors Inc. s address is 505 Wakara Way, 3rd Floor, Salt Lake City, Utah 84108.

Proposal 1: Election of Directors

The Board of Directors has nominated nine persons for election as directors at the 2018 Annual Meeting, for a one-year period until the 2019 Annual Meeting of Shareholders and until their successors have been elected and qualified.

Unless you withhold authority to vote for one or more nominees for election as director, all proxies received in response to this solicitation will be voted for the election of the nominees listed below. Each of the nominees for election as a director currently serves as a member of the Board of Directors. Each nominee has indicated a willingness to serve if elected. However, if any nominee becomes unable to serve, the proxies received in response to this solicitation will be voted for a replacement nominee selected in accordance with the best judgment of the persons named as proxies.

The rules of The NASDAQ Stock Market (NASDAQ) require that a majority of the members of the Board be independent directors. The Board of Directors has determined that each director and nominee for election as director, other than Mr. Paul and Ms. Riel, is an independent director as that term is defined in Rule 5605(a)(2) of the NASDAQ rules. The Board has also considered whether the members of the Audit and Compensation Committees are independent under the heightened standards of independence required by Sections 5605(c)(2)(A) and 5605(d)(2)(A), respectively, of the NASDAQ rules, and has determined that they are. In making these determinations, the Board of Directors was aware of and considered the loan and deposit relationships with directors and their related interests which the Company enters into in the ordinary course of its business, the arrangements which are disclosed under Certain Relationships and Related Transactions in this proxy statement, and the compensation arrangements described under Director Compensation.

As required under applicable NASDAQ listing standards, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Set forth below is information concerning the nominees for election as directors. Except as otherwise indicated, the occupation listed has been such person s principal occupation for at least the last five years. Each of the nominees also serves as a director of the Bank.

Nominees for the Board of Directors

Leslie M. Alperstein, Ph.D.

Mr. Alperstein, 75, has been President of Washington Analysis LLC and its predecessor firm, Washington Analysis Corp., a leading governmental policy investment research group in Washington, DC, since its inception in 1973. He has served as Executive Managing Director and Director of Research of HSBC Securities, Inc., Director of Economic and Investment Research for NatWest Securities, Prudential Securities, Shields Model Roland, Inc. and Legg Mason & Co. His professional memberships include the National Association of Business Economists, the National Economists Club, and the CFA Society of Washington. Mr. Alperstein was appointed to the Board of Directors in 2003, and has served as a director of the Bank since 2009. Mr. Alperstein s knowledge and experience in the fields of economics and investment management make him uniquely qualified for the Board. His contributions are important in the areas of asset-liability management, investment policy and other strategic issues.

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Dudley C. Dworken

Mr. Dworken, 68, is a private investor and real estate developer and the principal of Dworken Associates, LLC. Mr. Dworken was the owner of Curtis Chevrolet, an automobile dealership in Washington, DC. Mr. Dworken was a Director of F&M Bank Allegiance and its predecessor Allegiance Bank, N.A. (collectively Allegiance) from 1987 until October 1997, and a director of Allegiance Banc Corporation from 1988 until its acquisition by F&M National Corporation, which was subsequently acquired by BB&T Corporation (F&M). Mr. Dworken is an active member of numerous community, business, charitable and educational institutions in the Washington, DC/Montgomery County area. Mr. Dworken has served as a director of the Company and Bank since 1999. In addition to his many years of service on the boards of banking institutions, Mr. Dworken brings entrepreneurial business knowledge and experience to the Board through his ownership and operation of one of the largest automobile dealerships in Washington, DC and his real estate development activities. He is Chairman of the Washington Area, the Philadelphia Area and the Eastern Pennsylvania Better Business Bureaus, and is a former Trustee of the Washington Area New Automobile Dealers Association. He has intimate knowledge of the Company through his experience as Chairman of the Company s Audit Committee.

Harvey M. Goodman

Mr. Goodman, 62, has been with The Goodman, Gable, Gould Company, the Maryland based public insurance adjusting firm where he serves as President, since 1977. He is a director and past president of the National Association of Public Insurance Adjusters, and is a principal, and formerly a director, of Adjusters International, a national public adjusting firm. Mr. Goodman has served as a director of the Company since 2007, and of the Bank since its organization. Mr. Goodman brings both entrepreneurial experience and a wealth of knowledge of the financial services industry, with a specialty in insurance. He possesses valuable expertise in the areas of risk management and compliance. He has expertise in corporate governance through his board service to organizations in the insurance industry.

Ronald D. Paul

Mr. Paul, 62, is President, Chief Executive Officer and Chairman of the Board of Directors of the Company. He has served as Chairman since May 2008, and prior to that time was Vice Chairman and Chief Executive Officer since the organization of the Company in 1997. He also has served as Chairman of the Board of Directors of the Bank since its organization. Since June 2006, he has served as Chief Executive Officer of the Bank, and he served as Interim President of the Bank from November 3, 2003 until January 26, 2004. Mr. Paul is President of RDP Management, Inc., which is engaged in the business of real estate investment and management. Mr. Paul is also active in various charitable organizations, including chairing the Ron & Joy Paul Kidney Center at George Washington University, and serving as the Chairman from 2002 to 2003 of the National Kidney Foundation. Mr. Paul s qualifications for the Board include his entrepreneurial, management and real estate expertise developed through his operation of a significant real estate and property management company in the Washington, DC metropolitan area. Mr. Paul also has significant experience in corporate governance issues from his prior board service with another public company and major non-profit organizations. He has extensive knowledge of the Company due to his service in Board and management positions since the inception of the Company. In 2017, Mr. Paul received the Lifetime Achievement Award from the Urban Land Institute. In 2013, Mr. Paul was the recipient of the American Banker magazine Community Banker of the Year award and, in 2014, Mr. Paul was named Community Banker of the Year East Region by the Independent Community Bankers of America. Other honors include Father of the Year , Entrepreneur of the Year (2009), Washingtonian of the Year (2010), inducted into the Washington Business Hall of Fame (2012), named Community Banker of the Year by American Banker Magazine (2012), and Montgomery County (Maryland) Business Hall of Fame (2015). Mr. Paul is also a member of the Community Depository Institutions Advisory Council of the Federal Reserve Bank of Richmond and a Director of the Montgomery County Maryland Economic Development Corporation.

Norman R. Pozez

Mr. Pozez, 63, is the Vice Chairman of the Company and the Bank. He is Chairman and Chief Executive Officer of The Uniwest Companies, Uniwest Construction, Inc., and Uniwest Commercial Realty, Inc. Mr. Pozez has been in the real estate development field for over thirty years. Previously, Mr. Pozez was Chief Operating Officer of The Hair Cuttery of Falls Church, Virginia. Mr. Pozez has also served as a Regional Director of Real Estate and Construction for Payless ShoeSource. During his tenure at Payless and for some years thereafter, Mr. Pozez served on the Board of Directors of Bookstop, Inc., which was sold to Barnes and Noble in 1989.

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Mr. Pozez is a licensed Real Estate Broker in Washington, DC, Maryland and Virginia. Since 1979, Mr. Pozez has been an active member of the International Council of Shopping Centers and is a Board member of a number of non-profit organizations serving community needs in and around the Washington, DC metropolitan area. Mr. Pozez served as Chairman of the Board of Fidelity & Trust Financial Corporation (Fidelity) from April 2004 until February 2005, and as a director of Fidelity from September 2007 until August 2008, at which time Fidelity was acquired by the Company and Mr. Pozez became a director of the Company and Bank. Mr. Pozez s qualifications for Board service include over 30 years of management experience at both regional and national companies such as the Hair Cuttery and Payless ShoeSource. His experience in company operations and real estate are very beneficial in light of the Company s business objectives. He has experience in corporate governance through his prior board service with other companies and non-profit organizations.

Kathy A. Raffa

Ms. Raffa, 59, is the President of Raffa, PC, based in Washington, DC. It is one of the top 100 accounting firms in the nation. Ms. Raffa is a leader of this woman-owned accounting, consulting and technology firm, in which 12of the 19 partners are women. She oversees client services for a wide range of nonprofit entities, and serves as an audit partner. She also leads a variety of aspects of the firm s internal operations and business development. Prior to Raffa, PC, she spent the first 12 years of her career at Coopers & Lybrand (now PricewaterhouseCoopers). She has a CPA certificate from the District of Columbia and Maryland and is a member of American Institute of Certified Public Accountants. She currently serves as a trustee on several boards, including Trinity Washington University (where she chairs the Finance Committee, and previously chaired the Audit Committee), the advisory board of Levine Music (where she was formerly the Board Chair), and the Federal City Council. Ms. Raffa holds a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania. Ms. Raffa has served as a director of the Company since February 2018 and of the Bank since 2015.

Susan G. Riel

Ms. Riel, 68 is currently Senior Executive Vice President - Chief Operating Officer of the Bank, and Executive Vice President of the Company. She was formerly Executive Vice President - Chief Operating Officer of the Bank and Chief Administrative Officer, and previously served as Executive Vice President - Chief Operating Officer of Columbia First Bank, FSB from 1989 until that institution s acquisition by First Union Bancorp in 1995. Ms. Riel has over 35 years of experience in the commercial banking industry. Ms. Riel has been with the Company since 1998 and has been a member of the Company Board of Directors since 2017 and the Bank Board since 2018. She was recently included in the Bisnow 2017 Power Series: Women of Influence in Commercial Real Estate, which recognized women in commercial real estate who have made a significant impact and who have the most influence in all aspects of the industry.

Donald R. Rogers

Mr. Rogers, 72, has been engaged in the private practice of law since 1972 with the Rockville, Maryland-based firm Shulman, Rogers, Gandal, Pordy & Ecker, P.A., of which he is a principal. Mr. Rogers was a director of Allegiance from 1987 until October 1997. Mr. Rogers has served as a director of the Company since 2007 and of the Bank since its organization. Mr. Rogers has vast business knowledge and experience gained through his position as a senior partner and chair of the commercial business practice for the largest law firm in Montgomery County, Maryland. He has served as adviser to hundreds of privately owned businesses. He has extensive knowledge of the Company through his service on the Company s and Bank s Boards. For the past 13 years, he has been Chairman of the EagleBank Foundation, which has raised more than $3 million for the fight against breast cancer and other medical conditions. In addition, Mr. Rogers continues to serve as a member of the Board of Directors of a number of privately held companies.

Leland M. Weinstein

Mr. Weinstein, 55, is currently the CEO of Newbridge-Turing, a technology sales and partnership consulting firm. Previously he was a partner and served as President of Syscom Services, Inc., a technology consulting and integration firm, from 1997 to 2014. In December of 2014 Syscom Services, Inc. s web technologies division was sold to a group of investors and rebranded as Brightfind. Previously, he spent 13 years with Automated Digital Systems, an integrator of duplication and facsimile technologies, where he rose to president and owner of the company, which he sold to Alco Standard Corporation, which became Ikon Office Solutions. Mr. Weinstein currently serves as Co-Chair of the Lead Director Committee of the American Association of Bank Directors. Additionally, Mr. Weinstein has been appointed to advisory councils for Xerox, Intel/Dialogic, Sharp Electronics, Opentext/Rightfax, Autonomy/Cardiff, Murata Business Systems, Brooktrout Technologies, Panasonic Electronics, and was Chairman of the technology council of the American Society of Association Executives (ASAE) and is the past Chair of ASAE s Industry Partner Alliance (IPA).

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He was formerly a member of the Board of Governors of the University of Maryland Alumni Association, where he chaired the Admissions Committee. Currently Mr. Weinstein sits on the advisory council for EPiserver an Accel/KKR company, a leading developer of content management software for the web. Mr. Weinstein is involved in numerous charities and currently sits on the Foundation Board of Suburban Hospital (John Hopkins Medicine). Mr. Weinstein served on the Eagle Bancorp Founder s Advisory Council while the Company was in formation, and has served as a director of the Company since 2005 and of the Bank since 1998. Mr. Weinstein has vast business knowledge and experience gained through his position as CEO of successful technology-based enterprises. His expertise regarding technology issues is valuable as it relates to the Company s business development and operating strategies. He has extensive knowledge of the Company through his service at the Board and committee levels. Mr. Weinstein is a graduate of the Harvard Business School s OPM program, and holds a bachelor s degree in Industrial Technology/Marketing from the University of Maryland.

Vote Required and Board Recommendation

As this is an uncontested election of directors, our Articles of Incorporation and Bylaws provide that directors are elected by a plurality of the votes cast in the election; provided, however, that any nominee who does not receive more votes cast than are withheld or cast against such nominee, must, immediately after the certification of the shareholder vote, submit his or her resignation, subject to acceptance or declination by the Board of Directors, to be effective upon the first to occur of (i) acceptance by the Board of Directors or (ii) 120 days after the date of the certification. **The Board of Directors unanimously recommends that shareholders vote FOR each of the nominees for election as directors.**

Additional Directors of the Bank

If elected, the nominees for election as directors intend to cause the Company to vote for each of the nominees and the following persons to serve as directors of the Bank. Each of the following persons currently serves as a director of the Bank.

Thomas E. Burdette

Mr. Burdette, 67, is a managing partner of Burdette Smith and Bish LLC, Fairfax, Virginia and has been an active business leader in the Washington, DC metropolitan area marketplace, particularly with Northern Virginia-based businesses. He is a certified public accountant and a registered investment advisor with over 40 years of experience assisting individuals and businesses. He has also served as director of Virginia Commerce Bank and Potomac Bank of Virginia, and has worked with several other Virginia financial organizations. His financial industry exposure, combined with his professional expertise, is especially valuable to our Northern Virginia banking team, and will provide additional strength for creating client and Bank success in Virginia. A founder and managing shareholder of The Burdette Smith Group PC (BSG) that, in 2012, merged with Bish & Haffey PC to become Burdette Smith & Bish LLC, his specialty is all aspects of tax. Additionally, his experience includes financial reporting services, estate management, and financial advisory services. Burdette has also given expert witness testimony in various states and counties over the years. Early in his career, Burdette was a player s agent for the National Football League. He earned his Bachelor of Arts in Accounting from Catawba College in Salisbury, N.C. Mr. Burdette has served as a director of the Bank since 2015.

Joann Kay DiMeglio

Ms. DiMeglio, 61, has been active in residential, commercial, and multi-family real estate development for more than 35 years. Since 1984, she has been with Kay Brothers Management Company, now JKD Management, LLC, and has spent the last 31 years overseeing renovations, design, financing, and budgeting of commercial, residential, and multi-family properties in the Washington, DC metropolitan area. Ms. DiMeglio holds a Bachelor of Arts degree from George Washington University. Ms. DiMeglio has served as a director of the Bank since 2015.

Steven L. Fanaroff

Mr. Fanaroff, 58, has served as Managing Director of Fanaroff & Steppa, LLC a real estate holding company, since 2005. He also serves as Managing Director of Bedrock, LLC, an asset management company. Mr. Fanaroff served on the Board of Directors of Allegiance from 1990 until 1997. Mr. Fanaroff has served as a director of the Bank since its organization.

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Lynn Hackney

Ms. Hackney, 52, was CEO and founder of Urban Pace, now part of The Long and Foster Companies. Since its founding in 2001, Urban Pace has been involved in transactions valued in excess of $2 billion, encompassing more than 6,500 condominiums and townhomes. Ms. Hackney is also a Partner at Allyson Capital, an investment firm specializing in equity and debt for residential and commercial real estate properties, and was unanimously elected 2016-18 President of the District of Columbia Building Industry Association (DCBIA), the first woman ever to serve in that capacity. She is a 2015 winner of Smart CEO s Brava Awards. Ms. Hackney holds a certificate from Harvard Business School, a master s degree in business administration from Johns Hopkins University, and a bachelor s of science degree in economics and finance from Virginia Commonwealth University. Ms. Hackney has served as a director of the Bank since 2016.

Benson Klein

Mr. Klein, 73, has been an attorney practicing primarily in Montgomery County and Washington, DC since 1970, and a principal with Ward & Klein, Chartered, since 1978. Mr. Klein is also engaged in real estate investment activities in Montgomery County and Washington, DC. He served as a director of Allegiance from 1996 to 1997 and previously served as a director of Lincoln National Bank. Mr. Klein is currently, and has been, a member of a variety of community, business and charitable institutions in the Washington, DC/Montgomery County and national level. He also has served on the Board of Directors and as an officer of such institutions. Mr. Klein has served as a director of the Bank since its organization.

Bruce H. Lee

Mr. Lee, 53, is President and CEO of Lee Development Group, a closely held, family real estate business founded in 1920 and based in downtown Silver Spring. He is principal broker of record for Montgomery Land Company, LLC, which specializes in commercial sales, leasing, and property management and the general partner of Montgomery 1936 Land Company LLC and General Manager of Acorn Self Storage. Mr. Lee is currently the Co-Chair of Economic Development for the Montgomery County Chamber of Commerce, as well as Chairman of Driven to Cure, a non-profit organization dedicated to raising awareness and providing funding for the research of rare kidney cancers in children and young adults. Mr. Lee was the charter president of the Greater Silver Spring Chamber in 1993. Mr. Lee currently serves as Co-Chair of the ICSC Alliance Committee and is involved with a wide array of local and regional business, charitable and industry associations. Mr. Lee was an elected Council member and Chairman of the Township of Chevy Chase View, Maryland. Mr. Lee has served as a director of the Bank since 2000.

Leslie Ludwig

Ms. Ludwig, 56, is a senior advisor to, and formerly was a Partner and Chairperson of the Management Committee at, JBG Smith (formerly The JBG Companies). Ms. Ludwig has over 30 years of experience in real estate finance and capital markets. Ms. Ludwig oversaw the management of Finance, Accounting, Human Resources, Insurance and Marketing and provided leadership to the company s diversity initiatives. Prior to joining The JBG Companies in 2002, she was Senior Vice President at Wachovia Bank, serving as a Commercial Real Estate Relationship Manager. Ms. Ludwig is a member of ULI and CREW (Commercial Real Estate Women), on the Investment Advisory Committee for the National Multifamily Housing Corporation, on the Virginia Tech Real Estate Industry Advisory Board and formerly on the Advisory Board of CREW. Ms. Ludwig has a B.A. from Frostburg State University. She has served as a director of the Bank since 2017.

James A. Soltesz

Mr. Soltesz, 63, has served as Chief Executive Officer of Soltesz, Inc., an engineering and consulting firm, since 1997. Mr. Soltesz served on the Board of Trustees of Georgetown Preparatory School, Mater Dei School, as a Life Director of the Maryland-National Capital Area Building Industry Association, and Catholic Charities Foundation. Mr. Soltesz co-chaired Governor Hogan s Regulatory Reform Commission from 2014 to 2016. Mr. Soltesz chairs the Montgomery County Executive Business Advisory Board. His firm includes 200 people located in six offices throughout the Washington, DC metropolitan area. Mr. Soltesz has served as a director of the Bank since 2007. Mr. Soltesz has an M.B.A. from the University of Cincinnati, an M.S. in Civil Engineering from Georgia Institute of Technology and a B.S. in Civil Engineering from Purdue University.

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Benjamin M. Soto

Mr. Soto, 49, is an attorney practicing in the areas of real estate transactions and bankruptcy. He is the principal of Premium Title and Escrow, LLC, a Washington, DC-based full service title company. In addition, he is the owner of Paramount Development, LLC, which is focused on the acquisition and ground up development of commercial buildings and hotels in Washington, DC. He is a former Board Director of the National Bar Association, and of the DC Sports and Entertainment Commission, and a former Vice-Chair of the DC Board of Real Property Assessment and Appeals. Mr. Soto is a Board Director of the DC Chamber of Commerce, the DC Land Title Association, the DC Public Education Fund, National Foundation for Affordable Housing Solutions, Inc. and the Georgetown Day School. Mr. Soto has served as a Director of the Bank since 2006.

Board Leadership Structure

The roles of Chairman of the Board of Directors and Chief Executive Officer of the Company are currently held by the same person, Mr. Paul. This structure is not mandated by any provision of law or our Articles of Incorporation or bylaws. The Board of Directors reserves the right to establish a different structure in the future. The Board of Directors currently believes that this structure is the most appropriate leadership structure for our Company. Under the Company s bylaws, the official role and power of the Chairman is limited, and is related largely to the conduct of meetings of the Board of Directors and shareholders. The Board of Directors believes that the Chief Executive Officer is in the best position to be aware of major issues facing the Company on a day-to-day and long term basis, and is in the best position to identify key risks and developments facing the Company that may need to be brought to the full Board s attention. While each of the other directors brings unique experience, oversight and expertise from outside the Company and its industry, Mr. Paul s company-specific experience and expertise allow him to most effectively direct Board discussions and focus Board decision-making on those items most important to the Company s long term continued success. Further, a combined Chairman/Chief Executive Officer position eliminates the potential for confusion as to who leads the Company, providing the Company with a single public face in dealing with customers, shareholders, employees, regulators, analysts and other constituencies. To date, this structure has worked successfully for the Company. We also note Mr. Paul s significant stock ownership in the Company.

Based on shareholder feedback, in 2016 the Board created the position of **Lead Director**. Leland Weinstein, Chairman of the Compensation Committee, was elected Lead Director by the independent directors. The Board believes that the Lead Director structure, including the duties and responsibilities set forth below, provides the same independent leadership, oversight and benefits for the Company and the Board that would be provided had the Board had an independent Chairman.

In addition to conducting an annual review of the Chief Executive Officer s performance, the independent directors meet in executive session and discuss management s performance and formulate guidance and feedback, which the independent Lead Director provides to the Chief Executive Officer and other members of management. The Lead Director s responsibilities include:

- Serve as liaison between the Chairman and the independent directors;
- Consult with the Chairman on and have input on meeting agendas and schedules and information sent to the Board;

- Consult with the Chairman on other matters pertinent to the Company and the Board;
- Call meetings of the independent directors, when appropriate; and
- Lead the Board s annual evaluation of the Chief Executive Officer.

The Board will periodically review the Lead Director s responsibilities to ensure that these responsibilities enhance its independent oversight of the CEO and management and the flow of information and interactions between the Board, management, and other Company personnel. In this respect, the Lead Director and Chairman collaborate closely on Board meeting schedules and agendas and information provided to the board. These consultations and agendas and the information provided to the board frequently reflect input and suggestions from other members of the Board and management.

In 2017, the Board amended the Company s Bylaws to **permit shareholders to propose amendments to the Bylaws**, for adoption by a majority of shares held by all shareholders.

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In 2018, the Board re-established the position of **Vice Chairman**, and appointed Governance & Nominating Committee Chairman Norman Pozez to the position. As Vice Chairman, Mr. Pozez will be responsible for all Board oversight of corporate governance matters.

Board and Committee Oversight of Risk

One of the many duties of your Board is to oversee the Company s risk management policies and practices to ensure that the appropriate risk management systems are employed throughout the Company. The Company faces a broad array of risks, including but not limited to market, operational, strategic, legal, and financial risks. The Board of Directors of the Company, all of the members of which are also members of the Board of Directors of the Bank, is actively involved in the Company s and Bank s risk oversight activities. These directors, as well as the directors of the Bank, working through numerous committees of the Company and Bank, review and approve the policies of the Company and Bank. The Boards of Directors regularly review the minutes and other reports from the various Board Committees of the Company and Bank. The Board exercises its role of risk oversight in a variety of ways, including the following:

Board of Directors	• Monitors overall corporate performance, the integrity of financial and other controls, and the effectiveness of the Company s legal, compliance and enterprise risk management programs, risk governance practices, and risk mitigation efforts. • Oversees management s implementation and utilization of appropriate risk management systems at all levels of the Company. • Reviews risks in the context of the Board s annual strategic plan and the annual budget review. • Receives reports from management on and routinely considers critical risk topics, including: operational, financial, regulatory, strategic, security, personnel, legal, reputational, and technology/cybersecurity.
Audit Committee	• Assists the Board in fulfilling its oversight of financial risk exposures and implementation and effectiveness of the Company s compliance policies and programs. • Oversees qualifications, performance and independence of our Company s independent registered public accounting firm. • Oversees performance of our Company s Internal Audit function and reviews reports from the Chief Audit Executive. • Oversees the Company s consolidated financial statement preparation. • Reports its discussions to the full Board for consideration and action when appropriate.
Governance and Nominating Committee	• Assists the Board in fulfilling its oversight of risks that may arise in connection with the Company s governance structures and processes. • Conducts an annual evaluation of the Company s governance practices.

	• Evaluates director performance. • Reports its discussions to the full Board for consideration and action when appropriate. • Determines compensation of non-employee directors.

(table continued on following page)

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Compensation Committee	• Assists the Board in fulfilling its oversight of risks that may arise in connection with the Company s compensation programs and practices. • Reviews the design and goals of the Company s compensation programs and practices in the context of possible risks to the Company s financial and reputational well-being. • Reviews the Company s strategies and supporting processes of management succession planning, leadership development, and executive retention. • Reports its discussions to the full Board for consideration and action when appropriate. • Approves SEIP and Executive Officer compensation and benefits.

The Board of Directors has adopted written charters of the Audit, Governance and Nominating, and Compensation Committees. Copies of the Committees charters can be found at http://ir.eaglebankcorp.com/govdocs.

Meetings, Committees, and Procedures of the Board of Directors

Our Board of Directors met nine (9) times during 2017. All members of the Board of Directors of the Company attended at least 75% of the meetings held by the Board of Directors and all committees on which such member served during 2017 or any portion thereof.

The Board of Directors has a standing Audit Committee, Compensation Committee and Governance & Nominating Committee. The following is membership and meeting information for each of these committees during the fiscal year ended December 31, 2017, as well as a description of each committee and its functions.

Name	Audit Committee	Compensation Committee	Governance & Nominating Committee
Leslie M. Alperstein, Ph.D.	X	X	
Dudley C. Dworken	**C**	X	
Harvey M. Goodman		X	X
Ronald D. Paul			
Norman R. Pozez1	X	X	**C**
Kathy A. Raffa2			
Susan G. Riel			
Donald R. Rogers			
Leland M. Weinstein3	X	**C**	X
Number of Meetings in 2017	**6**	**3**	**3**

Footnotes:

***C** denotes Chairperson of Committee.*

(1) Mr. Pozez also serves as Vice Chairman of the Company.

(2) Ms. Raffa joined the Board of Directors of the Company in 2018.

(3) Mr. Weinstein also serves as Lead Director of the Company.

Audit Committee

The Audit Committee is responsible for the selection, review and oversight of the Company s independent registered public accounting firm (occasionally referred to as the independent accountants) the approval of all audit, review and attestation services provided by the independent accountants, the integrity of the Company s reporting practices and evaluation of the Company s internal controls and accounting procedures, including review and approval of quarterly and annual filings with the Securities and Exchange Commission on Forms 10-Q and 10-K and internal audit departments plans and reports. It also reviews audit reports with the Company s independent accountants.

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Each of the members of the Audit Committee is independent, as determined under the definition of independence adopted by NASDAQ for audit committee members in Rule 5605(c)(2)(A). The Board of Directors has determined that Mr. Alperstein is an audit committee financial expert as defined under regulations of the Securities and Exchange Commission.

The Audit Committee is also responsible for the pre-approval of all non-audit services provided by its independent accountants. Non-audit services are only provided by the independent auditors to the extent permitted by law. Pre-approval is required unless a *de minimis* exception is met. To qualify for the *de minimis* exception, the aggregate amount of all such non-audit services provided to the Company must constitute not more than five percent of the total amount of revenues paid by the Company to its independent accountants during the fiscal year in which the non-audit services are provided; such services were not recognized by the Company at the time of the engagement to be non-audit services; and the non-audit services are promptly brought to the attention of the committee and approved by one or more members of the committee to whom authority to grant such approval has been delegated by the committee prior to the commencement of the non-audit services.

Compensation Committee

The Compensation Committee makes determinations with respect to salary levels, bonus compensation and equity compensation awards for executive officers, among others. The Compensation Committee has the sole responsibility for determining executive compensation, including that of the named executive officers, and for establishing compensation philosophy. Each of the members of the Compensation Committee is independent, as determined under the definition of independence adopted by NASDAQ for compensation committee members in Rule 5605(d)(2)(A). The Committee is also responsible for succession planning for the Company and the Bank.

For further information on the role of the Committee, see page 45.

During 2017, the Compensation Committee retained and worked with Compensation Advisors, formerly known as Meyer-Chatfield Compensation Advisors (Compensation Advisors), an executive compensation and benefits consulting firm of national scope and reputation, to advise it in connection with executive compensation decisions.

Governance & Nominating Committee

The Board of Directors has a standing Governance & Nominating Committee, consisting of three members of the Board of Directors who are independent directors within the meaning of NASDAQ Rule 5605(a)(2). The Governance & Nominating Committee is responsible for the evaluation of nominees for election as director, the recommendation to the Board of Directors of director candidates for nomination for election by the shareholders, the evaluation of sitting directors and the setting of compensation for directors.

The Board has not developed a formal policy for the identification or evaluation of nominees. In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the Governance & Nominating Committee will review, through candidate interviews with members of the Board and management, consultation with the candidate s associates and through other means, a candidate s honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to invest in the Company, residence, market knowledge, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. The Governance & Nominating Committee would review any special expertise, for example, expertise that qualifies a person as an audit committee financial expert, and membership or influence in a particular geographic or business target market, expertise in technology and/or cybersecurity, or other relevant business experience. The Board of Directors and the Governance & Nominating Committee have not established a specific diversity component in their consideration of candidates for director, but strongly recognizes the benefits of having directors with diverse backgrounds and perspectives. In the last several years, two female directors have been added to both the Company and Bank Boards, and three additional female directors have been named to the Bank Board. To date, the Company has not paid any fee to any third party to identify or evaluate, or to assist it in identifying or evaluating, potential director candidates.

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The Governance & Nominating Committee will consider director candidates nominated by shareholders during such times as the Company is actively considering obtaining new directors, on the same basis as candidates proposed by the Governance & Nominating Committee, the Board or other sources. Candidates recommended by shareholders will be evaluated based on the same criteria described above. Shareholders desiring to suggest a candidate for consideration should send a letter to the Company s Corporate Secretary and include: (a) a statement that the writer is a shareholder (providing evidence if the person s shares are held in street name) and is proposing a candidate for consideration; (b) the name and contact information for the candidate; (c) a statement of the candidate s business and educational experience; (d) information regarding the candidate s qualifications to be director, including but not limited to an evaluation of the factors discussed above which the Board would consider in evaluating a candidate; (e) information regarding any relationship or understanding between the proposing shareholder and the candidate; (f) information regarding potential conflicts of interest; and (g) a statement that the candidate is willing to be considered and willing to serve as director if nominated and elected. Because of the limited resources of the Company and the limited opportunity to seek additional directors, there is no assurance that all shareholder proposed candidates will be fully considered, that all candidates will be considered equally, or that the proponent of any candidate or the proposed candidate will be contacted by the Company or the Board, and no undertaking to do so is implied by the willingness to consider candidates proposed by shareholders.

In addition, the Governance & Nominating Committees regularly discusses the contributions of the persons then serving as directors, to ensure alignment with the strategic and tactical directions of the Company. Formal evaluations are conducted biannually.

Risk Management

Your Board takes risk management very seriously. As a bank and as a public company, it is particularly prudent to do so.

Our risk management continues to evolve and become more and more robust. For the 19+ years we have been in existence, the Company has always focused on risk and its management, and our performance to date evidences our ability to do so effectively. Risk management is, and always will be, a responsibility of the Board itself. The Company has a number of management committees that work on risk management, but to date there has not been a Committee of the Board to which the responsibility has been delegated. The entire Board continues to act as a committee of the whole on risk management. Bank Board Committees provide focus on certain risk categories such as strategic, interest rate, liquidity, operational, legal, compliance and regulatory, credit, and reputational risks.

Management tackles its responsibility in two ways: top down and bottom up. Senior executives and other key executives meet regularly to review and discuss risk management, with updates, a dashboard and unbridled discussion. We also have a committee, comprised of certain managers and representatives of Senior Staff, that seeks to identify and address issues with the people who are in the trenches. This ensures that we consider risks and how to mitigate them both from the 50,000 foot view and from the weeds.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has served as an officer or employee of the Company or Bank at any time. None of our executive officers serve as a member of the Compensation Committee of any other company that has an executive officer serving as a member of our Board of Directors. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of the Compensation Committee. Except for loans and deposit transactions in the ordinary course of business made on substantially the same terms, including interest rates and collateral, as those for comparable transactions with unaffiliated parties, and not presenting more than the normal risk of collectability, or other unfavorable features, and for transactions described under Director Compensation and Certain Relationships and Related Transactions, no member of the Compensation Committee or any of their related interests has any material interest in any transaction involving more than $120,000 to which the Company is a party.

Shareholder Communications

If you wish to communicate with the Board of Directors or an individual director, you can (a) write to Eagle Bancorp, Inc., 7830 Old Georgetown Road, Bethesda, Maryland 20814, Attention: Jane E. Cornett, Corporate Secretary, or (b) email to jcornett@eaglebankcorp.com, (c) call (301) 986-1800 or (d) go to www.ir.eaglebankcorp.com, click Contact Us in the upper right hand corner.

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Your letter should indicate that you are a shareholder, and whether you own your shares as a registered holder or in street name. Depending on the subject matter, management will: (a) forward the communication to the director or directors to whom it is addressed; (b) handle the inquiry directly or delegate it to appropriate employees, such as where the communication is a request for information, a stock related matter, or a matter related to ordinary course matters in the conduct of the Company s banking business; or (c) not forward the communication where it is primarily commercial or political in nature, or where it relates to an improper, frivolous or irrelevant topic.

Director Attendance at the Annual Meeting

The Board of Directors believes it is important for all directors to attend the annual meeting of shareholders in order to show their support for the Company and to provide an opportunity for shareholders to communicate any concerns to them. Accordingly, it is the policy of the Company to encourage all directors to attend each annual meeting of shareholders unless they are unable to attend because of personal or family illness or pressing matters. All of the seven directors in office at the time attended the 2017 annual meeting of shareholders.

Audit Committee Report

The Audit Committee has been appointed to assist the Board of Directors in fulfilling the Board s oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls established by management and the Board and the independence and performance of the Company s audit process.

The Audit Committee has:

1. reviewed and discussed with management the audited consolidated financial statements and the auditors report on internal controls included in the Company s Annual Report on Form 10-K;

2. discussed with Dixon Hughes Goodman LLP, the Company s independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

3. received the written disclosures and letter from Dixon Hughes Goodman LLP as required by the applicable requirements of the Public Company Accounting Oversight Board, regarding the independent accountants communications with the Audit Committee concerning independence, and has discussed with Dixon Hughes Goodman LLP, its independence.

Based on these reviews and discussions, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2017. The Audit Committee has also considered whether the amount and nature of non-audit services provided by Dixon Hughes Goodman LLP is compatible with the auditor s independence.

Members of the Audit Committee

Dudley C. Dworken, Chairman

Leslie M. Alperstein *Norman R. Pozez* *Leland M. Weinstein*

Director Compensation

The following table sets forth information regarding compensation paid to non-employee directors of the Company during the year ended December 31, 2017 for service as members of the Company and Bank Boards of Directors. Members of the Board of Directors who are employees do not receive additional cash compensation for service on the Board of Directors.

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2017 Component	**Amount ($)**
Annual Cash Retainer Company	$10,000
Annual Cash Retainer Bank	$ 5,000
Annual Committee Chair Retainers:	
• Audit	$15,000
• Compensation	$15,000
• Governance	$15,000
Annual Lead Director Retainer	$25,000
Board or Committee Per Meeting Fee Company	$1,500 - $3,000
Board or Committee Per Meeting Fee Bank	$1,000 - $1,500

Name	Fees Earned or Paid in Cash	Stock Awards (1)(4)	Option Awards (2)	All Other Compensation	Total
Leslie M. Alperstein, Ph.D.	$53,000	$222,585	$--	$6,019(3)	$281,604
Dudley C. Dworken	$134,500	$222,585	$--	$3,845(3)	$360,930
Harvey M. Goodman	$57,000	$222,585	$--	$2,808(3)	$282,393
Norman R. Pozez	$88,500	$222,585	$--	$2,858(3)	$313,943
Kathy A. Raffa (4)	$42,000	$53,295	$--	$--	$95,295
Donald R. Rogers	$40,500	$222,585	$--	$4,810(3)	$267,895
Leland M. Weinstein	$157,000	$222,585	$--	$2,023(3)	$381,608

Footnotes:

(1) Represents the grant date fair value of shares of restricted stock awarded during 2017. At December 31, 2017, the non-employee directors had unvested shares of restricted common stock as follows: Mr. Alperstein 6,171 shares; Mr. Dworken 6,171 shares; Mr. Goodman 6,171 shares; Mr. Pozez 6,171 shares; Mr. Rogers 6,171 shares; and Mr. Weinstein 6,171 shares.

(2) At December 31, 2017, there were no outstanding option awards, vested or unvested, held by non-employee directors.

(3) Premiums on long term care insurance provided to non-employee directors.

(4) Compensation reported reflects fees for service on the Bank Board only; appointment to the Company Board occurred in 2018. At December 31, 2017, Ms. Raffa had 1,334 unvested shares of restricted common stock.

During 2017, each non-employee director of the Company received annual retainers of $15,000 in cash in the aggregate, for service as a member of both the Company and Bank Board of Directors, plus a cash fee of $1,500 for each meeting attended of the Board of Directors of the Company or a committee of the Company Board, and a cash fee of $1,000 for each meeting attended of the Board of Directors of the Bank or a committee of the Board of the Bank. The Chairs of the Audit, Compensation, and Governance and Nominating Committees earn a retainer of $15,000 and meeting fees of $3,000, instead of $1,500. The Lead Director received a retainer of $25,000. The per-meeting fees payable to Chairs of certain Bank level committees ranged from $1,000 to $1,500 in 2017. In 2017, an aggregate of $286,000 in cash retainers and meeting fees were paid to members of the Board of Directors of the Company (other than Mr. Paul, and Ms. Riel) for service on the Board of Directors of the Company and Bank, and

$218,500 in cash retainers and meeting fees was paid to members of only the Board of Directors of the Bank for such service. In February 2017, each non-employee director of the Company was awarded 3,550 shares of restricted stock. Each non-employee director serving only on the Bank Board of Directors received an award of 850 shares of restricted stock. All of these awards vest in three annual installments commencing on the first anniversary of the date of grant.

For 2018, director cash compensation rates are unchanged. In February 2018, each non-employee director of the Company was awarded 3,940 shares of restricted stock, and each non-employee director of only the Bank was awarded 943 shares of restricted stock. All of these awards vest in three annual installments commencing on the first anniversary of the date of grant.

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The Company does not maintain any non-equity incentive plans or compensation programs, deferred compensation, defined contribution or defined benefit retirement plans, for non-employee directors, or in which such directors may participate.

Executive Officers Who Are Not Directors

Set forth below is certain information regarding persons who are executive officers of the Company or the Bank and who are not directors of the Company. Except as otherwise indicated, the occupation listed has been such person s principal occupation for at least the last five years.

Charles D. Levingston, CPA

Mr. Levingston, 38, Executive Vice President and Chief Financial Officer of the Bank and Company since April 2017, previously served as Executive Vice President of Finance at the Bank. Mr. Levingston, a Certified Public Accountant, served in various financial and senior management roles at the Bank prior to his current role. Mr. Levingston joined the Bank in January 2012, and previously worked at The Federal Reserve Banks of Atlanta and Philadelphia as a commissioned Bank Examiner, and at PriceWaterhouseCoopers as a Manager in the Advisory practice. He has over 16 years of experience in the banking industry.

Antonio F. Marquez

Mr. Marquez, 59, Executive Vice President and Chief Lending Officer - Commercial Real Estate of the Bank and Executive Vice President of the Company, joined the Company in August 2011. Mr. Marquez has over 30 years of experience in the banking industry. Prior to joining the Company, he established the real estate lending franchise for HSBC for the Washington, DC market. Earlier he was the head of Commercial Real Estate lending at Chevy Chase Bank from 1997 to 2005 and previously held various lending positions at The Riggs National Bank in Washington, DC after starting his career at the Chase Manhattan Bank in New York.

Lindsey Rheaume

Mr. Rheaume, 57, Executive Vice President and Chief Lending Officer   Commercial and Industrial of the Bank and Executive Vice President of the Company, joined the Company in December 2014. Prior to joining the Company, he served as Relationship Executive for JPMorgan Chase, responsible for business development in the Washington, DC, suburban Maryland and Northern Virginia market. Previously, he served as Executive Vice President and Commercial Lending Manager at Virginia Commerce Bank, which was acquired by United Bankshares, Inc. in 2014, where he managed the bank s entire commercial and industrial lending activities. Earlier in his career, he held various senior commercial lending, credit, and leadership positions with SunTrust Bank, GE Capital and Bank of America.

Janice L. Williams, Esquire

Ms. Williams, 61, Executive Vice President and Chief Credit Officer of the Bank and Executive Vice President of the Company, has served with the Company as Credit Officer, Senior Credit Officer, and Chief Credit Officer since 2003. Prior to employment with the Bank, Ms. Williams served with Capital Bank, Sequoia Bank, and American Security Bank. Additionally, Ms. Williams, a graduate of Georgetown University Law Center and a Member of the Maryland Bar, was previously employed in the private practice of law in Maryland.

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Open Letter from Compensation Committee Chairman

Dear Reader,

The Company is proud to be part of your portfolio and the Compensation Committee thanks you for your continued support.

The Compensation Committee is composed solely of independent directors.

It is our responsibility to design and execute competitive compensation programs that further the interests of shareholders and demonstrate strong pay-for-performance. It is also our responsibility to ensure that your views on executive compensation are heard and considered. As reported elsewhere in this proxy statement, the Company engaged in meaningful shareholder engagement during the past year.

Over the last several years, we adopted a number of key changes to our compensation plan design and the following Compensation Disclosure & Analysis is a direct result of the feedback we received after the recent Say-on-Pay votes and the ensuing shareholder engagement. The compensation program is more formulaic in design and includes performance-vested shares. Some components were adopted immediately in full (such as adopting a pure double trigger in the event of a change in control) while others were phased in over several years (such as the ratio of performance-vested share awards to time-vested share awards.)

We seek to be transparent in describing our compensation practices, including the disclosure of actual performance on the various metrics measured in our Senior Executive Incentive Plan, enabling you to see for yourself how our named executive officers fared versus the applicable metrics.

The following Compensation Disclosure and Analysis reflects the insightful shareholder engagement process in which we engaged. We look forward to continuing those efforts and considering such input in the future.

Leland M. Weinstein

Chairman, Compensation Committee

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (*CD&A*) provides information about the 2017 compensation for our Chief Executive Officer, Chief Financial Officer and our next three most highly compensated executive officers in 2017:

- **Ronald D. Paul**, our President and Chief Executive Officer (and Chairman);
- **Charles D. Levingston**, our Executive Vice President and Chief Financial Officer;
- **Antonio F. Marquez**, our Executive Vice President, Chief Lending Officer Commercial Real Estate;
- **Susan G. Riel**, our Senior Executive Vice President and Chief Operating Officer; and
- **Janice L. Williams**, our Executive Vice President and Chief Credit Officer.

Compensation information for our named executive officers is presented in the compensation tables following this Compensation Discussion and Analysis.

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This Compensation Discussion and Analysis describes our executive compensation program for 2017. It also describes how the Compensation Committee (the Compensation Committee) arrived at the specific compensation decisions for our named executive officers, and discusses key factors that the Compensation Committee considered in determining their compensation.

Executive Summary

Record Setting Performance

2017 Financial Results and Operating Highlights

The Company, headquartered in Bethesda, Maryland, was incorporated under the laws of the State of Maryland on October 28, 1997, to serve as the bank holding company for EagleBank. The Company was formed by a group of local businessmen, including our CEO, Ronald Paul, and professionals with significant prior experience in community banking in the Company s market area, together with an experienced community bank senior management team.

The Company has a long history of sustained high performance. The Company has achieved a streak of 36 consecutive quarters of record earnings on an operating basis. As shown in the graph below, our total shareholder return continues to outperform the NASDAQ Composite Index, the S&P 500 Index and the KBW NASDAQ Regional Banking Index over the most recent five-year period.

	Period Ending					
Index	**12/31/12**	**12/31/13**	**12/31/14**	**12/31/15**	**12/31/16**	**12/31/17**
Eagle Bancorp, Inc.	100.00	168.72	195.65	278.00	335.73	318.93
NASDAQ Composite Index	100.00	140.12	160.78	171.97	187.22	242.71
S&P 500 Index	100.00	132.39	150.51	152.59	170.84	208.14
KBW NASDAQ Regional Banking Index	100.00	146.85	150.41	159.31	221.46	225.34

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The Company continues to show increasing net income, revenue and earnings per share. Tangible book value per share also continues to show strong growth over one, three and five years.

This performance continues the Company s historical trend of ongoing improved performance, with 36 consecutive quarters of record earnings on an operating basis, dating to the first quarter of 2009. In addition, the Company has achieved strong five-year compound annual growth rates (CAGR) in several key areas, including:

- **5-Year CAGR of Net Income: 23%**
- **5-Year CAGR of Revenue: 16%**
- **5-Year CAGR of Earnings Per Diluted Share: 15%**
- **5-Year CAGR of Tangible Book Value Per Share: 17%**
- **5-Year CAGR of Deposits: 15%**
- **5-Year CAGR of Loans: 21%**

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Footnote (Return on Average Assets Table):

(1) For the year ended December 31, 2017, operating earnings exclude one-time charges to reduce the carrying value of net deferred tax assets by $14.6 million, required as a result of the reduction in corporate income tax rates to 21% in The Tax Cut and Jobs Act (the Tax Act). Reconciliations of GAAP earnings to operating earnings are contained in our 2017 Form 10-K.

Compensation Changes in Response to Shareholder Feedback

We continued our enhanced investor outreach in 2017. We contacted our 30 largest institutional shareholders and substantively engaged with many of them. We appreciate the perspectives our shareholders have on our compensation program and practices and have implemented a number of changes to our program going forward. We remain committed to providing compensation that motivates and rewards our corporate success and the success of our shareholders. We believe the adjustments made in response to shareholder feedback will enhance that effort. We began implementing some of the changes in 2015 and continued in 2016 and 2017. Below is a summary of the key elements of our compensation program that we revised:

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Compensation Practice	New Eagle Bancorp Policy/Program
Double Trigger in the event of a change in control	The senior executives employment agreements contained modified double trigger provisions in the event of a change in control. We replaced those provisions with a pure double trigger clause.
Pay for Performance	We require that a portion of total direct compensation be based on future performance. During 2015, we eliminated the discretionary component, incorporated caps and paid formula-based cash incentives under our Senior Executive Incentive Plan. The Compensation Committee considered performance relative to our strategic plan and budget as well as relative to peers in making pay decisions for our executives. During 2016, we added performance-vested awards to our Long Term Incentive Plan.
CEO Discretionary Component of Incentive Plan	Based on shareholder feedback, we reduced to 25% the portion of our CEO s incentive plan that is based on non-objective components.
Long Term Performance-Based Incentive	Our historic practice was to grant time vested restricted stock in February of each year based on an in-depth review of Company and Individual performance for the prior year. However, based on feedback from shareholders, we modified our equity award program for executive officers to include forward-looking performance-vested stock share awards in addition to the time-vested awards. This new program was in effect for our February 2016, February 2017 and February 2018 grants.
Robust Stock Ownership Policy	We adopted a policy mandating ownership by the CEO, directors and executive officers, based on a multiplier of their respective base salary or annual retainer.
Prohibit Hedging of Company Stock	We adopted a policy prohibiting executive officers and members of the Board of Directors from engaging in transactions intended to hedge or offset the market value of Company stock owned by them.
Restrict Pledging of Company Stock	We adopted a policy restricting the amount of Company stock executive officers and members of the Board of Directors may pledge as collateral.

2017 Advisory Vote on Executive Compensation

At our 2017 Annual Meeting of Shareholders, we conducted a non-binding advisory vote of our shareholders (Say-on-Pay vote) to approve the compensation of the named executive officers. At that meeting, 96% of the votes cast were voted in approval of the compensation of the named executive officers. These results represent a substantial increase in the proportion of votes cast in favor of our executive compensation program compared to our 2015 Say-on-Pay vote of 48% and our 2016 Say-on-Pay vote of 71%.

As a result of the 2015 advisory Say-on-Pay vote, we enhanced our shareholder outreach efforts. In 2017, we again contacted each of our 30 largest institutional shareholders in order to gather feedback regarding our executive compensation program and disclosures, and had substantive discussions with almost half of them. The objective was to identify shareholder concerns and potential areas for modifying our executive compensation program.

Some shareholders appreciated our pay-for-performance alignment and valued the level of insider ownership, particularly that of our Chief Executive Officer, who holds a significant number of shares. (In fact, Mr. Paul, our Chairman and Chief Executive Officer, and his family interests and family trusts own or control shares representing as of December 31, 2017 over 100 times his 2017 base salary.) Investors expressed a desire for us generally to maintain our increased disclosures on how the Compensation Committee made its decisions.

We also held conversations with a prominent shareholder advisory firm, to appreciate further its policies and perspectives.

The Company is committed to continuing its engagement with our shareholders on executive compensation matters to understand their views concerning our executive compensation philosophy, policies and practices.

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Consistent with the recommendation of our Board of Directors and the preference of our shareholders, as reflected in the advisory vote on the frequency of Say-on-Pay votes conducted at our 2017 Annual Meeting of Shareholders, our Board of Directors believes it is appropriate to conduct annual shareholder non-binding advisory votes regarding our executive compensation programs.

Compensation Philosophy

We design our executive compensation program to be driven by performance, rewarding our executives for creating value for shareholders, and represent strong governance. The following sets forth the best practices that we adhere to in designing and determining our executive compensation.

Our compensation philosophy provides the guiding principles for structuring compensation programs that embody these values. The policies and underlying philosophy governing the Company s executive compensation plan, as endorsed by the Compensation Committee and the Board of Directors, are designed to accomplish the following:

- Maintain a compensation program that is equitable in a competitive marketplace.
- Provide compensation opportunities that provide the ability to vary pay in line with performance.
- Encourage achievement of strategic objectives and creation of shareholder value.
- Recognize and reward individual initiative and achievements.
- Maintain an appropriate balance between base salary and short and long term incentive opportunity.
- Allow the Company to compete for, retain, and motivate talented executives critical to its success.

The Compensation Committee seeks to target executive total compensation commensurate with performance by the Company and the individual. Our goal is to provide pay for performance through annual and long term incentives that reward a combination of strategic and financial achievements as well as our performance relative to industry peers. The Compensation Committee annually considers the Company s performance when setting pay. Goals for specific components include:

- Base salaries for executives are generally targeted at the 50th percentile of high performing peers with variation reflective of each executive s role, performance, experience and contribution.

- The Senior Executive Incentive Plan targets cash compensation to align with performance. High performance is expected to result in pay that is aligned with our performance relative to peers/industry. Performance below goals and peers is designed to result in pay below median.

- Long term incentives in the form of time-vested restricted stock have historically been granted based on a look-back on the prior year s performance. The Compensation Committee believes that time-based vesting incentivizes retention, supports our ownership goals and encourages shareholder alignment. Time-vested equity is awarded when target goals are met, with the potential for higher awards when goals are exceeded.

- Long term incentives that provides performance-vested restricted stock units (occasionally referred to as PRSUs) that will vest based on future Company performance relative to specific financial metrics as compared to the KBW NASDAQ Regional Banking Index (KRX) and/or Company performance as compared to budget, over a three-year timeframe.

- Benefits and perquisites are not a significant component of total 2017 compensation.

The Compensation Committee is committed to tying compensation to performance and ensuring that compensation, both cash and equity, is commensurate with our financial results and ranking relative to peers. The Committee believes the Company s current executive team is of extremely high caliber and contributed significantly to the Company s strong historical growth and impressive continued performance. As indicated in the Executive Summary, the Company has consistently exceeded peer performance. Rewarding, motivating and retaining a strong executive team is critical to the continued success of the Company. The Compensation Committee is confident that its decisions provide compensation commensurate with performance.

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Our Compensation Drivers

In determining compensation levels, we utilize five key drivers:

- Incentive plans are designed to encourage achievement of our strategic business goals and reinforce our business values. All our incentive pay programs and decisions are filtered through the perspective of ensuring sound compensation practices that do not encourage inappropriate risk-taking or result in excessive compensation.

- Pay levels should be fair and internally equitable. Fairness is vital in all compensation programs and results. We do not discriminate in the creation or implementation of pay programs. Pay is based on demonstrated performance, skills, commitment and results.

- We pay for performance and the attainment of our vision, business strategy, operating imperatives and results. A meaningful percentage of overall executive compensation is based on Company and individual performance. Our compensation programs are geared to performance as the basis of determining pay. Our incentive plans are designed to drive prudent individual and enterprise performance.

- We recognize the impact of the individual. Not all positions have the same level of responsibilities, require the same skills and qualifications or have the same effect on the Company. Our compensation programs enable us to reward both Company results and individual performance in furtherance of our philosophy of being fair and paying for performance and thus motivate our officers to perform and succeed as reflected in our stated goals.

- We are mindful of the market. The market sets the framework for opportunity. Then it is Company and individual achievements that drive the payouts and awards. We seek to provide market-based compensation commensurate with performance, to attract and retain top executive talent, while providing value to shareholders.

Our Pay Mix

The cornerstone of our executive compensation program is competitive pay for demonstrated performance. We seek to ensure that the compensation received by our executives is aligned with our performance, and that a meaningful portion of our executives pay is contingent on the achievement of annual and forward-looking long term performance goals that drive our success as a Company and accordingly, add value for our shareholders.

For example, our CEO 2017 target and actual cash incentive and compensation mix are shown below:

SEIP Cash Incentive Payout 2017	
Target:	**Actual:**
$2,040,172	$2,474,192

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CEO Pay Ratio

Rules of the Securities and Exchange Commission require most publicly traded companies to provide information regarding the relationship of the median annual total compensation of our employees, other than our Chief Executive Officer, to the annual total compensation of Mr. Paul, our Chief Executive Officer.

We identified the median employee by calculating the total cash compensation of all persons who were employed by us as of December 31, 2017, including full time and part time employees. We considered regular pay for salaried and hourly employees, overtime, and taxable cash benefits, including cash incentive payments, phone and auto allowances, and referral fee income, for the year ended December 31, 2017, as reflected by our internal payroll records. We did not consider equity compensation or non-taxable compensation in selecting the median employee. We made annualizing adjustments to the compensation of full time employees who joined us mid-year.

We then ranked the 2017 compensation received by all of the employees in our employee population other than our CEO to determine our median employee. Once we identified our median employee, we calculated such employee s annual total compensation in the same manner as our named executive officers compensation is determined for purposes of the Summary Compensation Table.

Based on this methodology, we determined that:

- The annual total compensation of our median employee was $88,861.
- The annual total compensation of Mr. Paul, our Chief Executive Officer, was $6,183,216.
- The ratio of Mr. Paul s total compensation for 2017 to that of the median employee was 70 to 1.

Readers should note that because different companies may determine their median employee based on different factors and using different adjustments, assumptions or exclusions, our pay ratio may not be comparable to the pay ratio disclosed by other companies.

Compensation Components

The key components of our 2017 executive compensation program for all named executive officers consisted of a base salary, the SEIP, a Long Term Incentive Plan, a 401(k) Plan, and for certain named executive officers other than Mr. Paul and Mr. Levingston, a nonqualified supplemental executive retirement benefit program. The Committee typically reviews and determines executive compensation in the first quarter of the year. However, due to circumstances that arise during the year, the Committee may adjust or approve a compensation component at other times during the year, as warranted.

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The following table outlines the major elements of 2017 total compensation for our NEOs:

Compensation Element	Purpose	Link to Performance	Fixed/ Performance-Based	Short/Long Term
Base Salary	Helps attract and retain executives through market-competitive base pay	Reflects individual experience, performance and contribution of each executive	Fixed	Short Term
Annual Cash SEIP	Encourages achievement of short term strategic and financial performance metrics that create long term shareholder value	Based on achievement of short term, predefined corporate performance objectives and an assessment of individual performance	Performance-Based	Short Term
Benefits and Perquisites	Establishes limited perquisites in line with market practice, as well as health and welfare and 401(k) benefits on the same basis as our general employee population	N/A	Fixed	Short Term
Long Term Incentive Plan	Aligns executives interests with shareholders, motivates and rewards long term sustained performance, and creates a retention incentive through multi-year vesting	Award amount is determined by the Compensation Committee based on Company and individual performance A portion of the award is contingent on future 3-year performance	Performance-Based	Long Term
Senior Executive Retirement Plan	Provides income security into retirement and creates a retention incentive through multi-year vesting	N/A	Fixed	Long Term

Pay Practices Aligned with Compensation Philosophy

We believe the effectiveness of our compensation program is dependent upon the alignment of our pay practices with our compensation philosophy. The table below illustrates this strong alignment and further underscores our commitment to maintaining an executive compensation program that is consistent with best practice.

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